**P R O G R A M M E** 

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**„CULTURAL ENTREPRENEURSHIP, HERITAGE**

**AND COOPERATION”**

**EEA FINANCIAL MECHANISM 2014 – 2021**

**APPLICATION GUIDELINES**

**UNDER THE FIRST CALL FOR PROJECT PROPOSALS**

**UNDER OUTCOME 1 “CULTURAL HERITAGE MANAGEMENT ENHANCED”, OUTPUT 1.2 “CULTURAL HERITAGE OBJECTS MADE DIGITALLY ACCESSIBLE”**

**“CULTURAL ENTREPRENEURSHIP, HERITAGE AND COOPERATION” PROGRAMME**

**DEADLINE FOR SUBMISSION OF PROJECT PROPOSALS:**

**16 June 2021, 5:30 PM (Bulgarian Time - UTC+2)**

****

*\* The Panagyurishte Treasure, RAM-Plovdiv*

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# USED ABBREVIATIONS

**CC** Cooperation Committee

**СoM** Council of Ministers

**EEA** European Economic Area

**EEA FM** Financial Mechanism of the European Economic Area

**EFTA** European Free Trade Association

**EU** European Union

**FMC** Financial Mechanism Committee

**FMO** Financial Mechanism Office

**MC** Ministry of Culture

**MF** Ministry of Finance

**MoU** Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2014-2021

**NCLP** Non-commercial legal person

**NGO** Non-governmental organization

**NFD** National Fund Directorate

**NFP** National Focal Point

**PA** Programme Agreement for the implementation of the Programme

**PPA** Public Procurement Act

**PPA** Public Procurement Agency

**PO** Programme operator

**Regulation** Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021

**SC** Selection Committee

**TFEU** Treaty on the Functioning of the European Union

**VAT** Value Added Tax

**VATA** Value Added Tax Act

# MAIN DEFINITIONS

|  |  |
| --- | --- |
| **European Economic Area Financial Mechanism** | Protocol 38c to the EEA Agreement on the EEA FM 2014-2021 establishes a mechanism through which the member states of the EFTA help to reduce economic and social disparities within the EEA. The EEA FM aims to contribute to the reduction of economic and social disparities within the EEA, as well as to deepen bilateral relations between the donor states – Norway, Iceland and Liechtenstein – and the states that are receiving support, Bulgaria being one of them. |
| **Outcome** | Outcomes are the (short and medium-term) effects of an intervention’s outputs on the intermediaries or end beneficiaries. Outcomes are rarely under the direct control of a programme/project. |
| **Output** | Outputs are the products, capital goods and services delivered by a programme to the intermediaries. Outputs are easy to attribute directly to the resources used and the activities performed. They are usually within the greatest control of the implementing organization. |
| **Indicator** | A quantitative or qualitative variable that specifies what is to be measured along a scale or dimension. It should always be expressed in neutral terms: it should neither indicate the direction or change nor embed a target. |
| **Applicant (Project Promoter)** | A leading organization that develops a project proposal for the future implementation of the approved project. According to the rules of the Programme, applicants under the current Call can be **any budgetary organization (non-commercial public entity), as per Article 1, item 5 of the Additional Provisions of the Public Finance Act (of the Republic of Bulgaria) established as a legal person in Bulgaria, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme, including municipalities and regional administrations**.  Natural persons are not eligible project promoters under these Application Guidelines. |
| **Project Partner** | An organization, actively participating or actively contributing to the implementation of a given project with which the Project Promoter has a letter for partnership intent in the application phase and a partnership agreement, approved by the PO, in the implementation phase.  According the Programme Agreement, under the current Call project partners can be **any non-commercial, public entity, including non-governmental organizations, established as legal persons in the Republic of Bulgaria or in any of the Donor States under the Programme** (Norway, Iceland and Liechtenstein).  Natural persons are not eligible project partners under these Application Guidelines. |
| **Application (Project Proposal)** | A proposal submitted in the Information System for Management and Monitoring of the EU Funds in Bulgaria – EUMIS 2020 by an applicant for a grant for the implementation of a specific project, including an electronic application form and other accompanying documents. |
| **Project** | A set of interrelated and complementary activities with a predefined target(s), necessary funds and a timetable for implementation, leading to the achievement of specific quantifiable results. |
| **Activity** | A task or group of tasks (an action or group of actions) that have (result in) a concrete result (result/product) and through which the respective project is implemented. |
| **Grant** | The funding of the EEA FM including the respective national co-financing, provided through the PO with the aim of implementation of an approved project, directed towards the achievement of specific outcomes. |
| **Contractor appointed by the Project Promoter** | Contractors of activities of a project appointed by the grant beneficiaries.  The contractors from the side of the beneficiaries are not project partners and the conditions and the order of their appointment have been arranged in the Public Procurement Act of the Republic of Bulgaria and its implementation regulations, as well as in the Application Guidelines. |
| **Project contract** | A contract that has been concluded between the head of a PO or a person who has been authorized by him/her and a Project Promoter for the provision and spending of a grant in order to implement an approved project. |
| **Irregularity** | An infringement of the legal framework of the EEA FM 2014-2021 referred to in Art. 1.5 of the Regulation, of any provision of European Union Law or any provision of the national law which affects or prejudices any stage of implementation of the EEA FM, in particular, but not limited to, the implementation and/or the budget of the programme/project or other activities funded by the EEA FM 2014-2021. |
| **State aid** | Any aid granted by the state or municipality or at the expense of state or municipal resources, directly or through other persons, in any form which distorts or threatens to distort free competition by favoring certain undertakings, production or trade of certain goods, or the provision of certain services, in so far as trade between Member States is affected. |
| **De minimis aid** | Aid within the meaning of Commission Regulation (EU) № 1407/2013. Small aid which is not subject to notification to the Commission and which does not affect competition and trade in the EU internal market. According to Art. 3 (2) of Commission Regulation (EU) № 1407/2013, the total amount of de minimis aid granted in each Member State to the same undertaking shall not exceed EUR 200 000 for a period of three budget years. |
| **Undertaking** | Within the meaning of Article 107 of the Treaty on the Functioning of the EU – any structure engaged in economic activity, regardless of its legal status and method of financing. An entity that carries out both economic and non-economic activities should be considered as an undertaking only in relation to economic activities. |

## Introduction

The Ministry of Culture (MC) in its capacity as Programme Operator (PO) of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme announces a **Call for project proposals under Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible”.**

The supported projects shall contribute to the achievement of the overall objectives of the Financial Mechanism of European Economic Area (EEA FM) that are:

* To reduce economic and social disparities in the European Economic Area

And

* To strengthen the relations between the Donor States – Norway, Iceland and Lichtenstein and the Republic of Bulgaria.
  1. Information on the EEA Financial **Mechanism**

On 09.12.2016 the MoU on the Implementation of the EEA FM 2014-2021 between the Republic of Bulgaria and Iceland, the Principality of Liechtenstein and the Kingdom of Norway was signed.

The EEA FM aims to establish broad cooperation between Donor and Beneficiary state organizations and individuals to reduce economic and social disparities in Europe. As a result, the EEA FM aims to contribute to a green, competitive, and inclusive Europe, as is the slogan of the mechanism for the new programme period. In recognition of the growing importance of enhanced transnational cooperation in Europe, the Donor States have increased their funding for the EEA FM for the period 2014-2021, namely to promote such cooperation.

The Republic of Bulgaria is a Beneficiary State of the EEA FM 2014-2021. All projects that are approved for funding must comply with Bulgaria’s national priorities, strategies, and policies in the respective priority sectors as well as the agreements with the EEA and the EU.

According to Article 1, paragraph 2 of the MoU, the priority sectors for which cooperation between organizations from Donor and Beneficiary States will be encouraged and, respectively, projects will be funded, are the following:

* Innovation, research, education, and competitiveness;
* Social inclusion, youth employment, and poverty reduction;
* Environment, energy, climate change, and low-carbon economy;
* ***Culture***, civil society, good governance, fundamental rights and freedoms;
* Justice and home affairs.

With the signing of the MoU, the MC was officially designated as PO of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme during the programme period 2014-2021.

The following documents are the legal framework of the Financial Mechanism of European Economic Area:

* Regulation on the Implementation of the EEA FM 2014-2021 and its annexes;
* MoU on the Implementation of the FM of the EEA 2014-2021;
* Financial Guidelines;
* Guidelines for Bilateral Relations
* Communication and Design Manual.

The above-described documents are accessible on the unified web portal of the EEA FM in Bulgaria: http://[www.eeagrants.bg](http://www.eeagrants.bg)

All projects and activities that are funded by the EEA FM are based on the general values for:

* Preservation of human dignity;
* Freedom;
* Democracy;
* Equality;
* The rule of law;
* Recognition of human rights, incl. human rights of minorities.

All projects and activities follow the principles of good governance. They must be inclusive, accountable, transparent, responsive, effective, and efficient. All projects and activities must be consistent with the principles of sustainable development, long-term economic growth, social cohesion and environmental protection.

## About the “Cultural Entrepreneurship, Heritage and Cooperation” Programme

The Programme focuses on the role that culture and movable cultural heritage play as an engine for local and regional development by putting an accent on employment, social inclusion and entrepreneurship in the culture sector. During the preparation of the Programme, the PO together with the FMO and the Donor States held open consultations with stakeholders from the cultural sector. On the basis of the conducted meetings and the expressed specific opinions, recommendations and ideas on the priorities and the activities, the content of the Programme was formed. Therefore, the Programme emphasizes on the improvement of the conditions and the quality of representation of the rich cultural heritage that is part of the repositories of museums, galleries, libraries and *chitalishta* (cultural community centers) through the introduction of interactive methods and through the generation of entrepreneurial ideas; such methods and ideas that will help the cultural operators to create a wider interest towards the heritage and to generate profit. The Programme also recognizes the need to promote cultural and artistic diversity within Europe's cultural heritage as well as the need of preserving heritage for future generations. In addition, a special focus is placed also on supporting activities and initiatives to ensure wide public access to cultural content, which on the one hand underlines the European identity and on the other – encourages the cultural diversity. Respectively, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is the only instrument on the national level created by the cultural operators for the cultural operators in Bulgaria that positions the culture in the center of processes for sustainable development. In that respect, the Programme will fund projects within the following identified programme areas, and namely:

* Cultural heritage management, preservation and conservation related to national, regional and local development;
* Documentation and accessibility of culture and cultural heritage;
* Cultural entrepreneurship;
* Development of audiences, including the involvement of people in various cultural, informational and educational activities;
* Networking and international cultural cooperation/exchange

The Programme will also take into account the challenges related to the instrumental value of culture and arts for social and economic development through the funding of bilateral projects within the following developed Outcomes:

* Cultural Heritage Management Enhanced;
* Access to Arts and Culture Improved;
* Awareness of Arts and Culture of Ethnic and Cultural Minorities Improved (Roma focus);

With the view of achieving the aims for enhanced exchange and cooperation between organizations from the Donor States and the Beneficiary States, the Ministry of Culture will implement the Programme together with a Donor Programme Partner – Arts Council Norway.

The Council is the leading government operator responsible for the development and implementation of Norwegian cultural policy. He is also responsible for maintaining a wide network of partners – museums, galleries, libraries, and the support of projects for the development of their capacity is among his main interests. Arts Council Norway provides funding for a variety of projects and activities in the field of arts – performing arts, music, literature, archives, museums and more. Arts Council Norway helps to ensure that art and culture are created, documented, preserved and *made accessible* to the broadest possible audience. The objective is to guarantee that the arts and cultural sector in Norway is vibrant and diverse.

Together with the Council, the PO foresees that 50% of the projects approved under the Programme will be implemented with the participation of a partner from the Donor States. This objective is fully in line with the priorities of the EEA FM for establishing and building broad transnational partnerships between organizations from the Donor States and the Beneficiary States. The argument of the PO is that exactly through a wide international cooperation – the power of culture can contribute for the initiation of projects of high social significance which can lead to a variety of best practices. There is no doubt that through the positioning of cultural activity in a wider supranational context and through connecting cultural operators, organizations and institutions the process of transformation of cities and societies is stronger. In that respect, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is a bilateral international programme and as such – the PO will encourage projects that are based on partnerships between applicants and partners from the Donor States.

The structure of the Programme is published in Annex 1 to the *PA between FMC and NFP for the funding of the “Cultural entrepreneurship, cultural heritage and cooperation” Programme*, signed on 23rd May 2018, and it is as follows:

*Table:* ***Structure of the Programme***

|  |  |
| --- | --- |
| ***Programme Objective*** | *Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management* |
| **Outcome 1** | **Cultural heritage management enhanced** |
| *Output 1.1* | *Cultural heritage presented in revitalized, restored and renovated spaces* |
| *Output 1.2* | *Cultural heritage objects made digitally accessible* |
| **Outcome 2** | **Access to arts and culture improved** |
| *Output 2.1* | *Audience development supported* |
| *Output 2.2* | *Cultural entrepreneurship enhanced* |
| **Outcome 3** | **Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)** |
| *Output 3.1* | *Audience development supported* |
| **Bilateral outcome** | Enhanced collaboration between Beneficiary and Donor State entities involved in the Programme |
| Bilateral output 1 | Bilateral cultural cooperation supported |

### About Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible”

**Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” aims to enhance the conditions for access to cultural heritage by supporting projects that will document and digitize it for the first time with the purpose of promotion and preservation for future generations.**

In preparation for the Programme, the PO, in cooperation with the FMO and the Donors, has held open consultations with stakeholders in the cultural sector. Based on the meetings held and the specific opinions, recommendations and ideas expressed on the priorities and activities of the Programme, its content was formed. During the meetings, the topics of rich heritage and the suboptimal conditions for its presentation were raised, as well as the lack of sufficient capacity for its management, promotion and marketing, both at national and European level. That is why Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” was developed since it will primarily support:

* funding of projects that would provide the cultural operators with the necessary material and technical base, such as equipment, devices, adaptation of spaces, software, etc.
* adapting spaces for the construction of digital laboratories and for the implementation of complete programs for the digitization of the movable cultural heritage.

Output 1.2 under Outcome 1 also emphasizes the need to digitize cultural goods by contributing to the achievement of greater participation of the Bulgarian cultural heritage in the pan-European context of cultural exchange, as well as to its protection and preservation for future generations.

For the PO, the activities of digitization and its accompanying new technologies breathe new life into the cultural heritage and allow the general public to become acquainted with cultural heritage sites located in physically remote places or are not exposed to the general public.

Output 1.2 shall also support projects that relate to documenting the cultural history of social, ethnic and cultural minorities and groups and their involvement in cultural projects and access to culture.

The development of Outcome 1, Output 1.2 continues the tradition of successful projects under Programme BG08 “Cultural Heritage and Contemporary Arts” funded by the EEA FM 2009-2014 and managed by the MC. Under measure 2 “Documenting the cultural history“ of Programme BG08, 9 projects were funded with a total value of EUR 2,839,352.11. As a result of the funding under the measure, 18 digital centers were built and nearly 300,000 movable and immovable cultural artefacts were digitized for the first time. In this regard, and in order to build on the results achieved under Programme BG08, the current call under Outcome 1, Output 1.2 could support projects by cultural operators aiming to help existing digital centers to expand their capacity and range of services and continue the process of digitization with new activities aiming at wider audience.

A good practice observed in the implementation of projects under the Programme BG08 is to provide an opportunity for cultural operators with smaller collections to participate as project partners and to contribute for the overall implementation of the indicator for digitized objects which for the period of the Programme has reached 350 000 units. This achievement has contributed to build a regional capacity for digitalization and continues to serve the needs of the cultural operators in the whole region.

|  |
| --- |
| **Important!** In Section 1 “Main data” ofthe Application Form, in the field “Objective/s of the project proposal”, each applicant should formulate an overall goal of the project in accordance with at least one of the objectives of the Outcome as well as a specific objective(s) of the project which is clearly defined and related to the achievement of the overall goal. |

**Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” will support the following thematic areas:**

1. Items of cultural heritage made digitally accessible through digitization;
2. Formation of digital laboratories by cultural operators;
3. Development of the capacity and expansion of the activities of already existing digital labs/centers, incl. those funded under Outcome 2 “Documenting the cultural history” of Programme BG08 “Cultural Heritage and Contemporary Arts“, funded by the EEA FM 2009-2014.

The project proposals can be focused on one or more of the thematic areas of the Outcome.

In pursuit of the objectives of the MoU on the implementation of the EEA FM, the activity also seeks to strengthen the bilateral relations between Bulgaria and the Donors States by promoting cooperation with program partners from these countries. Such cooperation could also be implemented with regard to the introduction of international standards for the better protection and socialization of cultural heritage (including the exchange of know-how and best practices) in the implementation of the activities under this Call.

As far as the activity aims at achieving results and developing competencies, the implementation of the Programme indicator regarding the number of cultural heritage value items converted into digital format would be most effective if it contributes to the creation of an autonomous capacity for digitization of cultural heritage by the applicant organization.

**Target Groups under Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” are:**

- Civil society, incl. disadvantaged people, minorities, children, people interested in cultural heritage and with a desire to deepen bilateral and multilateral relations between representatives of Bulgarian culture and those of Iceland, Liechtenstein and Norway;

- Researchers, students, lawyers, people seeking opportunities to further their knowledge in the field of cultural heritage, history, etc.;

- Cultural institutes, non-profit organizations, etc.

*Information on the scope of the Target Groups of the project proposal under Output 1.2 should be filled in Section 11 “Additional information necessary to assess the project proposal” of the Application Form.*

## Indicators

The project activities must aim to achieve the objectives of Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” and of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme.

The achievement of the goals of each project shall be based on the following objectively measurable indicators:

|  | *Expected Programme Results* | *Indicators* | *Baseline* | *Target (for the Programme as a whole)* |
| --- | --- | --- | --- | --- |
| **Programme Objectives** | Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management | | | |
| **Output 1.2** | Cultural heritage objects made digitally accessible | Number\* of cultural heritage value items\*\* converted into digital format for the first time\*\*\*, including Roma cultural heritage | 0 | 150,000 |
| Number of digital exhibitions organized\*\*\*\* | 0 | 5 |
| Number of visits to the digital exhibitions | 0 | 1,000,000 |

\* Quantitative indicators (**minimum 30,000 units per project**), including the number of individual objects – book, sound recording, movable cultural value item, audio-visual work and others – part of the fonds of the applicant and/or partner organization/s.

\*\* Cultural heritage value items are objects defined as elements of cultural heritage in accordance with the Cultural Heritage Act and, documentary heritage (archives) within the meaning of the Act on the National Archival Fonds.

\*\*\* The requirement for cultural heritage value items to be **“converted into digital format for the first time”** implies that the latter do not exist in electronic/digital format at the time of submission of the project proposal. Digitization should be carried out as a project activity.

\*\*\*\* “Digital exhibition” is a digital presentation (including online event, online exhibition, etc.) of the activities and/or results related to digitization realized within the implementation of the project proposal, where it can include other digitized objects. **The minimum target value for the indicator “digital exhibitions” for each project is one (1).**

**IMPORTANT! It is imperative for each applicant to commit to targets on all three indicators set above.**

The individual contribution of the implemented project in achieving the indicator "Number of visits to digital exhibitions" should be embedded in the concept of the applicant for effective audience reach.

The implementation of the target values related to the achievement of the program indicators is to be measured in quantity.

For projects realized in partnership with partners from the donor countries (entities from Iceland, Norway or Liechtenstein), a survey will be administered to the project promoters by the FMO (Financial Mechanism Office – Secretariat of the EEA and Norway Grants). The survey will measure the level of satisfaction with the partnership, the level of trust between cooperating entities in Bulgaria and the donor countires, and the share of cooperating organisations that apply the knowledge acquired from bilateral partnership.

## Correspondence with the national and European legislation

The current Call under Outcome 1 “Cultural heritage management enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” has been prepared in accordance with the applicable national and European legislation in the field of culture, including but not limited to:

* Regulation on the Implementation of the EEA FM 2014-2021;
* MoU on the Implementation of the EEA FM 2014-2021;
* Programme Agreement for the Financing of the „Cultural Entrepreneurship, Heritage and Cooperation” Programme, signed on 23.05.2018;
* Agreement on the Implementation of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme, signed on 1.08.2018;
* Agreement on the implementation of the Fund for Bilateral Relations and the Bilateral Guideline adopted by the FMC;
* Financial Guidance, Bilateral Guideline and the Communication and Design Manual EEA and Norway Grants 2014-2021 published on the official portal of the EEA Grants, [www.eeagrants.bg](http://www.eeagrants.org).
* Commission Regulation (EU) No 1407/2013 and Commission Regulation (EU) 2020/972.

The planning and implementation of the project proposals under the Call has to correspond with the national legislation of the Republic of Bulgaria in the field of public finances, public procurements, contractual relations, property, settlement of civil disputes, accounting and other specific rules laid down in, including, but not limited to:

* the Administration Act (AA);
* the Public Finance Act;
* the Accountancy Act;
* The State Aid Act and the Regulations for the Implementation of the State Aid Act;
* the Value Added Tax Act and the Regulations for the Implementation of the Value Added Tax Act;
* the Protection and Development of Culture Act;
* The Civil Servants Act;
* The Public Procurement Act and the Regulations for the Implementation of the Public Procurement Act;
* the Act on Counteracting Corruption and on Seizure of Illegally Acquired Property;
* the Cultural Heritage Act;
* the Act on the National Archival Fonds; the Public Libraries Act;
* the Copyright and Related Rights Act;
* the Film Industry Act;
* the Radio and Television Act;
* the Ordinance determining the conditions, the order and the mechanism for functioning of the Information System for Management and Monitoring of the European Structural and Investment Funds (EUMIS 2020) and for conducting proceedings before the managing authorities through EUMIS 2020.

## Total amount of the grant

According to the Programme Agreement, the total amount of funds for projects under Outcome 1, Output 1.2 is **€ 1,000,000** (one million euros). Out of these funds, the EEA FM contribution is 85% – **€ 850,000** (eight hundred and fifty thousand euros) whereas the national co-financing is 15% – **€ 150,000** (one hundred and fifty thousand euros).

The PO shall reserve the right not to provide the above-presented amount in full in case of insufficient amount of quality project proposals that meet the requirements, as well as to publish this Call again or to redistribute the funds for subsequent calls.

## Minimum and maximum amount of grant for a specific project

According to Annex II of the Programme Agreement for the financing of the Programme “Cultural Entrepreneurship, Heritage and Cooperation”, the amount of the grant that can be applied for under a project under Output 1.2, has a predetermined maximum and minimum value with the following parameters:

*Table****: Size of the grant for the individual project proposals (in euros)***

|  |  |
| --- | --- |
| **Maximum amount** of the grant | **€ 350,000** |
| **Minimum amount** of the grant | **€ 150,000** |

Maximum project grant rate for the current Call is **100%** of the total eligible expenditures of the project.

The size of the funding under the Programme should comply with the EU rules on state/de minimis aid.

*The Evaluation Commission may recommend a reduction of the eligible expenditure if costs are considered unreasonable and/or excessive*.

## Eligible applicants (project promoters)

According to Annex II to the Programme Agreement the applicants (project promoters) under these Guidelines can be exclusively **budgetary organizations within the meaning of §1, item 5 of the Additional Provisions of the Public Finance Act, established as legal persons on the territory of the Republic of Bulgaria and whose principal activity is in the cultural and creative sectors (as defined in Regulation (EU) No 1295/2013 establishing the Creative Europe Programme) including municipalities and regional administrations.**

The applicant should have the administrative, financial and operational capacity to implement the project.

*In the Application Form in Section 11 “Additional information necessary to assess the project proposal”, field “Operational capacity and upgrade of the achieved results”, the following information should be provided:*

* *Information for successfully implemented projects by the applicant that were funded by the EU and/other donors (incl. registration number of the contract, name of the project, period of implementation, value, achieved results);*
* *Information for successfully implemented activities similar to those provided in the project proposal (incl. period of implementation, description of the activity and achieved results);*
* *Experience of the project management team in the management of projects and/or similar type of activities;*

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| **IMPORTANT!** Each applicant may submit only one project proposal under this Call. In case an applicant has submitted more than one project proposal, only the last project proposal submitted within the deadline will be admitted for evaluation. All previous project proposals will be considered withdrawn. |

According to Article 7.3, paragraph 2, letter “k” of the Regulation, the PO requires the disclosure of all consultants that have participated in the preparation and writing of the project proposal and the accompanying documentation. During the submission of the project proposal, the applicants fill in and submit a *Declaration for Information on the Consultants Participating in the Preparation and Writing of the Project Proposal and the Accompanying Documentation* (***Annex № 7***).

## Eligible partners

According to Article 4.5 of the Regulation, projects can be prepared and implemented in cooperation with one or more organizations from the Donor States in order to contribute to the achievement of the overall objective for strengthening of the relations between the Donor States and the Beneficiary States (Article 4.1, item 1 of the Regulation).

According to the requirements of the Programme Agreement **eligible partners under the current Call are any non-commercial, public or private entity and non-governmental organisations, established as a legal person in Bulgaria or in the Donor States (Iceland, Liechtenstein and Norway**. Natural persons are not eligible project partners.

**Under this Call, the partnership is desirable but not obligatory.** The PO will encourage projects which are based on partnerships between the applicants and partners from the Donor States.

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| **IMPORTANT!** Projects which envisage the implementation of activities together with partners from the Donor State will receive additional points during the assessment of the project proposals. |

**One partner can participate in more than one project proposal.**

The partner should actively contribute to the implementation of a project. The partner should be involved and contribute effectively to the implementation of the project with a specific and clearly defined role. Project partners can be included if their capacity, experience and competences are necessary for the achievement of the project goals and if they would contribute for the sustainability of the results. The inclusion of partners needs to be justified and meticulously described in Section 7 “Plan for implementation/Project activities”, in the Application Form.

The partnership must be balanced as the activities need to be actively implemented by all parties in the partnership including when spending funds. In order to achieve balance and efficiency in the implementation of the project activities, funding must be provided for a project partner, and this must be detailed in item 5 “Budget” in the Application Form.

*In Section 11 "Additional information needed to evaluate the project proposal" of the Application Form, each applicant should provide a justification for the selection of partner(s).*

During the submission of the project proposal, the applicant provides a signed *Letter of Partnership Intent* **(*Annex № 5*)** from each project partner. In case of approval of the project, the partner/partners sign a *Partnership Agreement* (***Annex № 15*)** with the applicant. The signed agreement is one of the obligatory documents which need to be submitted before the signing of the project contract, and not at the application stage.

## Mandatory requirements

The projects under Output 1.2 “Cultural heritage objects made digitally accessible” of Outcome 1 **“Cultural heritage management enhanced**” **must correspond to the following mandatory requirements of eligibility**:

1. The activities provided for in the project proposals can be implemented **on the territory of the Republic of Bulgaria** and in the case of a partnership – **on the territory of the partner(s) from the Donor States.**
2. It is obligatory for the project proposals to simultaneously include activities related to the conversion of minimum 30,000 units cultural heritage value items in digital format for the first time, and activities related to the realization of minimum 1 digital exhibition.
3. When conversion in digital format concerns elements of copyright which are still protected by the law and in case that the latter do not fall in the field of “free use” as defined under the Copyright and Its Related Rights Act, as well as in the case where presenting the digitalized elements of cultural heritage foresees the settlement of copyrights, the applicant organization must acquire the relevant authorization. The settlement of the relevant copyrights is not an eligible cost. **The settlement of the relevant copyrights is not required to be ready and acquired by the date of the submission of the project proposal.**
4. When converting to digital format affects a documentary archive, the admissible file formats must meet the eligibility requirements for file formats applicable to the type of site concerned, according to the “Practical guidelines for the long-term storage of electronic documents by administrative authorities” prepared by the Bulgarian State e-Government Agency.
5. The project proposals must provide an activity for **training of the expert personnel of the Project Promoter involved in the digitalization process** in view of enhancing their professional competences and skills, in particular in relation to the implementation of one or more of the following activities:

* effective process of digitalization and management of the digitalized elements of cultural heritage;
* effective process of preparation, creation, metadata management with the information of the digitalized items;
* effective migration process of the metadata that is part of the applicant's existing registers (applicable to applicants who have existing cultural heritage value items registers) in digital format;
* storage of digitalized items of cultural heritage;
* effective popularization of the digitalized items.

*In Section 11 “Additional information needed to evaluate the project proposal” of the Application Form the applicant should provide information on the number of staff (disagregated by gender) for whom training is planned.*

1. The project must include activities ensuring access to the relevant digitalized content.
2. The project proposals must provide a concept of effective audience reach during the realization of a digital exhibition (cooperation with educational institutions and/or other initiatives).
3. Any project proposal that provides for an investment in the purchase of fixed assets should include a project investment sustainability plan which will have **a continuation period of the activities under the indicator *“number of cultural heritage value items converted into digital format for the first time”* of at least 5 years after the end of the project contract**, and the applicant should provide sufficient resources to maintain the asset and its on-going work (“sustainability requirement” – *see more information in Section 15 Sustainability of projects proposals*).
4. Each project proposal must include an **activity for the formation of a project management team**, andeach Project Promoter is directly responsible for the management of the project and for achieving quality implementation of the proposed activities. The applicant should set enough mechanisms for internal control and assessment, as well as for monitoring of the project’s progress and for preventative measures, if necessary. All of the above shall be detailed in the qualification and the responsibilities of the individual team members.

The applicants shall present the structure of organization and management regarding the implementation of their projects in their project proposals. In the structure, the applicants shall describe the relevant qualification and the responsibilities of each member of the project management team – personnel of the Project Promoter and/or external experts – and the relationship between them related to the achievement of the project objectives. Laid down in that way the organizational structure for project management will demonstrate the available administrative capacity for the implementation of such a project and a clear distribution of the functions among the individual members of the team. The manager of the organization receiving the grant (Project Promoter) cannot be manager of the project, or a member of the project management team. The project manager should be a person employed by the organization receiving the grant (Project Promoter) with an employment contract, a civil service contract or a civil-law contract.

1. Each project proposals **must include an activity for publicity and information on the objectives and the activities of the project as well as on the financial contribution of the EEA Grants, including the development of a bilingual (in Bulgarian and in English)** **web-page for the relevant project.** The activity shall correspond to the criteria described in the Communication and Design Manual of the EEA and Norway Grants 2014-2021 and to the ones set by the Regulation on the Implementation of the EEA FM 2014-2021.
2. Each project proposal must include a risk analysis. In the Application Form, Section 11 “Additional information necessary to assess the project proposal”, the applicant is required to submit a risk analysis for the project containing:

- the main financial, human, material, technological and information resources needed to implement the project activities and to ensure the sustainability of its results;

- the possible risks, the probability of their occurrence and the impact they would have on the achievement of the project results;

- the measures envisaged by the applicant to provide the necessary resources and to prevent, mitigate, transfer or accept and manage the identified risks.

When completing the Application Form, the applicant does not need to present all possible risks, but should focus on the main institutional, operational and financial risks in order to ensure the achievement and long-term sustainability of the project results.

The activities must correspond to all requirements indicated in these Application Guidelines.

**Important!** The applicants under this Call do not have the right to submit project proposals if the proposals include products or results which have been already created/achieved or such which are in the process of implementation or such for which funding has been provided under another project, programme or any other funding scheme based on the national budget, the budget of the EU or on other donor programme. The project proposals can be related to upgrading the results achieved under the BG08 Programme of the EEA FM 2009-2014.

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| **Important!** Ineligible for funding under this Call are activities which have started before the date of signing of the project contract. |

The PO encourages activities related to training of professionals, ensuring access to the digitalized objects and involvement of the target groups.

### Examples of Eligible Activities

The projects under Outcome 1, Output 1.2 can include the following indicative activities:

1. Spatial adaptation activities of the applicant organization for the purpose of setting up digital laboratories or any other internal organization for the conversion of cultural heritage value items/objects into digital form by performing on-going repairs;
2. Digitalization services of cultural heritage value items for the first time performed by municipalities, regional administrations, museums, galleries, universities, libraries, community centers, archives and others;
3. Acquisition of the necessary devices and equipment, incl. ancillary equipment intended for audio recording, video recording, scanning and other activities for the purpose of digitally converting cultural heritage value items/objects, incl. devices and/or systems for reproducing records from magnetic and other media, for the purpose of digitizing them;
4. Acquisition of software and software products, purchase of licenses, etc. necessary for the management of the equipment for digitalization and/or for the subsequent processing and management of the digitized items;
5. Activities for the actual processing of the items and their conversion to digital format, incl. audio recording, video recording, scanning, processing, metadata entry, and other inherent conversion activities, incl. the use of expert and/or technical assistance to comply with applicable standards;
6. Activities for the acquisition of devices and/or systems, software and other activities related to the storage of the digitized items;
7. Creating portals/platforms to support access to digital sources from museums, galleries, libraries, community centers, archives, film libraries, radio and television for more effective management and preservation of cultural heritage;
8. Activities providing for the creation of open online platforms, including such for exchange of knowledge and skills, etc., with the potential for inclusion in international aggregators and cultural heritage data providers, with the purpose of improving access for use by the general public, education, scientific research and the creative industries.
9. Joint activities with educational institutions related to the realization of digital exhibitions and aimed at providing a link between the theme of the exhibition and the needs of the educational process;
10. Activities providing for the creation of digital libraries with the purpose of improving access for use by the general public, education, scientific research and the creative industries.
11. Activities providing another form of public access to the digitized objects.
12. Activities for presentation of a "digital exhibition", incl. costs for an information campaign, equipment or software for conducting the event, creating a video/ multimedia, etc.
13. Activities related to training, building capacity and sharing competences.

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| **IMPORTANT!** The indicated activities are just exemplary and their listing is not exhaustive. The activities included in the project proposals should be specific and correspond to the selected target groups and the specific project. |

**These eligible activities can be brought together and combined, depending on the logic of the project implementation.**

### Ineligible activities

* Activities/interventions on private property;
* Overhaul, readjustments of the building, reconstruction and/or building;
* Purchase of land, buildings and other assets unrelated to the implementation of the project activities;
* Activities related to political parties;
* Providing donations and other charitable activities;
* Conversion of cultural heritage value items that have been previously digitalized, regardless of the method and quality of the activity performed;
* Activities for the implementation of which funding have already been provided by the European Structural and Investment Funds or by other instruments of the European Union or other donors, as well as by other public funds different from those of the Project Promoter;
* Other activities which are not justified, do not correspond to and do not contribute to the achievement of the objectives/results of the procedure/project.

**IMPORTANT!** In case the applicant has planned activities that these Application Guidelines define as ineligible, the project proposal should contain details on their value and the source of funding. Expenditures for ineligible activities are not included as eligible in the budget of the project proposal and will not be reimbursed by the “Cultural Entrepreneurship, Heritage and Cooperation” Programme.

## Categories of eligible expenditures

When awarding grants under Outcome 1 only “eligible expenditures” will be taken into account, as detailed below.

The budget is a preliminary estimate of the expected costs necessary to carry out the planned activities. The expenditures should be based on actual unit prices and not be indicated as a total amount.

Eligible are the expenditures intended to achieve the objectives of the project and should comply with the applicable provisions of the Regulation on the Implementation of the European Economic Area Financial Mechanism 2014-2021 and in particular with:

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| * *Article 8.2. General principles on the eligibility of expenditures;* * *Article 8.3. Eligible direct expenditures in a project;* * *Article 8.5. Indirect costs in projects (overheads).* |

Eligible costs should be based on real unit prices and not be indicated as a total amount. During the evaluation of the project proposals it is possible to establish circumstances that would require a change in the budget. These circumstances may require the Evaluation Committee to request further clarification and information from the beneficiaries through the Communication Module of the EUMIS 2020. The same circumstances may lead to a reduction in the budget of the project proposal. At the discretion of the applicant, the budget of the project proposal can also indicate costs that are ineligible under Outcome 1 but for which the applicants have provided funding from other sources provided they are related to the implementation of the projects.

Expenditures incurred after 30 April 2024 will not be considered eligible.

When filling in the budget, for each budget line of type “1.”, “2.”, “3.” etc., the Applicant should indicate to which activity under Section 7. “Implementation plan/Project activities” of the EUMIS 2020 Application Form the planned expenditure refers to.

In their project proposals, the applicants should consider that in order to be eligible for funding, expenditures must be incurred and paid between the start and end dates of the project implementation as set out in the contract signed by the Project Promoter and the PO. As an exception, expenditures in respect of which an invoice has been issued during the final month of eligibility shall also be deemed to have been incurred within the eligibility dates if the expenditures have been paid within 30 days of the final eligibility date. Overheads and depreciation of equipment are considered completed when they are recorded in the accounts of the Project Promoter and/or the project partner. For expenditures for which there are restrictions on the amount, the part of the expenditure up to the amount of the restrictions is eligible for funding. In preparing each project proposal, the applicant should bear in mind that percentage restrictions are imposed on the actual, paid, verified and certified eligible expenditures and are equated at the final payment.

The inclusion of expenditure in the budget format approved by the PO should not be considered as an automatic confirmation of its eligibility.

Indirect costs are a type of administrative costs that can be justified by the normal activity of the Project Promoter/partner and cannot be identified by the Project Promoter and/or the project partner as being directly attributed to the project, e.g. electricity, heating, internet, etc., some of which are used in the project implementation. The distinction between eligible “direct” and “indirect“ costs under the project is made on the basis of the relevance of the costs as **due directly to the implementation of the project** and their relation to the criteria set out in the Regulation.

In order to be considered eligible, expenditures can fall in the following budget categories:

* **Expenditures for project management (project’s team), incl.:**
* Remuneration for the project management team;
* Business trips of the project management team - The total expenditures for management shall not exceed 10% of the total eligible expenditures under the project. This limitation is only for the expenditures for remuneration, incl. for the social contributions payable by the Project Promoter/partner, and the expenditures for business trips of the project management team.
* **Expenditures for experts and services incl.:**
* Expenditures for experts:
* internal experts, staff and travel costs for the project partner and the project promoter;
* external experts;
* Expenditures for other services;
* Expenditures for training;
* Expenditures for information and publicity;
* Expenditures for renting movable/immovable property;
* Other direct expenditures;
* **Expenditures for on-going repairs[[1]](#footnote-2) -** The expenditures for on-going repairs shall not exceed 10% of the total eligible expenditures under the project;
* **Expenditures** **for fixed tangible assets** – When the purchased equipment is a “fixed tangible asset”, in accordance with the requirements of Article 8.2 of the Regulation, the costs for acquiring and commissioning of the asset are deemed eligible costs under the project only when the asset will be used to ensure the sustainability of the project, i.e. will be also used after the end of the project. In case the asset will be used only during the project implementation, only the deprecation (admissible under the Corporate Income Tax Law) for the period of the project will be accepted as expenditure.
* **Expenditures** **for fixed intangible assets.**

*(Detailed instructions are published in the Instruction for preparation of the budget –* ***Annex № 10.1****)*

**IMPORTANT!** **The expenditures for on-going repairs, acquisition and commissioning of tangible and intangible fixed assets as total may not exceed 60% of the total eligible expenditures under the project.**

If the project is implemented with a partner, then it is mandatory to include funding for the project partner, and this must be detailed in item 5 “Budget” in the Application Form considering the following:

**-** If representatives/employees of the partner(s) are performing project implementation activities, then the costs for their services should be detailed in the “Expenditures for experts and services” category;

**-** The participation of representatives/employees of the partner(s) in the project management team is not considered an expense for the partner, but an expense for the beneficiary for project management. In this case, the salaries and travel expenses of all members of the project management team must be included in the category “Expenditures for project management” in the budget.

The categories of expenditures indicated above are consistent with the categories of expenditures set out in EUMIS 2020.

According to Article 8.12. of the Regulation, costs incurred by project promoters and project partners are supported by receipted invoices or by accounting documents of equivalent probative value. Where activities are carried out under public procurement procedures, payments shall be based on receipted invoices based on the signed contracts. In all other cases, the payments are justified by expenditure actually paid by the entities concerned in implementing the project. Alternatively, project partners from the Donor States may opt to submit proof of expenditure by way of a report by an independent auditor or other body provided for in Article 8.12, paragraph 4 of of the Regulation.

### Indirect project expenditures

According to Article 8.5 of the Regulation, indirect expenditures are eligible expenditure which cannot be identified by the Project Promoter and/or the project partner as directly related to the project but can be identified and justified through their accounting system as incurred in direct connection with the eligible direct expenditures under the project. They cannot include eligible direct expenditures.

“Indirect expenditures” are the expenditures which **cannot** be identified by the Project Promoter and/or the partner as directly related to the project, but can be determined and justified through its accounting system as having incurred in direct connection with the direct eligible expenditure under the project.

Indirect project expenditures are **administrative expenditures such as:**

**-** heating/natural gas;

- utilities – electricity, water;

- postal services and expenditures for courier;

- telephone and internet bills;

- office supplies and stationery.

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| **IMPORTANT!** The method for calculating the indirect costs of the project partner should be specified in the partnership agreement. |

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| **IMPORTANT!** The amount of indirect expenditures under the project should be defined as a fair share of the total overheads of the Project Promoter or the partner which can be proved with an invoice, distribution protocol, contract/agreement or other related document.  Project Promoters and their project partners may identify their indirect costs with one of the following methods:  (a) based on actual indirect costs for those Project Promoters and project partners under projects reflected in an analytical accounting system to identify their indirect costs in accordance with the indicated above;  (b) a flat rate of up to 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs for resources made available by third parties which are not used on the territory of the Project Promoter or project partner;  (c) a flat rate of up to 15% of direct eligible expenditure for staff without a requirement for the Programme Operator to perform a calculation to determine the applicable rate; or  (d) a flat rate applied to direct eligible costs based on existing methods and corresponding rates applicable in European Union policies for similar types of projects and Project Promoters. |

### Ineligible expenditures (Excluded costs)

According to Article 8.7 of the Regulation, the following expenditures under the PA14 “Cultural Entrepreneurship, Heritage and Cooperation” Programme is considered ineligible:

* interest on debt, debt service charges and late payment charges;
* charges for financial transactions and other purely financial costs, except costs related to reports required by the FMC, the National Focal Point or the applicable law and costs for financial services imposed by the project contract;
* provisions for losses or potential future liabilities;
* exchange rate losses;
* recoverable VAT;
* costs that are covered by other sources;
* fines, penalties and litigation costs, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
* excessive or reckless expenditures.

Further to the above, the following costs are considered ineligible under the current call for proposals:

* costs for the settling the relevant rights, when conversion in digital format concerns elements of copyright which are still protected by the law and in case that the latter do not fall in the field of “free use” as defined under the Copyright and Its Related Rights Act, as well as in the case where the presentation to the public of digitalized elements of the cultural heritage implies the settlement of copyrights, in the cases when the applicant organization has not received the relevant authorization.

In regard to the projects, implemented by beneficiaries that are budgetary organizations, the depreciation rules have been regulated by the Instruction of the Minister of Finance *ДДС 5/30.09.2016* which determines the conceptual model for application of the national accounting standard (CC 4 Reporting on Depreciation).

If the project proposal contains activities that are identified as “ineligible” by these Guidelines, the applicant should indicate their value and the source of funding. Such costs shall be disclosed in Section 5 “Budget” of the Application Form, part “Ineligible expenditure“.

**Costs identified as “ineligible” will not be reimbursed under the Programme.**

### VAT

The applicant should bear in mind that the cost value of the activities set out in Section 7 “Implementation plan / Project activities“ of the Application Form in EUMIS 2020 shall indicate the value with VAT included (if applicable).

The Project Promoter and the Partner(s) should keep detailed accounts of the VAT accrued on the costs for providing goods and services used to implement each project contract under the Programme. The data from those accounts must be sufficient to identify and track the VAT related to the project and to categorize it as “refundable” or “non-refundable”.

**All expenditures should be filled in the relevant lines with VAT included for the budget items when the VAT is non-refundable within the meaning of** the Instructions of the Minister of Finance *ДНФ No. 3/23.12.2016* on the treatment of value added tax as eligible expenditure in the implementation of projects under the operational programmes co-financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF) for the programming period 2014-2020, and for this the applicant submits a declaration (***Annex № 3***).

## Payments

The Implementation plan/Project activities (Section 7 of the Application Form in EUMIS 2020), the project budget – (Section 5 of the Application Form in EUMIS 2020) and the *Payment plan* (***Annex № 18***) will be prepared by the applicant.

The payments under the project will be done on the basis of requests for payment submitted by the Project Promoter. The Project Promoter has the right to an advance payment of up to 30% of the agreed project budget.

Interim and final payments will be executed after verification of the expenditure incurred, provided that all applicable conditions for payment laid down in the project contract, the Programme’s Management and Control Systems, and the Regulation are met.

The total value of the advance and the interim payments shall not exceed 80% of the project’s budget as laid down in the project contract. The Programme Operator retains 20% of the agreed budget until the approval of the Project Promoter’s final report.

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| **Advance payment** | **Interim payment** | **Final payment** |
| Up to 30% | Up to 80% | Up to 20% |

The advance payments shall be indicated in the *Payment plan* (***Annex № 18***), part of the Application Guidelines.

An advance payment can be requested by the Project Promoter following the signing of the project contract by submitting a Request for advance payment. Where the Project Promoter is a secondary or lower-level budget spending unit, the request should be accompanied by a supporting letter from the primary budget spending unit.

## Rules for evaluation of project proposals

The PO is responsible for the execution of assessment and for the granting of funding towards the selected beneficiaries in accordance to the Regulation on the Implementation of the European Economic Area Financial Mechanism 2014-2021, the Programme Agreement and its annexes, the Programme Implementation Agreement.

The evaluation and the selection of the project proposals will be done in three stages:

* Administrative compliance and eligibility (ACE) of the applicant/partner (***Annex A*** in the information documents);
* Technical and financial evaluation (TFE) (***Annex B*** in the information documents);
* Selection Committee (SC).

The assessment of the submitted projects shall be carried out by an Evaluation Commission established with an order of the Head of the PO. The Evaluation Commission includes:

* A Chairperson (without voting rights) – manages and coordinates the selection process;
* Secretary (without voting rights) – provides technical and administrative assistance in the evaluation process;
* Experts to carry out the verification at the stage of “Administrative compliance and eligibility”;
* Experts to carry out the verification at the stage of “Technical and financial assessment” – at least 50% of those experts should be independent from the PO and the Selection Committee.

If during the assessment of the project proposal, a lack of a document and/or incompliance is established, then a notification is sent to the applicant through EUMIS 2020 about the detected discrepancies/gaps and a deadline for their correction of 7 working days is provided.

**IMPORTANT!** After the deadline for answering a question asked by the Evaluation Commission, the EUMIS 2020 system does not allow registration of an answer.

Only project proposals have passed the stage of administrative compliance are allowed to be assessed for eligibility.

The results from the ACE evaluation are communicated to the applicants. All applicants participating in the evaluation session receive in EUMIS 2020 an automatic notification on the email address of the application that a list of the results of the performed evaluation for administrative compliance and eligibility under the procedure has been published in the public module, section “Summary of the Operational Programmes”. The Chairperson will notify the rejected applicants by sending a separate notification to each of them through the “Communication” module in EUMIS 2020.

*Objecting when project has been rejected*

An applicant whose project proposal has been rejected can submit a written objection to the Head of the PO within a week (7 calendar days) following the notification. With the submission of the objection, the applicant cannot provide new documents or documents that have not been initially part of the project proposal and/or the additional documentation requested by the Evaluation Commission. The Head of the PO will rule within one week (7 calendar days) on the validity of the objections. The act of the Head of PO, by which he decides on the merits of the objection, is communicated to the applicant in accordance with Article 61 of the Code of Administrative Procedures through EUMIS 2020. The message is considered received by the applicant when it is sent to EUMIS 2020. The decision of the Program Operator is subject to appeal under the Code of Administrative Procedures.

An alert or a complaint can also be submitted through the “Report Irregularities” button on the unified web portal of the EEA FM in Bulgaria (<https://www.eeagrants.bg/en/contact/report-irregularities>) where any suspicions for incompliance with the principles of good governance and irregularities can be reported. The NFP should provide feedback to the sender of the alert within three months of its submission. In case of more complicated cases which require the interaction of more than one institution, this period can be extended. When the irregularity can be classified as suspected fraud, a signal is sent to the Prosecutor’s Office.

**The technical and financial evaluation (TFE) of the project proposal** is a process of substantive evaluation of the project proposals that is carried out in accordance with the assessment criteria and sub-criteria described in the Application Guidelines for the relevant Call (***Annex B****)*. The evaluation criteria are not subject to change during the course of the procedure.

The assessment of the project proposal under a given criterion is obtained as a sum of the received number of points according to the respective sub-criteria.

**The maximum number of points that a given project proposal can receive is 100 points. In order for a project proposal to be proposed for funding, the overall final evaluation at the technical and financial evaluation stage must be equal to or greater than 60 points.**

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| **IMPORTANT!** If the project proposal receives **“0 points” on any of the following sub-criteria: 2.1, 2.3, 2.4, 3.1, 3.2, 4.1 and 4.2 of the TFE,** the project proposal is rejected. |

The technical and financial evaluation shall be carried out only for project proposals that have successfully passed the administrative compliance and eligibility evaluation.

The project proposals which have reached the TFE stage are being reviewed by two impartial and independent from one another experts as at least one of them is external to the Programme Operator and the Selection Committee.

During the TFE process, it is admissible for the Evaluation Commission to ask questions to the applicants if the commission finds circumstances that require further explanations on the budget regarding quantitative and/or value indicators of the proposed costs. Additional clarifications and information from the Project Promoters are required and provided through the “Communication” module of EUMIS 2020. The deadline for response by the Project Promoter in these cases is 7 working days from the registration of the request in EUMIS 2020. The same circumstances can lead to a reduction of the budget of the project proposal.

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| **IMPORTANT!** The Evaluation Commission may recommend a reduction of the eligible expenditure, if costs are deemed unjustified ot excessive. The corrections made to data in the budget **may not lead to** an inability to meet the objectives of the project or project activities, and improvement of the quality of the project proposal, and breach of the principles of free and fair competition, and equal treatment and non-discrimination. |

The evaluation of the project proposals at this stage is the average score of the two evaluations done by the two assessors. If the difference between the scores given by the two assessors is more than 20% of the higher score, the Chairperson of the Evaluation Commission assigns the evaluation to a third person – an expert-arbitrary who is independent and impartial to the PO and the SC, and who will assess the project. The final assessment is the average score of the two closest assessments.

The evaluation is documented by filling in evaluation grids in the EUMIS 2020 system.

*Selection Committee*

The SC has the right to change the ranking of the projects in justified cases and in accordance with objective and accepted criteria, related to the objectives of the Programme and adopted by consensus before the projects’ review by all members of the SC. The justification for changing the ranking is described in detail in the minutes from the SC meeting.

The Head of the PO will check whether the process for selection has been carried out in accordance with the Regulation and the relevant legislative framework, as well as whether the SC’s Decision for a funding proposal is in accordance with the rules and the objectives of the Programme. After this check, the Head of the PO, based on the Decision of the SC, takes a final decision on the funding of projects.

In case of a change in the ranking or rejection of a project as a result of a Decision of the SC or the Head of the PO, the reasons for this decision should be specified in detail and reasoned.

The PO publishes the list of projects approved for funding on the unified web portal of the EEA FM in Bulgaria (<https://www.eeagrants.bg>) within 3 working days from the date of the Decision of the Head of the PO and notifies the applicants of the results of the process of selection within 14 working days from the date of the Decision of the Head of the PO.

**IMPORTANT!!!** The PO will finance project proposals until the financial resource is exhausted. In case two or more project proposals have the same total final evaluations, the projects will be ranked in descending order according to their overall contribution to the Programme’s objectives.

*Withdrawal of the project proposal*

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| **IMPORTANT!** The applicants can withdraw their project proposals from the evaluation process with a written request signed with a qualified electronic signature by the representative of the organization and sent to the Head of PO through the EUMIS 2020 system. The circumstance for suspension of consideration of the received proposal is described in the commission’s protocol at the stage of its evaluation. |

## Rules for projects generating revenue

This Call does **not** allow approved projects to generate revenue.

## State aid regime

The financing of the budgetary organizations under this procedure does not constitute state aid, as the second criterion for the existence of state aid from the “state aid test” under Article 107(1) of the Treaty on the Functioning of the EU, namely supporting the business activity of an undertaking.

The objective of this call is to improve the conditions of access to cultural heritage by supporting projects that will, for the first time, document and digitize it in order to promote and preserve it for future generations. These are the items defined as elements of cultural heritage in accordance with the Cultural Heritage Act and, documentary heritage (archives) within the meaning of the Act on the National Archival Fonds.

According to Article 23 of the Constitution of the Republic of Bulgaria, the state creates conditions for free development of science, education and arts and supports them. It takes care of the preservation of the national historical and cultural heritage.

According to Article 2(2) of the Cultural Heritage Act, the cultural value items are in the public domain and enjoy protection by state and municipal bodies in the interest of the citizens of the Republic of Bulgaria.

According to Article 6(1) of the Act on the National Archival Fonds, the archives that store documents of the National Archival Fonds shall also include the archives and archival collections of cultural and other public institutions, as well as the archival collections of state and municipal museums and libraries. In accordance with Article 7 of the same law, the state takes care of the protection of the documents from the National Archive Fonds.

Cultural heritage encompasses the intangible and tangible immovable and movable heritage as a set of cultural values that are carriers of historical memory, national identity and have scientific or cultural value. According to Article 2(2) of the Cultural Heritage Act, the cultural value items are in the public domain and enjoy protection by state and municipal bodies in the interest of the citizens of the Republic of Bulgaria. In this sense, the documentation and digitization of cultural heritage assist institutions in carrying out their public tasks and responsibilities. The main activities of the call are aimed at preserving the cultural heritage and presenting it through events for representative and educational purposes.

In connection with the provisions of the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (TFEU), the European Commission (EC/Commission) does not consider as state aid public funding of cultural activities or for the protection of cultural heritage, which are available to the public free of charge, pursue a purely social and cultural goal, the nature of which is non-profit. Many cultural or historical heritage protection activities are objectively irreplaceable (e.g. the preservation of public archives containing unique documents) and therefore exclude the existence of a genuine market. According to the Commission, these activities meet the criteria of a non-profit nature.

In connection with the Notice and the explanations of the Commission on the application of items 17 and 18 of the section "Exercise of public powers", economic activity and the exercise of public power are inseparable in nature, ie. where economic activity is necessary for the exercise of official authority, the activities are not generally considered to be of an economic nature. The same applies in cases where economic activity is not absolutely necessary for the exercise of official authority but facilitates or supports it (Case C-113/07 P Selex System Integrati v Commission).

The State aid rules only apply when the beneficiary of the measure is an "undertaking". An "undertaking" within the meaning of the competition rules is any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed.

"Economic activity" is any activity of offering goods and services on the market, as well as any activity, the results of which are intended for exchange on the market, regardless of whether profits or other income are formed and distributed from it. The provision of tangible and intangible property and rights for use is also considered an economic activity.

Applicants for this procedure may be only budgetary organizations within the meaning of § 1, item 5 of the Additional Provisions of the Public Finance Act, established as legal entities on the territory of the Republic of Bulgaria, whose principal activity is carried out in the cultural or creative sector, as is defined in Regulation (EU) № 1295/2013 establishing the Creative Europe Programme, incl. municipalities and regional administrations. These are budget-supported legal entities. They are not 'undertakings' within the meaning of the competition rules, as the services they provide are related to the preservation and protection of cultural heritage.

Applicants under this procedure implement the state policy for preservation and protection of cultural heritage and assist the Minister of Culture in exercising public authority. They perform primarily non-economic functions and fall outside the scope of state and minimum aid rules. In that regard, in so far as their economic activities are inseparable from the exercise of their principal function, they remain linked to the exercise of those powers. The funds provided under the call will be related to the fulfillment of the fundamental mission of the institutions to preserve, preserve and provide wide access to the cultural heritage, as well as to perform educational functions.

The applicant organizations under this procedure essentially protect the cultural heritage and provide access to it to all stakeholders, on an equal footing and without restriction, with the aim of preserving and making its cultural heritage accessible. Also, the main interest of the state is to ensure that the organizations under this call fulfill educational goals. Through the implementation of the above functions, the applicants will support the implementation of some fundamental rights in accordance with the Charter of Fundamental Rights of the European Union and the Constitution of the Republic of Bulgaria, namely: right to freedom of information, right to education, right to freedom of thought, freedom of research, the right to enjoy national and universal cultural values.

And while the activities of the procedure are of an economic nature, they aim to support the employees of budgetary organizations in the cultural sector to carry out their main non-economic public tasks.

In addition, the purpose of digitization is not only to provide universal access to cultural heritage, but also its preservation and protection, and it is essentially a key activity to ensure compatibility with technological development, and in practice there is no distinction between providing wide access to cultural value items in physical or digital format. The right of access to cultural heritage is an opportunity to enjoy cultural goods by providing physical or intellectual access to them without harming or putting them at risk.

At the same time, the educational functions of the applicants are reduced to organizing activities that are directly related to their main functions regarding the preservation and provision of cultural heritage, namely activities for digitalization of objects of cultural heritage for the first time, as well as activities for presenting digital exhibitions.

**In view of the above, the budgetary organizations under this procedure fall outside the definition of "undertaking" and, by carrying out the activities under this procedure, do not distort competition in the existing market, they therefore fall outside the scope of the State aid and minimum aid rules.**

In addition to and in line with the Commission Notice on the concept of State aid referred to in Article 107 (1) of the Treaty on the Functioning of the European Union, certain activities related to the protection of cultural heritage may be organized in a non-commercial way and are therefore of a non-profit nature, respectively, public funding may not constitute State aid. The Notice notes that the Commission considers that public funding for cultural activities or for the protection of cultural heritage, which are available to the public free of charge, pursues a purely social and cultural purpose, which is non-profit in nature. In this sense, the fact that visitors to a cultural institution or participants in a cultural or cultural heritage activity are required to pay an amount that covers only a small part of the real costs does not change the non-profit nature of the this activity, as the amount paid cannot be considered as real remuneration for the service provided.

**In this sense, in order to receive funding under this procedure, the profit activity of the applicant budgetary organization should be up to 50 per cent of its total non-profit activity (i.e. the amount of business income, e.g. letting premises, should be less than 50% of the total revenue of the organization).**

At the same time, for some of the eligible activities under the procedure for which there is a market, such as on-going repairs, training, supply of tangible and intangible assets, event planning, advertising, information campaigns, etc., are economic. All economic activities under this Call, when carried out through an external contractor, shall be awarded in accordance with items 84-96 of the Commission Notice on the notion of State aid referred to in Article 107 (1) of the Treaty on the Functioning of the European Union, as well as the Public Procurement Act through open, transparent, non-discriminatory and unconditional tender procedures.

In carrying out the procedure(s) for the selection of contractor(s), the beneficiary should respect the principle of free and fair competition and apply appropriate measures to avoid preventing, restricting or distorting competition. In this way, the economic activity itself would be carried out in accordance with market conditions and prices, which avoids the existence of the criterion "advantage for the contractor" under Article 107 of the TFEU.

For eligible partners under this procedure, **other than the above-mentioned budgetary organizations and economic operators**, apply the rules of Commission Regulation (EU) № 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union on de minimis aid, published in the Official Journal of the EU L 352 of 24.12.2013.

Pursuant to Article 1 of Commission Regulation (EU) № 1407/2013, the Regulation shall apply to aid granted to undertakings in all sectors except:

(a) aid granted to undertakings active in the fisheries and aquaculture sector covered by Council Regulation (EU) № 104/2000;

(b) aid granted to undertakings active in the primary production of agricultural products;

(c) aid granted to undertakings active in the processing and marketing of agricultural products in the following cases:

i) where the amount of aid is determined on the basis of the prices or quantities of that type of products bought in by the primary producers or marketed by the undertakings concerned;

ii) where the aid is linked to an obligation to transfer, in whole or in part, to the primary producers;

(d) aid for export-related activities to third countries or Member States, in particular aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other running costs associated with exports;

(e) aid subject to the preferential use of national products over imported products.

Where an undertaking carries on business in the sectors referred to in Article 1 (1) (a), (b) or (c) and in one or more of the sectors or activities covered by Regulation (EU) № 1407/2013, it shall apply to aid granted to the one or more sectors or activities concerned, provided that the Member State concerned ensures by appropriate means, such as segregation of activities or cost-sharing, that the activities in the excluded sectors do not benefit from de minimis aid granted pursuant to Regulation (EU) № 1407/2013.

**“Minimum aid”** is de minimis aid which does not distort or threaten competition or has a negligible effect on it due to its minimum amount, as defined in the current minimum aid regulations adopted by the European Commission for the application of Articles 107 and 108 of the Treaty on the Functioning of the EU. The State aid and minimum aid regime applies only to enterprises (if applicable).

**“Economic activity”** is any activity of offering goods and services on the market, as well as any activity, the results of which are intended for exchange on the market, regardless of whether it forms and distributes profits or other income. The provision of tangible and intangible property and rights for use is also considered an economic activity.

The activities envisaged for financing under the procedure are of economic nature and there is an existing market for them. Therefore, **the costs for the partners** (with the exception of budgetary organizations acting as a public authority for the preservation and protection of cultural heritage) **are of an economic nature and will be considered as minimum aid**.

The amount of the minimum aid granted to the partners (if applicable) will be recorded in the administrative grant agreement.

The total amount of de minimis aid granted in each Member State to the same undertaking should not exceed EUR 200 000 (BGN 391 166) over a period of three fiscal years, in accordance with the provisions of Article 3(2) of Regulation (EU) № 1407/2013. The provision of the same paragraph does not apply to "a single undertaking" performing road freight transport for hire or reward, because they are not eligible partners under this procedure.

The ceilings referred to in Article 3 (2) of Regulation (EU) № 1407/2013 shall apply regardless of the form of the de minimis aid or the objective pursued and whether the aid granted by the Member State is financed in whole or in part by funds originating in the Union. The period of three fiscal years is set for the current year and the previous two.

Regulation (EU) № 1407/2013 only applies to aid where the gross grant equivalent can be calculated accurately and in advance without the need for any risk assessment ('transparent aid'). Aid under the procedure is expressed as a cash grant and is therefore considered to be transparent aid.

For the purposes of the ceilings referred to in Article 3 (2) of Regulation (EU) № 1407/2013, the aid is expressed as cash grant. All values used are in gross terms, i.e. before taxes and other charges. Where, by granting new de minimis aid, the relevant ceiling may be exceeded, no part of that new aid may fall within the scope of Regulation (EU) № 1407/2013.

**IMPORTANT! For the partners from the donor countries the thresholds of received de minimis aid will be monitored only for the territory of the Republic of Bulgaria.**

The amount of the granted minimum aid is determined as the sum of the aid[[2]](#footnote-3) for which the entity is applying and the minimum aid received on the territory of the Republic of Bulgaria from:

1. The partner company;

2. The undertakings with which the partner forms a “single undertaking” within the meaning of Article 2(2) of Regulation (EU) № 1407/2013;

3. All undertakings that have merged in, or merged or have been acquired by any of the undertakings forming a “single undertaking” with the partner according to Article 3(8) of Regulation (EU) № 1407/2013;

4. The undertakings forming a “single undertaking” with the partner, which have benefited from the minimum aid received before the division or separation, according to Article 3(9) of Regulation (EU) № 1407/2013.

**An “undertaking” within the meaning of the competition rules is any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed.**

For the purposes of Regulation (EU) № 1407/2013, “single undertaking” means all undertakings which maintain at least one of the following relationships:

1. one enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
2. one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
3. one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
4. one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in points a) to d) of the first subparagraph through one or more other enterprises shall also be considered to be a single undertaking.

Undertakings that maintain one of these relationships through an individual or a group of co-operating individuals are also considered to be related undertakings. In that case, a natural person shall be treated as an undertaking within the meaning of Regulation (EU) № 1407/2013 only if he carries out an economic activity in some form, i.e. is a sole trader and/or exercises a free profession and/or participates in the management and control over the activity of any of the enterprises.

**IMPORTANT!** All circumstances concerning a “single undertaking” are subject to declaration in the Declaration on de minimis and state aid (***Annex № 12*** *to the Application Guidelines*).

Project partners are not eligible for minimum aid if they fall under the prohibitive aid schemes in accordance with Regulation (EU) № 1407/2013, namely:

(a) aid granted to undertakings active in the **fisheries and aquaculture sector** covered by Regulation (EU) № 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organization of the markets in fishery products; and aquaculture, amending Council Regulations (EC) № 1184/2006 and (EC) № 1224/2009 and repealing Council Regulation (EC) № 104/2000 (OJ L 354, 28.12.2013).

(b) aid granted to undertakings active in the **primary production of agricultural products** ('agricultural products' means the products **listed in Annex I** to the Treaty (TFEU), with the exception of fishery and aquaculture products covered by of Regulation (EU) (1379/2013).

(c) aid granted to undertakings active in the processing and marketing of agricultural products in the following cases:

(i) where the amount of aid is determined on the basis of the prices or quantities of that type of product purchased by the primary producers or marketed by the undertakings concerned)

(ii) where the aid is linked to an obligation to transfer, in whole or in part, to the primary producers.

When assessing the fulfillment of the conditions for granting minimum aid, the definitions under Article 2(1) of the Regulation[[3]](#footnote-4) should be taken into account.

The procedure does not provide assistance to partners when its granting leads to a violation of the provisions of Regulation (EU) № 1407/2014, including Article 1(1) (c), (d) and (e) of the Regulation.

(d) aid for export-related activities to third countries or Member States, in particular aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other running costs associated with exports;

(e) aid subject to the preferential use of national products over imported products.

Aid granted in tranches shall be discounted to its amount at the time it is granted. Eligible costs are discounted to their value at the time the aid is granted. The interest rate used for discounting is the discount rate applicable at the time the aid is granted, in accordance with Article 3(6) of Commission Regulation (EU) № 1407/2013 of 18 December 2013.

De minimis aid may be cumulated with de minimis aid granted under Commission Regulation (EU) № 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with deminimis aid granted under other de minimis aid regulations up to the relevant ceiling laid down in Article 3(2) of Regulation (EU) № 1407/2013.

De minimis aid shall not be cumulated with State aid granted for the same eligible costs or with State aid for the same measure for risk financing, if such cumulation can exceed the maximum applicable aid intensity or aid amount specified in the specific circumstances on a case-by-case basis by a block exemption regulation or by a decision adopted by the Commission. De minimis aid which is not granted for specific eligible costs or cannot be linked to such may be cumulated with other State aid granted under a block exemption regulation or by a decision adopted by the Commission.

Where the granting of new de minimis aid may exceed the relevant ceiling laid down in paragraph 2 of Regulation (EU) № 1407/2013, no part of that new aid may fall within the scope of that Regulation.

Member States shall grant new de minimis aid in accordance with Regulation (EU) № 1407/2013 only after verifying that it does not bring the total amount of de minimis aid granted to the undertaking concerned to a level exceeding the relevant ceiling laid down in Article 3(2), and that all the conditions laid down in the Regulation are met.

The details of the previous minimum aid received should be duly indicated by the partners in a Declaration on de minimis and state aid (***Annex № 12*** to the Application Guidelines). The declaration on de minimis aid is submitted by the partners at the application stage and subsequently, in case of approval of the project proposal – before the signing of the project contract.

**Prior to concluding a contract, the PO will verify the merits of the de minimis aid declared by the approved partners. In case an erroneously declared amount is established, which exceeds the respective ceiling, determined in Article 3 of Commission Regulation (EU) № 1407/2013, the grant will be refused to the applicant concerned. The verification is carried out by comparing all the information about the received minimum aid that the PO has, incl. inspection in the Register of Minimum Aid maintained by the Minister of Finance.**

The administrator of state aid is responsible for compliance with the conditions of the minimum aid regime, and is obliged to make sure and create conditions for applicants and partners to comply with these conditions, where applicable to them.

The PO is not responsible for an incorrectly declared amount of received minimum aid, which led to the refusal to conclude a contract.

**De minimis aid shall be deemed to have been granted from the time of signing the grant agreement, irrespective of the date on which it is paid to the undertaking.**

In connection with the adopted Commission Regulation (EU) № 2020/972 of 2 July 2020 amending Regulation (EU) № 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, the final date for concluding contracts/annexes related to the provision of minimum aid under this procedure may not be later than 31.12.2023.

It is not allowed to grant new minimum aid to an undertaking which has not complied with a decision of the European Commission and has not recovered illegally received state aid.

In case of non-compliance with the requirements of Regulation (EU) № 1407/2013, the undertaking shall reimburse the full amount of the funds provided under the procedure with the legal interest from the moment of receipt until their final payment. The recovery of illegally provided minimum aid shall be carried out by the order of Article 5, items 4 and 5 of the project contract.

Where a grant falls within the scope of Commission Regulation (EU) № 1407/2013, the beneficiary/partner and the State aid administrator shall document and collect all information regarding the application of the Regulation. The documents thus drawn up must contain all the information necessary to demonstrate that the conditions laid down in Regulation (EU) № 1407/2013 have been complied with. Documentation on individual de minimis aid shall be kept for a period of 10 fiscal years from the date on which it was granted. The dossier for de minimis aid schemes shall be kept in accordance with Article 6 (4) and (5) of Regulation (EU) № 1407/2013 for a period of 10 fiscal years from the date on which the last individual aid was granted under such scheme. The PO informs the beneficiary about the start date of the period.

The administrator of the aid is the Programme Operator of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme.

Obligation of the aid administrator arising from Article 34, item 1 of the State Aid Act and Article 9, item 4 of the Regulations for its implementation, is to inform the Minister of Finance within 3 working days from the provision of any de minimis aid through the Information System “Register of Minimum Aid” (htpp: //minimis.minfin.bg).

Where the beneficiary/partner(s) to whom the minimum aid scheme is applicable has provided incorrect or incomplete information related to the receipt of the minimum aid under the procedure, which has led to a breach of the requirements of Regulation (EU) № 1407/2013 and/or the Application Guidelines for the procedure, then the whole aid granted under the project contract, is considered inadmissible, and all funds paid by the PO are subject to reimbursement in full. In this case, a person who has legally received part of the grant under the contract (regardless of whether he has the status of a beneficiary or a project partner), is obliged to reimburse the relevant part in full.

Unlawfully received minimum aid, within the meaning of Regulation (EU) № 1407/2013, by the beneficiary and/or his partner is subject to reimbursement in full by the respective recipient under the conditions and by the order of Article 37 of the State Aid Act.

The EC does not issue acts for recovery of illegally paid or incorrectly used minimum aid. The illegally received minimum aid is a public receivable, which is established by the administrator of the aid by issuing an act for establishing the public receivable under the Administrative Procedure Code. The receivable is subject to collection in accordance with the Tax and Social Security Procedure Code by the bodies of the National Revenue Agency. The aid administrator is obliged to inform the Minister of Finance within 3 (three) working days from the issuance of the act.

It is not allowed to grant new state aid to an undertaking that has not complied with an order of the European Commission to recover the unlawful and incompatible state aid granted to it.

## Sustainability of the project proposals

The sustainability of the projects’ results is essential to ensure long-term benefits. For the PO it is necessary to guarantee sustainability of the projects’ results where there is an investment in the purchase of assets. In this case the PO requires continuation of the activity after the end of the implementation of the project contract.

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| **IMPORTANT!** Pursuant to Article 8.14, paragraph 2 of the Regulation,the PO determines **a minimum period of sustainability** **of the project proposals,** where part of the grant is used for the purchase of fixed assets, from **5 years after the end of the implementation of the project contract**. |

## Project partnerships under and Partnership Agreements

According to Article 4.5 of the Regulation, projects can be prepared and implemented in cooperation with one or more organizations from the Donor States in order to contribute for the achievement of the overall objective of enhancing the relations between the Donor States and the Beneficiary States (Article 4.1.1 of the Regulation). Partners and organizations from the Republic of Bulgaria are eligible under this Call. The legal form of eligibility of the organizations which can be partners under this Call is defined in item 8 “Eligible Partners”.

On the application stage, the project partners need to submit in EUMIS 2020 (Section 12) – a **Letter of partnership intent** (***Annex № 5 in Bulgarian and*** ***Annex № 5A in English***) **signed** by all participating partners and **stamped** by all participating partners **except for the partners from the Donor States**, which proves the partners’ intention for joint participation within the project. The letter describes the roles and the specific activities that each of the partners intents to perform if the project proposal is approved.

There is no limitation on the maximum number of partners per one project proposal. The establishment of a partnership consisting of two or more organizations is considered favorable. The partnership must be balanced and the activities must be implemented actively by all sides within the partnership including the spending of funds. In order to achieve balance and efficiency in the implementation of project activities, funding must be provided for each project partner and this must be reflected in Section 5 “Budget” of the Application Form. In Section 7 of the Application Form – “Implementation plan/Project activities”, the applicant must explicitly and in detail describe the participation of all parties in the partnership. In Section 12 of the Application Form the applicant must justify the need for the partnership by tying the expertise and the experience of the participants to the future achievement of the project’s objectives. ***The partnership, the participants’ expertise, their experience and the justification for the need of the partnership will be subject to assessment during the project proposal’s evaluation, and the degree of detail and argumentation will give additional points.***

Upon approval of project funding, according to Article 7.7, paragraph 7 of the Regulation, a *Partnership Agreement* (***Annex № 15***) is signed for each partnership before signing the project contract.

The agreement must contain at least the following:

1. provisions on the roles and the responsibilities of the parties;
2. provisions on the financial arrangements between the parties including but not limited to which expenditures of the partners will be covered by the project’s budget;
3. provisions on the method for calculating indirect costs and their maximum amount;
4. rules for currency exchange, proof and eligibility;
5. provisions regarding the audits of the project partners;
6. detailed budget;
7. provisions on the settlement of disputes;

The partnership agreement should be signed in Bulgarian and in English if at least one of the parties in the partnership is registered in any of the Donor States; in such cases the text in English will prevail.

The establishment and implementation of a partnership between a Project Promoter and a partner will be carried out in accordance with the applicable national and European legislation in the field of public procurement, pursuant to Article 8.15 and Article 6.7 of the Regulation, assessing the type of activities to be performed by the partner and their value.

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| **IMPORTANT!** With respect to the partnership agreements signed for the purposes of this Call for Proposals, the Program Operator does not require notarization of signatures or other registration regime. |

The eligibility of the expenditures incurred by the project partner is subject to the same limitations as the expenditures incurred by the Project Promoter.

## Contractors of the Project Promoter

The Project Promoter is entitled to conclude contracts with contractors for the implementation of project activities. The contractors are not partners and are subject to selection according to PPA and the Regulations for the implementation of the PPA.

The assigning of public procurements will be done in accordance with the provisions of the applicable national and European legislation.

The documentation related to the public procurement procedures for the supply of goods/services is subject to verification by the Programme Operator.

The Project Promoters/partners are required to implement the relevant legislation as described above and to monitor possible changes to the applicable legislation.

At the application stage, the applicants fill in Section 10 “Plan for outsourcing“ of the EUMIS 2020 Application Form, describing the procedures envisaged, the type of orders, their sites, the estimated value and a short description.

## Duration of the Projects

The planned duration of each project in respect to the grant funding, including the including the activities provided for therein, **cannot exceed 24 months.**

The duration of a specific project should be taken into account during the preparation of the project proposal as the applicant should foresee a realistic term for the implementation of the activities.

The activities under the project must be completed by 30.04.2024, when is the end of the eligible period for implementation of the projects under the “Cultural Entrepreneurship, Heritage and Cooperation” Programme.

The start and the end eligibility dates of each project should be indicated in the project contract.

**According to Articles 8.15(1) and 8.3.2 of the Regulation:**

* the Project Promoter undertakes not to change the ownership and purpose of the acquired equipment/asset for a period of at least 5 (five) years following the approval of the final project report and within this period to use the equipment/asset for the project purposes;
* the Project Promoter undertakes to insure the acquired equipment/asset for the usual insurance risks (theft, fire and others) during the implementation of the project as well as for a period of at least 5 years following the approval of the final project report;
* the Project Promoter undertakes to provide sufficient resources for maintenance of the acquired equipment/asset for a period of at least 5 years following the approval of the final project report.

## Information and communication

The requirements for effective communication and dissemination of project results will be included in the project contracts to be concluded between the Programme Operator and the Project Promoters under this Call for Proposals.

The requirements for information and communication under the EEA and Norway Grants 2014-2021 are detailed in the following regulations: Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (Article 1.7; Chapter 3, as well as the entire Annex 3 to the Regulation). Together with the Communication and Design Manual, they provide the framework for the implementation of information and communication activities, which should be the starting point in the work of the Project Promoters. All described documents are available in the portal of the EEA grants, section “Documents”.

All Project Promoters and partners must meet the following information and communication requirements in their project proposals:

1. All Project Promoters share the responsibility to carry out information and communication activities in accordance with the principle of proportionality by ensuring the widest possible dissemination of information, raising public awareness and enhancing transparency on project activities, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme and the contribution of the EEA FM 2014-2021 and the Donor States at national, regional and/or local level.
2. All Project Promoters have an obligation to submit a developed Communication Plan, which includes all planned activities/measures for information and communication of their project proposals. The plans must include clear measures to ensure visibility of the project they implement in the context of the Programme. The Project Promoters should ensure that information on the projects is accessible to the widest possible audience, including in the Donor States. The Communication Plan has to be approved by the head of the Project Promoter and should be attached in Section 12 in EUMIS 2020*.* The structure and content of the Communication Plan should be consistent with Annex 3 to the Regulations on the implementation of the EEA and Norway Grants 2014-2021 and the Communication and Design Manual, and also correspond to the content of the mandatory publicity and information activity described in Section 7 of the “Implementation plan/Project activities” (*Communication plan of the project* ***– Annex № 11***).
3. The contribution of Iceland, the Principality of Liechtenstein and the Kingdom of Norway through the grants from the EEA FM 2014-2021 should be clearly indicated in all publications and activities for which funding under the Programme is used. This includes indicating the names of the three Donor States and the EEA FM logos in all publications, posters, webpages and other products and infrastructure as well as for all events implemented under the projects.
4. There is an obligation to clearly highlight the bilateral cooperation between the applicant and the partner(s) from the Donor States on the basis of which the project proposal is implemented.
5. Each Project Promoter has the responsibility to inform the PO in writing at least two weeks in advance of an event. After holding an event, the Project Promoter must send to the PO via electronic means press materials and photographs from the event.
6. The Project Promoter should provide the necessary assistance for events conducted at Programme or national level by presenting the project results and/or promotional materials and products.
7. The applicants must provide for the publication of information on the funded project on the Internet through a dedicated and a regularly updated website in Bulgarian and English, indicating the grant support of the Donor States under the EEA FM. The website should also provide a link to the web portal of the EEA and Norway Grants – www.eeagrants.bg
8. All information published on the Internet should include information on the project, its progress, achievements and results, cooperation with donor partners, appropriate photo/visualization material, contact information and a clear reference to the Programme and the EEA FM 2014-2021.
9. The Project Promoter must put up an information board (billboard). The information board must be positioned near the site where the project activities are carried out. Within 6 months after the completion of the project, the Project Promoter must replace the information board with a commemorative plaque; the plaque must be visible and comply with the requirements of the Communication and Design Manual.
10. There is an obligation to organize at least two information activities on the progress, achievements and results of the funded project such as a seminar or stakeholder conference, a press conference or a press event, including a launching event and/or a closing event for the project.
11. All manufactured promotional materials on funded projects must comply with the visualization requirements laid down in the Communication and Design Manual of the EEA and Norway Grants 2014-2021.
12. In view of the specifics of the priority area, all Project Promoter should include in their communication activities the development of a video clip presenting the results of the project activities, including events funded under the project. The video clip should last at least 2 minutes and be of high resolution (1920x1080 pixels) in view of its usage and for follow-up reporting activities at Programme and national level. The video should have English subtitles.

## Application method and procedure

### General rules

Applicants who wish to participate with project proposals under this Call must prepare and submit a project proposal by filling in the web-based Application Form with an electronic signature in the EUMIS 2020 system at <http://eumis2020.government.bg>. The project proposals under the Call can be submitted by representatives of the applicants or by persons authorized by them.

The preparation and submission of the Application Form in EUMIS 2020 is done in the following way: the applicant registers in EUMIS 2020, logs in with a username and a password, selects the current Call from “Open Calls” and creates a new project proposal.

The Application Form under the procedure is filled in by the applicant according to the instruction materials in the “*Guide for working with the system” Section of* EUMIS 2020 that can be found on: <https://eumis2020.government.bg/en/s/Default/Manual>.

All documents specified in items 20.2 and 20.3 of these Application Guidelines must be attached to the Application Form. A document, the original of which is in a foreign language, should also be submitted in translation into Bulgarian.

Before submitting the project proposal, the Application Form must be signed by a qualified electronic signature (QES) with a detached signature by at least one of the persons entitled to represent the applicant or an authorized person.

In case the QES belongs to an authorized person, a scanned notarized power of attorney (Authorization Order for applicants that are public organizations) should be attached to the project proposal (in Section 12 of the Application Form). The power of attorney must explicitly state that the person is authorized to submit a project proposal under Outcome 1, Output 1.2 under the PA14 “Cultural Entrepreneurship, Heritage and Cooperation“ Programme. The power of attorney must be issued as of the date of submission of the project proposal. If the same is not attached in Section 12 of the Application Form, the Evaluation Commission will request it from the applicant. If the power of attorney is not presented or is presented, but the date of its issuance is later than the date of submission of the project proposal, the project proposal will be rejected.

The applicants fill in the Application Form in Bulgarian and provide an English translation as an attached file in Section 12 of the Application Form (***Annex № 1A***).

Each applicant must indicate the official email address of its organization with which to register and log into EUMIS 2020. This email address will be retrieved automatically and displayed in the “E-mail” field in Section 2 “Applicant Data” of the Application Form. Once specified, this email address could not be changed during the application and evaluation period until the project contract with the respective applicant under the Programme is signed. During the evaluation of the project proposal – the communication with the applicant on the submitted project proposal will be done electronically through the applicant’s profile in EUMIS 2020 from which the project was submitted.

### List of documents to be submitted at the application stage:

At the application stage, the applicant submits the following documents:

1. **Application Form.** The Application Form in Bulgarian language must be submitted in the format in EUMIS 2020, signed by a QES by the person entitled to represent the applicant or by a person authorized by the applicant. An identical English version of the Application Form (***Annex № 1A***) is submitted as an attached file in Section 12. In case of non-submission of a fully completed Application Form in English, the project will not be considered.
2. **Financial Argumentation of the project’s budget (*Annex № 2*),** filled in according to the *Instruction for Completing the Financial Argumentation* (***Annex № 2.1***)

*\*The document should be completed in Excel format and attached in Section 12 of the Application Form.*

In case a Financial Argumentation is not submitted or is not presented in the required template, the document(s) cannot be further requested by the applicants, as their additional submission will lead to an improvement in the quality of the project proposal. Failure to submit the document in the required template leads to rejection of the project proposal.

1. **Annexes to the Financial Argumentation** according to these Application Guidelines and the Instruction for completing the Financial Argumentation – the annexes are attached by the applicant in Section 12 of the Application Form, and the offers are attached in .RAR or in .ZIP format. *Documents that are on paper should be scanned and attached in Section 12 of the Application Form,* ***certified by signature and stamp and “True to the Original” text on each page****.*
2. **Decision of the Municipal Council** of the municipality regarding the application under this Call, in the cases when the applicant is a municipality or a secondary budget spending unit with the municipality.
3. **Letter of support** from the primary budget spending unit in the cases where the applicant is a secondary budget spending unit or a lesser spending unit.
4. **Declaration by the applicant/partner** (***Annex № 3***)

*Each person who represents the applicant/partner signs a separate declaration. The Declaration by the applicant/partner cannot be signed by authorized persons as it declares personal data or data for the legal entity concerned and for their authenticity there is a criminal responsibility, which is also personal. The Declaration is submitted in English (****Annex № 3A****) in case the partner is from a Donor State.*

1. **Declaration on the identity of information** (***Annex № 4***).
2. **Letter of partnership intent** (if applicable) (***Annex № 5***)

*The letter of partnership intent is filled in by the persons representing the relevant partner. In case the partner is from a Donor State, the letter should be submitted in English (****Annex № 5A****).* *It is acceptable to submit one letter signed by all partners, as well as to submit separate letters with identical text according to the template from every partner.*

*\*\* When the partnering legal entity is being represented by two or more people, each representative of the partner should sign the Letter of partnership intent.*

1. **Curriculum Vitae (CV) of the project manager and each member of the** **project management team** (***Annex № 6 in Bulgarian***/***Annex № 6A in English)***

*The CV shall be filled in* ***only according to the provided template*** *and attached in Section 12 of the Application Form.*

1. **Declaration for information on the consultants participating in the preparation and writing of the project proposal and the accompanying documentation**(***Annex № 7***)**.**
2. **Declaration on provision of data from the National Statistical Institute** (***Annex № 8***).
3. **Notarized power of attorney for authorization of a person representing the applicant** (if applicable) in relation to the submission of the project proposal and the signing by QES of the Application Form.

*The document is required only in case the project proposal is submitted by a person, different than the legal representative of the applicant. The document should be scanned and attached in Section 12 of the Application Form.*

1. **Technical Specification** (***Annex № 9***) **for Fixed Tangible Assets/Fixed Intangible Assets/Services.**

*The completed and signed document is scanned and attached in Section 12 of the EUMIS 2020 Application Form, and the same is also attached completed in Word format.*

**In case the project proposal provides for the purchase of Fixed Tangible Assets, Fixed Intangible Assets or for the use of services and a Technical Specification is not submitted or is not submitted in the required template, the project proposal is not considered.**

1. **Budget in euros** *(****Annex №10 in Bulgarian and Annex № 10A in English***)

*The document should be filled in Bulgarian and in English in Excel format and attached in Section 12 of the Application Form.*

1. **Communication plan of the project proposal (*Annex № 11)***

*The Communication Plan must be signed by the head of the Project Promoter organization who has approved it and then attached in Section 12 of the Application Form.*

1. **Declaration on de minimis and state aid (*Annex № 12 in Bulgarian and Annex № 12A in English*).**
2. **Certified report on cash execution of the budget - applicable only to applicants that are municipal organizations.**

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| **IMPORTANT!** The documents indicated in **items 1, 2, 6, 7, 8, 9, 10, 11, 13, 14, 15 and 16 should** be filled in according to the templates provided by the Programme Operator. **When a template is provided for the submission of the respective document, the submission of the information in another format is inadmissible!** |

**IMPORTANT**! The documents completed in accordance with **Annexes № 3, 4, 5, 7, 8, 9, 11 and 16** to the Application Guidelines should be signed by the applicant/partner in one of the following ways:

1. They are signed on paper, scanned and attached in Section 12 of the Application Form; or

2. They are signed inside the file with electronic signature (QES) and are attached in Section 12 of the Application Form - field “File”.

**IMPORTANT!** In case the project proposal is submitted by an authorized person, it should be borne in mind that the declarations certifying the absence or existence of circumstances regarding the persons representing the applicant should be filled in and signed personally by the relevant persons.

Applicants should number and write the name of the attached documents in Latin letters so that their content is evident, for example – “deklaratsia\_Prilojenie\_5” in order to facilitate the review of the documents during the evaluation of the project proposals.

### Supporting documents to be submitted by the partner(s):

The partners from the Donor States should submit the following supporting documents:

**In case of partnerships with organizations from the Kingdom of Norway:**

* Register transcript certifying the legal status and the main activities performed by the organization – excerpt from the official register of the Kingdom of Norway – Brønnøysundregisteret.

**In case of partnerships with organizations from Iceland:**

* Certificate of Registration – issued by the Registrar of Enterprises – Skráasvið.

**In case of partnerships with organizations from the Principality of Liechtenstein:**

Registration transcript certifying the legal status and the main activities performed by the organization – excerpt from the official registrar of the Principality of Liechtenstein –Handelsregisterauszug.

**If not included in the above documents, the partner organization should present also another document from which it is visible who is the legal representative of the organization for the implementation of the project in accordance with the national legislation.**

**IMPORTANT! The supporting documents provided by partners from the Donor States should be submitted in English.**

**IMPORTANT!** Each attached file is attached in Section 12 “Attached electronically signed documents” of the Application Form.

Applicants must number and put in Latin letters the name of the attached documents, which shows what their content is, e.g. „1.deklaratcia\_Prilojenie\_5”, in order to facilitate the review of documents when carrying out the evaluation of project proposals.

### Deadline for submission of project proposals

The deadline for receiving project proposals is **5:30 PM (Bulgarian time – UTC+2) on 16th June 2021**. Project proposals are submitted only through the EUMIS 2020 system, as when submitting the system generates a number of the project proposal and registers the exact date and time of submission.

A project proposal submitted after the deadline will not be considered under this Call.

Project proposals submitted on paper will not be considered.

## Additional information

Before submitting the project proposal, the applicants may request clarifications regarding the grant procedure. Questions can be sent to the Programme Operator of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme via e-mail at [pa14culture@mc.government.bg](mailto:pa14culture@mc.government.bg)

The questions and answers will be published on the Internet site of the Programme that is part of the unified web portal of the EEA Grants for Bulgaria, as well as in EUMIS 2020.

The questions can be asked **no later than 21 days before the deadline for submission of project proposals.**

**Clarifications will be published within 10 days of receipt of the request to the above e-mail address, but no later than 14 days before the deadline for submission of project proposals.**

**Clarifications will be given regarding the Application Guidelines and their Annexes, they will not contain an opinion on the quality of project proposals and are mandatory for all applicants.**

**The requests for clarifications will be published together with the clarifications on the Internet site of the Programme that is part of the unified web portal of the EEA FM for Bulgaria, as well as in EUMIS 2020.**

In order to ensure equal treatment of applicants, the PO will not issue preliminary opinions on the compliance of an application or applicant with the application conditions.

## Signing Project Contracts

### Notification on the Decision of the PO

The Head of the PO issues a Decision on the funding of the project proposals proposed for funding, and sets a deadline for provision of all documents necessary for signing the contract.

Through the “Communication” module in EUMIS 2020, the Programme Operator sends a notification letter to the approved applicant. The notification letter is signed by the Head of the PO or by an authorized person and contains guidelines on the necessary documents, the deadline and the way of their submission. The letter should at least indicate the following information:

1. the final amount of the approved project budget;
2. the changes in the budget that have been requested by the Selection Committee (*if applicable*);
3. the documents which the applicant needs to present as well as the number of copies;
4. the deadline for submission by the applicant of the necessary documents.

The approved for funding applicants send the required documents in the way and within the deadline, indicated in the notification letter.

In case of discrepancies in some of the documents necessary for the project contract, the Programme Operator sends a letter through EUMIS 2020 with a request for correction of the documents and sets a new deadline for their submission.

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| **IMPORTANT! The Programme Operator cannot request the same documents twice.** |

In case that during the verification of the submitted documents, it is established that an applicant does not meet the eligibility requirements or does not submit the necessary documents for signing a contract within the indicated deadline, or does not submit in full the necessary documents, the Head of the PO issues a motivated decision for rejection of funding. **The decision is subject to appeal before the competent administrative court under the Administrative Procedural Code.**

In case that, when carrying out a substantive examination of the documents submitted by the applicants for the contract, a significant discrepancy/false declaration is found between the data declared by the applicant and the information given in the official documents he/she has submitted, then no contract will be signed with the applicant. In this case, the persons conducting the verification recommend to the Head of PO through a motivated report transmitted via EUMIS 2020 to issue a decision for refusal of funding for this applicant.

### Documents to be submitted before the signing of project contract

1. Application for creation of a profile for access of the beneficiary to EUMIS 2020 from the Manager and/or Authorized Person(***Annex № 13***).
2. Declaration for irregularities and fraud(***Annex № 14 in Bulgarian and Annex № 14A in English***).
3. Partnership Agreement for projects under Outcome 1 „Cultural Heritage Management Enhanced”, Output 1.2 “Cultural heritage objects made digitally accessible” under the PA14 “Cultural Entrepreneurship, Heritage and Cooperation” Programme (template is provided ***– Annex № 15 in Bulgarian and Annex № 15A bilingual in Bulgarian and in English***), signed by the applicant and the partner(s) (if applicable).
4. Declaration for consent on the provision of information (to be submitted by the applicant and the partner(s) (if any) (***Annex № 16 in Bulgarian and Annex № 16A in English****).*

*The declaration should be signed by at least one of the persons that represent the applicant/partner and should be submitted to the PO by the applicant.*

1. Financial Identification.
2. Payment plan (***Annex № 18***).
3. In the event of changes in the circumstances declared during the application prior to the conclusion of the project contract, the relevant declarations should be submitted again (see Annexes to the Application Guidelines, item I. Documents for Application below).

**IMPORTANT!** No one may participate in a selection procedure and no grant shall be awarded to persons who are proved to have been excluded from participation in a public procurement procedure under the Public Procurement Act or who have not complied with an order of the European Commission to recover the unlawful and incompatible state aid granted to them.

### Project contracts

The applicants approved for funding, as well as applicants from the list of reserve project proposals, in cases where there is a residual financial resource, are invited to provide evidence that they meet the requirements for Project Promoters, including the requirements set out in the Application Guidelines and/or other documents approved by the Head of the PO if they are not attached to the Application Form.

Applicants shall send the listed documents in the manner and within the deadlines specified in the invitation letter.

In case it is established that an applicant does not meet the eligibility requirements or does not submit within the specified period the documents necessary for concluding a contract, including upon repeated request does not submit in full the necessary documents, the Head of the PO issues a motivated decision for refusal of funding. A decision for refusal of funding is also issued in cases where, when during the substantive inspection of the documents submitted by the applicants when concluding project contracts, a discrepancy is found between the information declared by the applicant and the information specified in the official documents submitted by him/her.

The decision for refusal of funding is subject to appeal before the competent administrative court pursuant to the APC.

If an applicant for an approved project refuses to sign a project contract, contracts will be concluded with the applicants from the reserve list (if applicable) in the order of their ranking, until the available budget under the procedure is exhausted.

The project contract is prepared by the PO and is available as a template (***Annex № 17 in Bulgarian and Annex № 17A in English***) in the annexes to these Application Guidelines.

The project contract sets out the conditions for the project implementation, as well as the roles and responsibilities of the parties, and in particular clauses should be included to ensure that the Project Promoter commits to comply with the legal framework of the EEA FM 2014 – 2021 referred to in Article 1.5 of the Regulation, which is relevant to the implementation of the project, including any obligations that are valid after the project completion.

The project contract contains a clear reference to the Programme Agreement and the Regulation and, as a minimum, contains the following clauses:

* The maximum amount of project grant in euros and the maximum project grant rate for the project;
* The amount of minimum aid granted (if applicable);
* The first and last date of eligibility of costs;
* The method of calculating indirect costs and their maximum amount;
* Eligibility of expenditures and requirements for proof of expenditures;
* Reporting obligations, reporting periods;
* Payment method;
* Conditions for changing the project and the contract;
* Obligations to comply with information and publicity requirements;
* Obligations to provide access for monitoring, audit, on-the-spot checks and evaluation;
* Reporting that would allow the POs to fulfill their reporting obligations to the FMC and the NFP;
* The PO’s right to suspend payments and to require reimbursement by the Project Promoter in the event that such a decision is made by the FMC, PO or NFP;
* Conditions for terminating the project;
* Dispute settlement and jurisdiction;
* Reference to a partnership agreement or letter of partnership intent;
* Provisions to ensure that project partners are informed in advance of project changes that affect them.

The following attachments are an integral part of the contract:

* The Application Form submitted by the applicant in EUMIS 2020 and assessed by the Evaluation Commission;
* Actual and detailed project budget;
* Actual implementation plan;
* Actual outsourcing plan;
* Actual risk reduction plan;
* Technical specification – containing the minimum technical and/or functional characteristics of the fixed assets to be purchased (fixed tangible assets and intangible assets) and the services used under the project **without specifying brands and manufacturers** (if applicable);
* Partnership agreements, if applicable.
* Declaration on de minimis and state aid from the partner(s), if applicable.

The obligations of the applicant imputed by the project contract are valid and enforceable in accordance with relevant national and European legislation.

On the part of the PO, the contract is signed by the Head of PO or a person authorized by him/her, as well as by the person entitled to a second signature in assuming financial obligations from the PO.

On the part of the applicant the contract is signed by the person who, by virtue of a legal or other act, has the right to represent him/her or by a person authorized by him/her, with a notarized power of attorney in connection with the signing of a contract. If the contract is also signed by a person entitled to a second signature, the applicant should provide a certified copy of an authorization to make a second signature.

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| **IMPORTANT!**  **INDICATIVE DEADLINES:**  End of the evaluation process: Within eight months from the deadline for submission of project proposals.  Signing of the contracts: Within three months from the decision for funding of the approved project proposals. |

### Technical and financial implementation of projects under signed project contracts

The Project Promoters should report their expenditures to the PO in at least two mandatory reports over the year, respecting the following deadlines:

1. For costs incurred from 1st January to 30th April, an interim report with all supporting documents must be submitted to the PO on or before 15th May;

2. For costs incurred from 1st May to 31st August, an interim report with all supporting documents must be submitted to the PO on or before 15th September;

3. For costs incurred from 1st September to 31st December, an interim technical report with all supporting documents must be submitted to the PO on or before 15th January.

For reporting purposes, the EUMIS 2020 reporting system is used. Reporting is done electronically by the project manager or a person authorized by the Project Promoter. The reporting package in EUMIS 2020 includes an interim report on the project, a technical report, a financial report (the accruals are automatically calculated by the system), as well as a request for payment, Electronic copies of the original financial and accounting documents signed by the project manager or a person authorized by the Project Promoter should be uploaded in the electronic system EUMIS 2020, certifying that the expenditure has been incurred in the respective project. The report on the project should be completed according to the activities carried out, supported by the financial and accounting documents and the necessary technical evidence of the activity carried out. The costs included in the report should meet the basic eligibility principles, be invoiced, paid and include actual performance of the delivery, service or repair activities by the final date of eligibility for the relevant reporting period.

# ANNEXES TO THE APPLICATION GUIDELINES

# I. DOCUMENTS FOR APPLICATION:

* Application Form in English language (***Annex № 1A***);
* Template of Financial Argumentation of the project’s budget (***Annex № 2*)**;
* Template of Declaration by the applicant/partner (***Annex № 3 in Bulgarian/Annex № 3A in English****)*;
* Template of Declaration on the identity of information(***Annex №*** ***4***)**;**
* Template of Letter of partnership intent (if applicable) (***Annex № 5 in Bulgarian/Annex № 5A in English***);
* Template of CV of the project manager and each project management team member (***Annex № 6 in Bulgarian/Annex № 6A in English***);
* Template of Declaration for information on the consultants participating in the preparation and writing of the project proposal and the accompanying documentation(***Annex № 7***);
* Template of Declaration on provision of data from the National Statistical Institute (***Annex № 8***);
* Template of Technical Specification (***Annex №9***);
* Template of Budget in euros(***Annex № 10 in Bulgarian and Annex № 10A in English***);
* Template of Communication plan of the project(***Annex № 11***);
* Template of Declaration on de minimis and state aid **(*Annex № 12 in Bulgarian/Annex № 12A in English***)

# II. DOCUMENTS FOR INFORMATION:

* Methodology for assessment of project proposals:
  + - Table for Administrative Compliance and Eligibility (***Annex A***)
    - Table for Technical and Financial Evaluation (***Annex B***)
* Instruction for completing the Financial Argumentation (***Annex № 2.1***);
* Instruction for preparation of the budget *(****Annex № 10.1***);
* Template of Application for access to EUMIS 2020 (***Annex № 13***) (for correspondence purposes and for the reporting under the project)[[4]](#footnote-5);
* Template of Declaration for irregularity and fraud (***Annex № 14 in Bulgarian/Annex № 14A in English***);
* Template of Partnership Agreement (***Annex № 15*** ***in Bulgarian/Annex № 15A in English***);
* Template of Declaration for consent on the provision of information (shall be submitted by the applicant and the partner(s) (if any) (***Annex № 16*** ***in Bulgarian/Annex № 16A in English***);
* Template of Project Contract (***Annex № 17 in Bulgarian/Annex № 17A in English***);
* General Terms and Conditions to the Project Contract (***Annex № 17.1 in Bulgarian/Annex № 17.1A in English***).
* Template of Payment Plan (***Annex № 18***).

1. On-going repairs is the improvement and maintenance of buildings, structures, facilities and installations, as well as internal reconstructions, which do not:

   a) affect the structure of the building;

   b) include activities such as removal, relocation of existing walls and making holes in them when they affect the structure of the building;

   c) change the purpose of the premises and the loads in them. [↑](#footnote-ref-2)
2. The verification of cumulation to the ceilings of EUR 200 000 shall take into account any minimum aid granted, regardless of the form, purpose and source of funding. [↑](#footnote-ref-3)
3. - ‘agricultural products’ means products listed in Annex I to the Treaty, with the exception of fishery and aquaculture products covered by Regulation (EC) No 104/2000;

   - ‘processing of agricultural products’ means any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for the first sale;

   - ‘marketing of agricultural products’ means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered as marketing if it takes place in separate premises reserved for that purpose. [↑](#footnote-ref-4)
4. Access rights to the EUMIS 2020 related to the specific project are granted on the basis of an application for access to EUMIS 2020 submitted by the Project Promoter (***Annex № 13***) after the signing of the project contract, and at his/her discretion the Project Promoter can request access rights to be granted to more than one person (at least two persons are recommended). The legal representative of the Project Promoter or a person authorized by him/her submits the application along with the official correspondence in hard copy to the PO. When the application is signed by an authorized person, the authorization document also must be presented. After the PO has created a profile in EUMIS 2020 for the person indicated in the application, that person receives a confirmation email from the system. If it is necessary to change the person initially indicated in the application, a new application should be submitted. [↑](#footnote-ref-5)