

FRAMEWORK AGREEMENT

BETWEEN

**THE GOVERNMENT OF
THE REPUBLIC OF BULGARIA**

AND

THE SWISS FEDERAL COUNCIL

CONCERNING

**THE IMPLEMENTATION OF THE BULGARIAN-
SWISS COOPERATION PROGRAMME TO
REDUCE ECONOMIC AND SOCIAL DISPARITIES
WITHIN THE ENLARGED EUROPEAN UNION**

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA (hereinafter referred to as "Bulgaria")

AND

THE SWISS FEDERAL COUNCIL (hereinafter referred to as "Switzerland")

hereinafter collectively referred to as "the Parties",

- AWARE of the importance of the enlargement of the European Union (hereinafter referred to as "EU") for stability and prosperity in Europe;
- NOTING the solidarity of Switzerland with the endeavours of the EU to reduce economic and social disparities within the EU;
- BUILDING upon the previous successful cooperation between the two countries;
- HAVING regard to the friendly relations between the two countries;
- DESIROUS of strengthening these relations and the fruitful cooperation between the two countries;
- INTENDING to promote further social and economic development in Bulgaria;
- IN VIEW of the fact that the Swiss Federal Council has expressed, in the Addendum of 25 June 2008 (hereinafter referred to as "Addendum") to the Memorandum of Understanding (hereinafter referred to as "Memorandum of Understanding") with the European Community of 27 February 2006, the intention that Switzerland shall increase its contribution of CHF 1,000,000,000 (one billion Swiss francs) to reduce economic and social disparities within the enlarged EU by an additional contribution amounting up to CHF 257,000,000 (two hundred and fifty seven million Swiss francs) to Bulgaria and Romania;

have agreed as follows:

Article 1 – Definitions

For the purpose of this Framework Agreement:

- "Contribution" means the non-reimbursable financial contribution granted by Switzerland to Bulgaria;
- "Bulgarian-Swiss Cooperation Programme" means the bilateral programme for the implementation of this Framework Agreement;
- "Supporting Measure" means a Project, a Thematic Fund, the Project Preparation Facility, the Technical Assistance Fund or other joint activities;
- "Project" means an individual project or a programme. A programme consists of several projects linked by a common theme or shared objectives;
- "Thematic Fund" means a grant-provision scheme for financing activities to address specific thematic areas or to target specific beneficiary groups;
- "Activity" means specific assistance for, inter alia, projects, scholarships, partnerships and knowledge transfer provided within a Thematic Fund;

- "Commitment" means the allocation of a certain amount of the Contribution to a Supporting Measure agreed upon by the Parties;
- "Project Agreement" means an agreement between the Parties and, if needed, additional contracting parties, on the implementation of a Project agreed upon by the Parties;
- "Thematic Fund Agreement" means an agreement between the Parties and, if needed, additional contracting parties, on the implementation of a Thematic Fund agreed upon by the Parties;
- "National Coordination Unit" (NCU) means the Bulgarian unit in charge of the coordination of the Bulgarian-Swiss Cooperation Programme;
- "Intermediate Body" means any legal public or private entity appointed by the NCU which acts under the responsibility of the NCU or which carries out duties on behalf of the NCU with regard to Executing Agencies implementing Projects;
- "Swiss Intermediate Body" means any legal public or private entity mandated by Switzerland for the management of a Thematic Fund;
- "Paying Authority" means the institution established in the Ministry of Finance ensuring on the Bulgarian side appropriate financial control of the Bulgarian-Swiss Cooperation Programme;
- "Audit Authority" means the institution established to the Minister of Finance responsible on the Bulgarian side for the control of the use of financial resources of the Bulgarian-Swiss Cooperation Programme;
- "Executing Agency" means any legal public or private entity, as well as any organisation recognised by the Parties and mandated to implement Supporting Measures;
- "Implementation Agreement" means an agreement between the NCU and/or the Intermediate Body and the Executing Agency for the implementation of a Project;
- "Mandate Agreement" means an agreement between Switzerland, the Swiss Intermediate Body and/or possibly the Executing Agency for the implementation of a Thematic Fund;
- "Project Preparation Facility" means the facility providing financial support for the preparation of the Final Project Proposals;
- "Technical Assistance Fund" means the fund set up to finance the tasks performed by the designated Bulgarian authorities additionally and exclusively for the management of the Contribution.
- "Block Grant" means a fund set up within a Thematic Fund for a clearly defined purpose, dedicated to financing small Activities in a cost-effective way.

Article 2 – Objectives

1. The Parties shall promote the reduction of economic and social disparities within the enlarged EU through Supporting Measures mutually agreed upon between the Parties and in line with the Memorandum of Understanding and its Addendum and the Conceptual Framework for the Bulgarian-Swiss Cooperation Programme as outlined in Annex 1 of this Framework Agreement.
2. The objective of this Framework Agreement is to establish a framework of rules and procedures for the planning and implementation of the cooperation between the Parties.

Article 3 – Amount of the Contribution

1. Switzerland agrees to grant a non-reimbursable Contribution towards the reduction of economic and social disparities within the enlarged EU of up to CHF 76 million (seventy-six million Swiss francs) to Bulgaria for a Commitment period of five years and a disbursement period of up to ten years, starting from the approval date of the Contribution by the Swiss Parliament, which is 7 December 2009.
2. The Parties shall accept submissions of final proposals for Supporting Measures for commitment of funds until two months before the end of the Commitment period.
3. Funds not committed during the Commitment period shall no longer be available for the Bulgarian-Swiss Cooperation Programme.

Article 4 – Scope

The provisions of this Framework Agreement shall apply to national and transnational Supporting Measures financed by Switzerland or co-financed by Switzerland with multilateral institutions and other donors, executed by an Executing Agency, mutually agreed upon by the Parties.

Article 5 – Utilisation of the Contribution

1. The Contribution shall be used to finance Supporting Measures and can take the following forms:
 - a) Financial assistance including grants, credit lines, guarantee schemes, equity participations and loans;
 - b) Technical Assistance.
2. The Contribution shall be used in line with the objectives, principles, strategies, geographic and thematic focus as outlined in the Conceptual Framework in Annex 1.

3. 5% of the Contribution shall be used by Switzerland for its administration of this Framework Agreement. This includes, inter alia, expenses for staff and consultants, administrative infrastructure, missions, monitoring and evaluation.

4. The Contribution, in the form of grants, may not exceed 60% of the total eligible costs of a Supporting Measure, except in the case of Supporting Measures receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the Contribution may not exceed 85% of the total eligible costs. Institution-building and technical assistance Supporting Measures, Supporting Measures implemented by non-governmental organisations as well as financial assistance benefiting the private sector (credit lines, guarantees, equity and debt participation) may be fully financed by the Contribution.

5. The following costs shall not be eligible for grant support: expenditures incurred by all parties before the signing of the Agreement for the Supporting Measure, interest on debt, the purchase of land and buildings, recoverable value added tax as specified in Article 7 of this Framework Agreement.

Article 6 – Coordination and Procedures

1. To make sure that Supporting Measures have the greatest possible impact and in order to avoid duplication and overlapping with projects financed through structural and/or cohesion funding as well as through any other funding source, the Parties shall assure effective coordination and share all information needed to that end.

2. All the correspondence exchanged between the Parties, including reports and documents related to Supporting Measures, shall be drafted in English.

3. Each Supporting Measure shall be subject to an Agreement (e.g. Project Agreement, Thematic Fund Agreement), which shall set out the terms and conditions of grant assistance as well as the roles and responsibilities of the contracting parties.

4. In general, Bulgaria is responsible for the identification of Projects to be financed by the Contribution, whereas Thematic Funds are worked out by Switzerland. Switzerland may also suggest to Bulgaria Projects to be financed by the Contribution, including Projects of multilateral, national or transnational institutions. The rules and procedures for the selection and implementation of Supporting Measures are defined in the Annexes 1 - 5 to this Framework Agreement.

5. All Supporting Measures shall be approved by Bulgaria and Switzerland. The Parties attach high importance to the monitoring, the evaluation and the auditing of Supporting Measures, and of the entire Bulgarian-Swiss Cooperation Programme. Switzerland, or any mandated third party acting on its behalf, is entitled to visit, monitor, review, audit or evaluate all activities and procedures related to the implementation of the Supporting Measures financed by the Contribution, as deemed appropriate by Switzerland. Bulgaria shall provide all requested or useful information and shall take, or cause to be taken, all actions allowing the successful realisation of such mandates.

6. Upon entry into force of this Framework Agreement, Bulgaria shall open a separate bank account in which the funds received from the Swiss Contribution shall be deposited. The accumulated net interest shall be reported to Switzerland on an annual basis. The grants for the Thematic Funds that are managed directly by a Swiss Intermediate Body or an Executing Agency as well as the Swiss administration costs referred to in Article 5, Paragraph 3 of this Framework Agreement shall not be managed through this account.

7. Payment procedures for Projects and the Thematic Funds are outlined in Annexes 3 and 4 respectively.

8. The NCU shall establish a Monitoring Committee, which is responsible for the monitoring of the implementation of the Bulgarian-Swiss Cooperation Programme.

Article 7 – Value Added Tax and other Taxes and Charges

1. Value added tax (VAT) shall be considered eligible expenditure only if it is genuinely and definitively borne by the Executing Agency. VAT which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency or by the final recipients.

2. Other levies, taxes or charges, in particular direct taxes and social security contributions on eligible salaries and wages, shall constitute eligible expenditure only if they are genuinely and definitively borne by the Executing Agency or by the Intermediate Body.

Article 8 – Annual Meetings and Reporting

1. The parties agree to hold Annual Meetings in order to ensure effective implementation of the Bulgarian-Swiss Cooperation Programme. The first meeting shall be held no later than 18 months after the signing of this Framework Agreement.

2. Bulgaria shall organise the meetings in cooperation with Switzerland. The NCU shall present one month before the meetings a consolidated annual report covering the whole Bulgarian-Swiss Cooperation Programme. Its content shall include, but not be limited to, the issues listed in Annex 2.

3. Within three months after the final disbursement under this Framework Agreement, Bulgaria shall submit to Switzerland a final report assessing the accomplishment of the objectives of the Bulgarian-Swiss Cooperation Programme and a final financial statement on the use of the Contribution, based on the financial audits of the Supporting Measures.

Article 9 – Competent Authorities

1. Bulgaria has authorised the Monitoring of EU Funds Directorate, Council of Ministers, to act on its behalf as the NCU for the Bulgarian-Swiss Cooperation Programme. The NCU shall have the overall responsibility for the management of the Contribution in Bulgaria. Bulgaria has authorised the Ministry of Finance to act on its behalf as the Paying Authority and the Audit Authority.

2. Switzerland has authorised:

the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC)

and

the Federal Department of Economic Affairs, acting through the State Secretariat for Economic Affairs (SECO)

to act on its behalf for the implementation of the Bulgarian-Swiss Cooperation Programme.

Supporting Measures are assigned to one or the other institution according to their respective fields of competence.

3. The Swiss Embassy in Sofia shall act as the contact point for the NCU with regard to official information referring to the Bulgarian-Swiss Cooperation Programme. Day-to-day communication between the competent authorities may be maintained directly.

Article 10 – Common Concern

The Parties share a common concern in the fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based upon price and quality. They declare, therefore, their intention to combine their efforts to fight corruption. In particular, they declare that acts of letting himself/herself be promised or accepting an advantage for acting or refraining from acting in the context of a mandate or contract within the scope of this Framework Agreement, will be considered unacceptable. Any actual case of this kind shall constitute sufficient grounds to justify the termination of this Framework Agreement, the termination of the respective Supporting Measure Agreement, the annulment of the procurement or resulting award, or for taking any other corrective measure laid down by applicable law.

Article 11 – Final Provisions

1. Annexes 1 to 5 shall form an integral part of this Framework Agreement.

2. Any dispute which may result from the application of this Framework Agreement shall be resolved by diplomatic means.

3. This Framework Agreement shall enter into force on the date of the latter notification confirming the completion by both Parties of their respective approval procedures. This

Framework Agreement covers a Commitment period of five years and a disbursement period of ten years. It applies until the final report by Bulgaria assessing the accomplishment of the objective of this Framework Agreement is submitted according to Article 8 Paragraph 3. The Commitment period shall start according to Article 3 Paragraph 1. The Parties shall apply this Framework Agreement provisionally starting on the day of its signing.

4. Any amendment to this Framework Agreement shall be made in writing with the mutual agreement of the Parties and according to their respective procedures. Any amendment to the Annexes 1 to 5 of this Framework Agreement shall be made with the mutual agreement of the Swiss competent authorities mentioned in article 9 and an authority designated by the Bulgarian government, in writing.

5. This Framework Agreement can be terminated at any time by one of the Parties upon a six-month prior written notice containing a justification. Prior to making such a decision, the Parties shall enter into a dialogue with a view to ensuring that said decision is based on accurate and correct facts. In case of said termination, the provisions of this Framework Agreement shall continue to apply to the respective Supporting Measure Agreements concluded before the termination of this Framework Agreement. The Parties shall decide by mutual agreement any other consequences of the termination.

Signed at Berne on 7 September 2010, in two authentic copies in the English language.

For the Government of
the Republic of Bulgaria

For the Swiss Federal Council

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Tomislav Donchev
Minister of EU Funds Management

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Doris Leuthard
President
of the Swiss Confederation

.....
Micheline Calmy-Rey
Federal Councillor
of the Swiss Confederation

Annex 1: Conceptual Framework of the Bulgarian-Swiss Cooperation Programme

Annex 1 is an integral part of the Framework Agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council concerning the implementation of the Bulgarian-Swiss Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of this Framework Agreement.

Annex 1 defines: objectives; principles; strategic direction; approaches; geographic focus; and thematic focus including indicative portfolio of Supporting Measures and indicative financial allocations.

The rules and procedures are defined: in Annex 2 for the overall Bulgarian-Swiss Cooperation Programme; in Annex 3 for Projects; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

1. Objectives

The Bulgarian-Swiss Cooperation Programme pursues two main objectives:

- To contribute to the reduction of economic and social disparities between Bulgaria and the more advanced countries of the enlarged European Union (EU); and/or
- To contribute within Bulgaria to the reduction of economic and social disparities between the dynamic urban centres and the structurally weak peripheral regions.

Furthermore:

- The Swiss Contribution is an important element of the bilateral relations between Bulgaria and Switzerland. The Bulgarian-Swiss Cooperation Programme shall enhance the bilateral relations in many aspects, such as providing opportunities to assert Swiss solidarity, to establish Bulgarian-Swiss institutional partnerships, to promote Swiss presence and visibility as well as to make good use of Swiss knowledge and experience.
- Supporting Measures in the Bulgarian-Swiss Cooperation Programme shall pursue a sustainable, economically and socially balanced development.

2. Principles

The Bulgarian-Swiss Cooperation Programme is guided by the following principles:

Transparency. Transparency and openness are key to all cooperation activities and are binding at all levels. Special emphasis on transparency shall be given in project and activity selection, contract awarding and financial management.

Social inclusion. Cooperation activities shall respect the need for including socially and economically disadvantaged groups in the opportunities and benefits of development.

Equal opportunities and rights. Cooperation activities shall increase women's and men's opportunities to exercise their rights equally through an age and gender-based approach.

Environmental sustainability. Cooperation activities shall respect the need to incorporate requirements of environmental sustainability.

Commitment by all actors involved. All decision-makers and entities involved in the Bulgarian-Swiss Cooperation Programme shall be committed to the efficient and effective implementation of the agreed Supporting Measures.

Subsidiarity and decentralisation. Cooperation activities shall respect the need to include considerations of subsidiarity and decentralisation primarily in Supporting Measures at the municipal and regional levels.

3. Strategic Direction

The strategic direction of the Bulgarian-Swiss Cooperation Programme is defined by two strategic lines:

- **Emphasising Swiss experience.** Switzerland gives priority to the following thematic areas: security; reforms and inclusion of vulnerable groups; environment and infrastructure; promotion of the private sector; research and scholarships. In these areas, Switzerland has extensive cooperation experience and can provide widely recognised specific knowledge and methodology.
- **Combining Bulgarian needs with specific value added by Switzerland.** Swiss support targets the specific needs of Bulgaria (demand-driven approach). Swiss support is provided in areas in which Switzerland can offer specific value added.

The strategic direction includes:

Partners and beneficiaries. The Bulgarian-Swiss Cooperation Programme shall include partners and beneficiaries, inter alia the public and private sectors, non-governmental organisations and civil society organisations.

Partnerships. Partnerships between Bulgarian and Swiss partners are an enriching element of the Bulgarian-Swiss Cooperation Programme. Cooperation and institutional partnerships are strongly encouraged, especially in focus areas in which Switzerland contributes particular experience, know-how and technologies.

Visibility. Visibility of the Bulgarian-Swiss Cooperation Programme for the Bulgarian and Swiss public is an important aspect that shall be taken into account when selecting and implementing Supporting Measures. Both Parties shall proactively inform about their cooperation.

Flexibility. Within two years after the signing of this Framework Agreement, a review shall assess thematic and geographical priorities, if the case may be, redirect the initial financial allocations as agreed, and determine the priorities for the not yet allocated part of the Contribution.

Transnational Cooperation. The Contribution may be used to finance transnational Supporting Measures. Transnational Supporting Measures are measures which are implemented in more than one country.

4. Approaches

The Bulgarian-Swiss Cooperation Programme is based on the following approaches:

Projects. Project means an individual project or programme. An important part of the Swiss Contribution is provided in the form of project and programme financing. The respective rules and procedures are laid down in Annex 3.

- An **individual project** approach shall be applied in a focus area in which stand-alone projects shall be implemented. To assure efficiency and effectiveness, the contribution for each project under the individual project approach shall represent in general a minimum amount of CHF 1 million. Higher minimal financial volumes may be agreed upon (see Chapter 6 of this Annex). In exceptional cases, the competent authorities mentioned in Article 9 of this Framework Agreement may agree on lower minimum financial volumes.
- A **programme** consists of component projects linked by a common theme or shared objectives. A programme approach shall be applied in focus areas which have several of the following characteristics: large financial commitments; linking of different levels (national, regional, local); variety of actors; contribution to policy development; significant contributions to capacity building; and application of a common set of rules and procedures. A programme approach implies a delegated authority for decision-making on component projects. A programme approach includes: an initial assessment of the focus area; the definition of objectives, guidelines and budgets; a programme implementation plan; and a monitoring, steering and evaluation concept. To assure efficiency and effectiveness, the contribution to a specific programme shall amount to a minimum of CHF 4 million.

Thematic Funds. Thematic Funds target a specific theme or a specific beneficiary group. Thematic Funds are set up to efficiently implement Activities. In general, financial volumes for each Activity are small. However, in exceptional cases, financial volumes may reach those of individual projects. A Thematic Fund is managed by a Swiss Intermediate Body and an Activity is implemented by an Executing Agency. The rules and procedures for Thematic Funds are provided in Annex 4.

Project Preparation Facility Fund. Project preparation and detailed Project planning are of paramount importance for efficiency and effectiveness in Project implementation. Preparation support may be requested by Bulgaria or recommended by Switzerland and shall be financed through the Project Preparation Facility (see Annex 5).

Technical Assistance Fund. A Technical Assistance Fund shall be established to contribute to some additional costs incurred by Bulgaria for the efficient and effective implementation of the Contribution (see Annex 5).

5. Geographical Focus

An important part of the financial resources of the Bulgarian-Swiss Cooperation Programme shall be spent in the areas with low economic and social indicators.

6. Thematic Focus, Indicative Portfolio of Supporting Measures and Indicative Financial Allocations

The following thematic focus, indicative portfolio of support measures and indicative financial allocations shall apply to the Bulgarian-Swiss Cooperation Programme:

1. Security, Stability and Support for Reforms			
N ^o	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
1	Security	<p>Approach: Thematic Fund</p> <p>Objective: The fund shall address Schengen related issues and contribute to enhance socially related security as well as to fight corruption and organised crime.</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Schengen Issues: Development of personnel capacities and awareness raising - Tracing of stolen vehicles according to article 100 of the Schengen Convention - Exchange practice in the field of migration - Juvenile Justice / Prevention of crimes against and by children - Prevention of juvenile delinquency - Capacity building for police officers in human rights - Capacity building of forensic experts - Environmental security: capacity building of the Association of Prosecutors - Combating organized crime, trafficking of human beings and money laundering: enhance the capacity of the public prosecutors <p>Other Activities in the form of projects may be proposed by Bulgaria or by Switzerland.</p> <p>Additional information is provided in Annex 4.</p>	Up to CHF 9.850 million
2	Reforms linked to civil society and the inclusion of Roma and other vulnerable	<p>Approach: Thematic Funds</p> <p>Objective1: To promote civil society's contribution as important actors of development and participation. Priority shall be given to Activities of civil society/NGOs contributing primarily to the provision of social services as well as tackling environmental issues, allowing for strengthening organisational capacities (CHF</p>	Up to CHF 16.9 million

groups	<p>8.0 million).</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Linking nature protection and sustainable rural development. <p>Activities in the form of small projects financed through a Block Grant:</p> <ul style="list-style-type: none"> - NGO Block Grant for small projects. <p>Objective 2: To promote the social inclusion of the Roma and other vulnerable groups (CHF 8.9 million).</p> <p>Activities in the form of a programme or projects already identified:</p> <ul style="list-style-type: none"> - Support the social inclusion and the effective integration of Roma and other vulnerable groups in Bulgarian society through: - Introduction of home care services in Bulgaria as a form of long-term care for older people, people with chronic diseases and people with disabilities, taking also into consideration the special needs of those from the Roma community and from other vulnerable groups. <p>Additional information is provided in Annex 4.</p>
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2. Environment and Infrastructure

N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
3	Rehabilitation and modernisation of basic infrastructure and Improvement of the environment	<p>Approach: Projects</p> <p>Objective 1 (first priority): To enhance public infrastructure in order to increase living standards and promote economic development.</p> <p>Types of eligible projects:</p> <p>Projects of a minimum value of CHF 5 million each in the fields of:</p> <ul style="list-style-type: none"> - Hazardous waste management and disposal (e.g. contaminated sites, asbestos, e-waste, chemical waste). Special consideration is given to the rehabilitation of contaminated sites. - Solid waste management: Recycling <p>Objective 2 (second priority): To improve energy efficiency and to introduce renewable energy systems.</p>	<p style="text-align: center;">Up to CHF 27.4 million</p>

	<p>Types of eligible projects:</p> <p>Projects of a minimum value of CHF 3 million each in the fields of:</p> <ul style="list-style-type: none"> - Improvement of energy efficiency in public infrastructure. - Introduction of renewable energy systems (e.g. biomass, solar, geothermal) as well as related grid devices (e.g. smart grids, etc.). 	
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3. Private Sector

No.	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
4	Improvement of the regulation of the financial sector and strengthening of financial markets and institutions	<p>Approach: Projects</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Corporate Financial Reporting (World Bank as Executing Agency): Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level 	
		<p>Approach: Projects</p> <p>Types of eligible Projects:</p> <p>To contribute to the reduction of corruption and related crimes through Projects with a minimum amount of CHF 100'000 in the areas of:</p> <ul style="list-style-type: none"> - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) - Prevention and detection of corruption (e.g. whistle-blowing systems) - Training in the field of public procurement 	Up to CHF 1.5 million
5	Development of the private sector and promotion of exports of SMEs and / or promotion of standards	<p>Approach: Projects</p> <p>To increase the market shares of Bulgarian exports of goods and services where possible, taking regional disparities into account.</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Export promotion of goods and services and trade financing support <p>Cooperation Partners: ITC, UNIDO, EBRD, etc.</p> <ul style="list-style-type: none"> - Promotion of standards, norms, conformity assessments <p>Cooperation Partners: UNIDO</p>	Up to CHF 1.5 million

4. Human and Social Development

N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
6	Scholarships and Research	<p>Approach: Thematic Funds</p> <p>Objective 1: To enhance the academic exchange between Switzerland and Bulgaria (CHF 2 million).</p> <p>Activity: Scholarships.</p> <p>Objective 2: To promote joint Bulgarian-Swiss research activities (CHF 4 million).</p> <p>Activities in the form of projects: Joint research projects.</p> <p>Additional information is provided in Annex 4.</p>	Up to CHF 6 million

5. Special Allocations

Item	Indicative Portfolio of Supporting Measures	Indicative financial allocation
Partnership Enhancement and Expert Support	<p>Approach: Thematic Fund</p> <p>Objective 1: To promote and/or enhance institutional partnerships between Bulgarian and Swiss partners to: contribute to the solution of specific development challenges; strengthen capacities and structures of the Bulgarian institutional partners; allow to mobilise Swiss added value; contribute to the strengthening of the partnerships.</p> <p>Activities in the form of institutional partnerships already identified:</p> <ul style="list-style-type: none"> - Promotion of social dialogue and encouraging working conditions for employees. <p>Other Activities in the form of institutional partnerships may be proposed by Bulgaria or by Switzerland.</p> <p>Activities in the form of partnerships financed through a Block Grant:</p> <ul style="list-style-type: none"> - Block Grant for small joint Activities of institutional partners. Activities shall range from CHF 10,000 to CHF 100,000 and shall be identified on the 	Up to CHF 4 million

	<p>basis of a rolling call for proposals.</p> <p>Objective 2: To mobilise Swiss expertise.</p> <p>Activities in the form of short term inputs financed through a Block Grant:</p> <ul style="list-style-type: none"> - Block Grant for short term inputs of Swiss experts. Activities shall range from a few thousand Swiss Francs up to CHF 35,000 and shall be identified on the basis of a rolling call for proposals. <p>Additional information is provided in Annex 4.</p>	
Project Preparation Facility	<p>Approach: Project Preparation Facility</p> <p>Objective: To support the preparation of Final Project Proposals.</p>	<p>Up to CHF 0.5 million</p>
Bulgarian Technical Assistance	<p>Approach: Technical Assistance Fund</p> <p>Objective: To mobilise additional capacity for the management of the Bulgarian-Swiss Cooperation Programme including preparation, implementation, monitoring, evaluation.</p>	<p>Up to CHF 1.05 million</p>
Swiss Programme Management	Swiss administration of the Bulgarian-Swiss Cooperation Programme.	CHF 3.8 million

Overview of the Indicative Allocations

Funding lines	Indicative financial allocation (million CHF)
1. Security, Stability and Support for Reforms	26.75
2. Environment and Infrastructure	27.4
3. Private Sector	3
4. Human and Social Development	6
5. Special Allocations	9.35
6. Reserve	3.5
Total indicative allocations	76

The reserve of 3.5 million CHF shall be used for high-priority projects in the focus areas covered by the funding guidelines "Environment and infrastructure" and / or "Promotion of the private sector" in the Memorandum of Understanding with the European Community of 27 February 2006.

The allocation of the reserve and of unused balances of focus areas shall be done by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the NCU and SDC/SECO in the course of the implementation of the Bulgarian-Swiss Cooperation Programme.

Annex 2: Rules and Procedures for the overall Bulgarian-Swiss Cooperation Programme

Annex 2 is an integral part of the Framework Agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council concerning the implementation of the Bulgarian-Swiss Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of this Framework Agreement.

Annex 2 defines the rules and procedures for the overall Bulgarian-Swiss Cooperation Programme and describes the responsibilities and tasks of the actors involved except the responsibilities and tasks related to the audits of the Thematic Funds.

Annex 1 defines the conceptual framework of the Bulgarian-Swiss Cooperation Programme. The rules and procedures are defined: in Annex 3 for Projects and Programmes; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

1. Monitoring and Supervision

The Bulgarian authorities have the final responsibility for monitoring and supervision of the overall Bulgarian-Swiss Cooperation Programme. The monitoring and supervision of Thematic Funds shall be assured by Switzerland. The respective monitoring results shall be communicated to the Bulgarian authorities.

Guidelines for reporting, monitoring and controlling shall be provided by Switzerland one month after the signing of the Framework Agreement. These guidelines shall be taken into account in a monitoring and supervision system applied by Bulgaria.

A Monitoring Committee shall be established by the NCU not later than 3 months after the signing of this Framework Agreement. The Monitoring Committee shall provide guidance in strategic and operational issues. A transparent selection of the Committee members shall allow a balanced, complementary and diversified representation of the various interests.

The Monitoring Committee shall be composed of a maximum of 15 members representing the NCU, the Paying Authority, the Audit Authority, Intermediate Bodies, relevant ministries, relevant regional and local self-governing authorities, non-governmental organisations, as well as social and economic partners. Switzerland shall be informed about the members of the Committee. The Embassy of Switzerland shall have the possibility to participate as an observer.

The Monitoring Committee shall meet periodically, at least twice a year.

2. Reporting and Steering

In order to ensure the efficient steering of the Bulgarian-Swiss Cooperation Programme, the Parties shall meet regularly. Meetings may be requested by Switzerland or Bulgaria. Meetings shall take place within 4 weeks of the date of the respective written request.

The main steering event is the annual meeting. The National Coordination Unit (NCU) is responsible for the organisation of the annual meeting. It shall consult the Swiss Embassy on the organisation, the contents, the agenda, the participants and other organisational and logistical matters. The minutes of the annual meeting shall be drafted by the NCU and be submitted to Switzerland for approval within 15 working days after the meeting.

The Paying Authority, the Audit Authority, Intermediate Bodies, Executing Agencies and other institutions and persons may be invited to the annual meeting whenever this is felt desirable by the NCU or by Switzerland.

The Parties may invite the Commission of the European Communities to participate as an observer.

The NCU shall prepare an annual report and transmit it to Switzerland one month prior to the annual meeting. Switzerland shall provide the NCU two months prior to the annual meeting with the part of the report covering the Thematic Funds.

The annual report shall inter alia address:

- General experience and results achieved;
- Progress made in the implementation of the Bulgarian-Swiss Cooperation Programme in relation to the Conceptual Framework;
- Status of Project implementation, including:
 - Statements on approved Projects, progress of Project identification / preparation and foreseeable commitments;
 - Statistics on tenders, contract awards and successful bidders;
 - Information about important issues with regard to particular Projects.
- Status of Thematic Funds (analogue reporting on Projects);
- Status of the Project Preparation Facility and the Technical Assistance Fund (analogue reporting on Projects);
- Overall financial statement on past and tentative future disbursements and commitments for the overall Bulgarian-Swiss Cooperation Programme;
- Problems met during the Programme's implementation;
- Summary and main conclusions of the financial audits;
- Proposals for the allocation of non-committed funds (if applicable);
- Administrative implementation and other issues;
- Communication strategy and activities to inform the public about the Bulgarian-Swiss Cooperation Programme and the implemented Supporting Measures;
- Further issues to be discussed; recommendations, next steps.

In a separate document, the NCU shall prepare:

- Annual implementation planning;
- Suggestions for amendments to the Annexes of this Framework Agreement (if needed).

Within two years after the signing of this Framework Agreement, the Parties shall review the geographic focus as well as the, if the case may be, thematic priorities, redirect the initial financial allocations as agreed, and determine the priorities for the not yet allocated part of the Contribution.

3. Compliance Assessment and System Audits

The implementation of the Bulgarian-Swiss Cooperation Programme in Bulgaria shall be subject to a compliance assessment. The compliance assessment shall examine - inter alia - the tasks and responsibilities of the Intermediate Bodies and key coordinating governmental institutions, existing structures, procedures and controls foreseen to be applied in the Bulgarian-Swiss Cooperation Programme. The exact scope of the compliance assessment shall be defined by mutual agreement between the two Parties. The compliance assessment shall be performed in accordance with the Bulgarian law. Switzerland may announce specific requirements to be taken into account.

Each year, the Audit Authority prepares an annual audit plan which includes system audits and audits of the operations approved and an annual summary of audit findings. Switzerland may announce specific requirements to be taken into account.

The compliance assessment and system audits shall be performed by the competent Bulgarian authority, the Audit of EU Funds Executive Agency to the Minister of Finance.

Reports on the compliance assessment and system audits shall be transmitted to the Swiss Embassy within two months after their completion.

4. Review and Evaluation

During implementation of the Bulgarian-Swiss Cooperation Programme, Bulgaria and/or Switzerland may request a review on, inter alia, procedures applied, actors involved and results achieved (input, output, outcome).

At the end of the Bulgarian-Swiss Cooperation Programme, Switzerland and/or Bulgaria may request a final evaluation of the entire programme. The costs will be borne by the requesting competent authority.

5. Responsibilities and Tasks

The responsibilities and tasks for the implementation of the overall Bulgarian-Swiss Cooperation Programme are as follows:

5.1 The National Coordination Unit

The NCU is responsible for ensuring that: the legal and financial framework conditions are set for the successful implementation of the Bulgarian-Swiss Cooperation Programme; the Supporting Measures are implemented in an efficient and effective way according to agreed schedules; the strategic and operational monitoring, the supervision and the steering of the overall Bulgarian-Swiss Cooperation Programme as well as the correct use of the financial resources are guaranteed; the Bulgarian public is well informed about the Swiss Contribution.

The main tasks of the NCU include:

- Ensuring the adoption of the necessary national legal documents for the implementation and monitoring of the overall Bulgarian-Swiss Cooperation Programme and for all Supporting Measures;
- Relating the Swiss Contribution to other contributions, to the National Strategic Reference Framework and to the Operational Programmes and coordinating the supporting measures financed through different sources;
- Ensuring together with the Ministry of Finance appropriate provisions in the National Budget for co-financing and safeguarding the necessary funds for claimants;
- Establishing a Monitoring Committee for the overall Bulgarian-Swiss Cooperation Programme;
- Developing a monitoring and supervision system taking into account the respective Swiss guidelines;
- Ensuring that an adequate and effective system for preventing fraud and irregularities is established for the implementation of the Bulgarian-Swiss Cooperation Programme;
- Ensuring that the compliance and system audits are carried out;
- Ensuring the building-up of the Project Portfolio according to Annexes 1 and 3, through consultation with line ministries, the organisation of calls for Project proposals, the appraisal of Project applications and the selection of Projects;
- Preparing the annual report and the annual implementation planning;
- Organising the annual meetings and other meetings requested by Bulgaria and Switzerland;
- Ensuring publicity on the Swiss Contribution.

5.2 Audit Authority

The Audit of EU Funds Executive Agency to the Minister of Finance is the Audit Authority, responsible for the compliance assessments, system audits and financial audits of the approved Supporting Measures. Its purpose is to assess the efficient and effective functioning of managerial and control systems for the implementation of the Bulgarian-Swiss Cooperation Programme, including a system for preventing fraud and irregularities in accordance with national law.

The main tasks of the Audit Authority include:

- Ensuring an adequate regulatory framework for auditing that guarantees the required audit coverage and reporting to the Swiss authorities;
- Performing a compliance audit at the beginning of the implementation of the Bulgarian-Swiss Cooperation Programme;
- Establishing an annual audit plan, based on the risk assessment and on Switzerland's recommendations;

- Providing information about all audits related to the implementation system of the Bulgarian-Swiss Cooperation Programme as part of the yearly summary of audit reports provided by the NCU;
- Auditing the regularity of eligible expenditures based on a 5% representative sample of the operations approved;
- Ensuring efficient and prompt investigation and reporting to the NCU of any suspected and actual cases of fraud and irregularity detected during fiscal control;
- Providing assistance to auditors mandated by Switzerland;
- Verifying the periodic reports on irregularities in Supporting Measures financed by sources other than the Swiss Contribution with a view to identifying risk areas; if applicable, include measures in the audit plans for the Swiss Contribution.

5.3 Monitoring Committee

The Monitoring Committee is responsible for monitoring the implementation of the Bulgarian-Swiss Cooperation Programme.

The main tasks of the Monitoring Committee include:

- Approving the selection criteria of Projects taking into account Switzerland's comments;
- Commenting on the selection criteria for Activities applied in the Thematic Funds;
- Commenting on the documentation for calls for proposals;
- Reviewing the selection processes for Supporting Measures;
- Monitoring compliance with regulations and procedures;
- Periodically reviewing the progress in the implementation of the Supporting Measures and the achievement of their objectives;
- Monitoring the achievement of the objectives at the level of the overall Bulgarian-Swiss Cooperation Programme;
- Examining and commenting on the annual report on the implementation of the Swiss Contribution prepared by the NCU;
- Commenting on the efficiency and effectiveness of the use of the financial resources available in the framework of the Swiss Contribution.

5.4 Swiss Embassy

The Swiss Embassy in Sofia is responsible for ensuring that: the Bulgarian-Swiss Cooperation Programme is managed by the Parties in an efficient and effective manner; the required data for decision making on the Swiss side is provided; the proposed Supporting Measures take into account Swiss expectations; information about the Contribution is provided to the interested parties.

The main tasks of the Swiss Embassy include:

- Facilitating contacts, assuring the liaison and networking between partners;
- Informing and giving advice to partners on the procedures and conditions of the Contribution;
- Transmitting official information and proposals to and from the Swiss authorities;
- Explaining the Swiss position on strategic and operational issues;
- Organising, together with the NCU, missions of Swiss delegations;
- Participating in meetings on the overall Bulgarian-Swiss Cooperation Programme;
- Providing information to the general public on the Bulgarian-Swiss Cooperation Programme and the Contribution;
- Participating in the Monitoring Committee as an observer.

5.5 Swiss Agency for Development and Cooperation (SDC) and State Secretariat for Economic Affairs (SECO)

On the Swiss side, SDC and SECO are responsible for the implementation of the Bulgarian-Swiss Cooperation Programme.

The main tasks of SDC and SECO include:

- Ensuring the strategic and operational steering of the overall Bulgarian-Swiss Cooperation Programme;
- Participating in the annual meetings organised by the NCU;
- Engaging in a regular dialogue with the NCU and other partners involved on the identification and implementation of Supporting Measures as well as on the progress of the overall Bulgarian-Swiss Cooperation Programme;
- Deciding on overall Bulgarian-Swiss Cooperation Programme issues;
- Commenting on the selection criteria for Projects;
- Deciding on selection criteria for Thematic Funds;
- Exercising the right of non-objection on the documentation for calls for proposals;
- Supervising the overall development of the Bulgarian-Swiss Cooperation Programme through field visits and reviews;
- Networking with the national and international actors relevant to the implementation of the Bulgarian-Swiss Cooperation Programme;
- Administrating the Bulgarian-Swiss Cooperation Programme on the Swiss side.

SDC and SECO may delegate some of these tasks to the Swiss Embassy.

Annex 3: Rules and Procedures for Projects

Annex 3 is an integral part of this Framework Agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council concerning the implementation of the Bulgarian-Swiss Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of the main part of this Framework Agreement.

Annex 3 defines the rules and procedures for Projects. On the Swiss side, the State Secretariat for Economic Affairs (SECO) is in charge of Projects in the focus areas (3-5) defined in Annex 1 (section 6). Annex 3 defines the rules and procedures for Projects financed by SECO.

Annex 1 defines the conceptual framework of the Bulgarian-Swiss Cooperation Programme. The rules and procedures are defined: in Annex 2 for the overall Bulgarian-Swiss Cooperation Programme; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

1. Procedures of Project Financing Requests

In principle, the financing request undergoes a two-loop approach that allows guidance early in the decision making process. In the first loop, a Project outline is submitted and a decision in principle is made. In case of a successful first loop, the second loop is initiated. In the second loop, the Final Project Proposal is submitted and a final decision is taken by Switzerland.

1.1 First loop: Application and approval procedure of the Project outline

No.	Steps	Activities and specific rules	Organisations
1.	Initiation of Project identification	<p>Initiation in accordance with the Conceptual Framework (Annex 1, section 6) on the basis of:</p> <ul style="list-style-type: none"> - Lists of priority Projects provided by the Bulgarian Government - A proposal by an Intermediate Body / Executing Agency - Call for proposals - A proposal by Switzerland - A proposal by an international organisation 	<p>Responsible: NCU</p> <p>Involved: Intermediate Body, Executing Agency, SECO</p>
2.	Elaboration of the Project outline	<p>Preparation of the Project outline based on the requirements for Project outlines (cf. 1.2). This may include a request for financial support for the preparation of a Final Project Proposal through the Project Preparation Facility.</p>	<p>Responsible: Intermediate Body, Executing Agency</p>

No.	Steps	Activities and specific rules	Organisations
3.	Pre-screening of the Project outline	Possibility of informal consultations with the Swiss Embassy.	Responsible: NCU
4.	Screening	Screening based on a thorough assessment of the relevance of the Project outline endorsed by the NCU, based on the Conceptual Framework, the Project selection criteria (see below) and the requirements for Project outlines (cf. 1.2).	Responsible: NCU Involved: Monitoring committee, Evaluation committee, Intermediate Body
5.	Submission of the Project outline	If accepted, submission of the Project outlines with a cover letter comprising a description of the selection process and the assessment report to the Swiss Embassy. Formal check by the Swiss Embassy and submission of the Project outline with the cover letter of the NCU and the assessment report to Switzerland.	Responsible: NCU Responsible: Swiss Embassy
6.	Final decision on Project outline	Final decision on the Project outline (including, if relevant, decision on the request for financing of Project preparation). Switzerland reserves the right to carry out its own appraisal. In principle, three categories of decision are possible: 1. approved without conditions 2. approved with conditions 3. not approved The NCU shall ensure the fulfilment of the Swiss conditions, if any. If accepted by Switzerland, request for the preparation of the Final Project Proposal (requirements specified in 2.4).	Responsible: SECO

1.2 Requirements for Project Outlines

The Project outline (approximately 5 pages) shall include all necessary information to allow a general appraisal of the proposed Project.

Item	Content
General information	Project title, planned Project duration, priority sector, location/ region, nature of the Project (for instance pilot Project etc.)
Applicant	Name and contact details; previous, relevant experience, if any; Project partners; Swiss link, if any (know-how, technology, partners or any other cooperation with Switzerland)
General context	Issue to be tackled, present situation, key socio-economic and environmental data related to the issue, attempts to solve the issue so far, other related initiatives, etc.
Project content	Description including objectives (outcome), expected results (outputs) and activities (components); beneficiaries, target group; risks and potentials; sustainability of the Project
Relevance	Contribution to the reduction of economic and social disparities within the country and/or between the country and the more advanced member states of the EU (impact - see also the set of specific objectives of Annex 1, section 3), fit within the development strategies of the country / region and chosen sector; strategy of the intervention
Prior investments	Prior investments in the same issue/sector over the past 5 years (project title, amount, source of funding)
Contribution to the enhancement of bilateral relations	Provision of opportunities to promote Swiss presence and visibility and to use Swiss experience
Project organisation	Organisational chart, responsibilities, capacity of the Executing Agency etc.
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial source, etc.; cost efficiency aspects versus alternatives
Horizontal issues	Environmental, social and economical aspects of the Project, gender equality
Maturity of Project	Status of Project (in elaboration or fully prepared; possible request for financial support for preparation of the Final Project Proposal through the Project Preparation Facility)
Annexes	Additional documentation as deemed appropriate

1.3 Second loop: Application and approval procedure of the Final Project Proposal

No.	Steps	Activities and specific rules	Organisations
1.	Elaboration of the Final Project Proposal	Preparation of the Final Project Proposal based on the requirements for Final Project Proposals (cf. 1.4) and the comments of Switzerland.	Responsible: Intermediate Body, Executing Agency
2.	Screening	Screening based on a thorough assessment of the feasibility of the Final Project Proposal, endorsed by the NCU.	Responsible: NCU Involved: Intermediate Body, possibly the Evaluation committee
3.	Decision to submit the Final Project Proposal	<p>If accepted, submission of the Final Project Proposal with a cover letter taking into account the requirements for Final Project Proposals and the conditions of Switzerland, as well as the assessment report to the Swiss Embassy. It will also confirm the compliance of the Executing Agency with legal and financial obligations.</p> <p>Formal check by the Swiss Embassy and submission of the Final Project Proposal with the cover letter of the NCU and the assessment report to Switzerland.</p>	Responsible: NCU Responsible: Swiss Embassy
4.	Final decision	Final decision on the financing request by taking into account the Final Project Proposal, the cover letter of the NCU, and the Project document. Switzerland reserves the right to carry out its own appraisal.	Responsible: SECO

1.4 Requirements for Final Project Proposals

The Final Project Proposal shall provide all key information related to the implementation of the project. It shall be accompanied by all necessary documents (Project document, Logical Framework and e.g. feasibility study, environmental impact study) to allow a thorough appraisal. The Final Project Proposal (5 – 10 pages; for large infrastructure Projects 10 - 20 pages, plus annexes) shall provide adequately detailed information on inter alia:

Item	Content
Project summary (1 page)	Fact sheet: Project title, short description including objectives, budget, partners, duration
Applicant	Name and contact details; previous, relevant experience, if any; Project partners; Swiss link, if any (know-how, technology, partners or any other cooperation with Switzerland)
General context	Issue to be tackled, present situation, key socio-economic and environmental data related to the issue, attempts to solve the issue so far, other related initiatives, etc.
Project content	Description including objectives, expected outcomes / outputs (Logical Framework), activities and the respective indicators; beneficiaries, target group; risks and potentials; sustainability of the Project. Main conclusions of the feasibility study (if requested). Statement on the fulfilment of the conditions from the decision in the first loop.
Relevance	Contribution to the reduction of economic and social disparities between the country and/or the more advanced countries of the EU (see also the set of specific objectives of Annex 1, section 3); fit within the development strategies of the country/region and chosen sector; strategy of the intervention
Contribution to the enhancement of bilateral relations	Provision of opportunities to assert Swiss solidarity and promote Swiss presence and image, to valorise Swiss knowledge and reputation, as well as to create new prospect for Swiss products and services.
Project organisation	Organisational chart, responsibilities, etc.
Detailed implementation schedule	Including milestones and indicators based on which monitoring of progress will be done
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial sources etc.; cost efficiency aspects
Procurement	Procurement procedures for goods and services
Development impact	Monitoring and evaluation of output/outcome/impact indicators
Horizontal issues	Environmental, social and economical aspects of the Project, gender equality
Annexes	Project document, Logframe and e.g. feasibility study, environmental impact study, permissions (if available)

2. Project Implementation Procedures

The Project implementation procedures are as follows:

No.	Steps	Activities and specific rules	Organisations
1.	Project Agreement	Preparation of the Project Agreement between Bulgaria and Switzerland.	Responsible: NCU on the Bulgarian side; SECO on the Swiss side
2.	Signing	Signing of the Project Agreement. The Project Agreement can be signed by more than two contracting parties (e.g. tripartite or multipartite agreement: SDC or SECO, NCU and Intermediate Body, Executing Agency).	Responsible: Normally the Swiss Embassy on behalf of SECO. The Bulgarian signatory or signatories shall be appointed by Bulgaria.
		Signing of the Implementation Agreement	Responsible: NCU
3.	Procurement and award of contracts	Procurement of goods and services is to be made in accordance with Bulgarian law. Confirmation of compliance with the relevant procurement rules shall be provided to Switzerland. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause. All persons performing actions in connection with a tender procedure shall provide a written statement called "Impartiality clause" under the pain of penal liability for making false statements. According to the clause, persons shall be excluded from performing actions in a tender procedure if, for example, they remain in such legal or material relationship with the contractor that may raise justified doubts as to their impartiality.	Responsible: NCU, Intermediate Body, Executing Agency
		In general, for public tenders within the scope of the EU directives on public procurement (2004/17/EC and 2004/18/EC), an English translation of the official tender evaluation report shall be provided to Switzerland for information at the latest 30 calendar days after the award of contract.	

		<p>In addition to the above, for tenders above the threshold of CHF 500,000, Switzerland may also request a copy of the tender documents and of the contracts for information. These documents shall be submitted at the latest 20 days before the commencement of tendering and 20 calendar days after the signing of the contract, respectively.</p> <p>Furthermore, for tenders above the threshold of CHF 500,000, Switzerland may also request that an English translation of the tender documents and the draft contracts be made available to tenderers and contractors, respectively. Possible translation costs shall be borne by the Project and financed under the Contribution.</p> <p>In line with Art. 6.5 of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request. Switzerland shall have the right to participate in the tender committee as an observer. Switzerland shall also have the right to conduct an audit of the procurement practices and procedures in general.</p> <p>In case of irregularities, wilfully or negligently caused in the framework of the tender process and/or the execution of the contract, Switzerland - after consultation with the NCU - is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and to ask repayment of illegitimately paid reimbursements at any stage of the Project.</p>	
4.	Controlling (Monitoring)	<p>Controlling procedures are defined in the Project Agreement. Procedure description includes: periodicity of reporting, monitoring system and consultant, steering committees, time-table for operations and results, auditing, etc.</p> <p>Switzerland reserves the right to ask for or to carry out technical audits.</p>	<p>Responsible: Executing Agency</p> <p>Involved: NCU, Intermediate Body</p> <p>Involved: NCU, Intermediate Body, Executing Agency, SECO</p>

5.

Reporting

Interim Reports support Payment Claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request.

Payment Claims comprise eligible costs incurred during a given period with copy of the invoices.

Interim Reports cover a given period and include information on financial and physical progress, a comparison of actual with planned expenses, an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested.

Interim Reports are due to Switzerland at least every six months. An interim Report shall also be presented in case no Payment Claim has been made for a period exceeding 6 months.

Annual Project Reports have an operational part that describes the progress of the Project and includes a financial part (Financial Report) having a summary of data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any deviation has to be justified and corrective measures suggested. The report structure shall follow the Logical Framework. It shall also contain an updated project execution schedule as well as an updated budget for the year ahead. Annual project reports are not linked to reimbursement requests.

The Project Completion Report - together with the last Interim Report and the conclusions of the Final Financial Audit Report (cf. 6) - is the base for the payment of the final reimbursement. The Project Completion Report has an operational part that documents and comments the overall achievement of outputs and outcomes against the original plan, the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole project and comparing effective with planned expenses.

Responsible:
Executing Agency

Involved:
NCU, Intermediate
Body

6.	Audit	<p>Financial Audit at Project level:</p> <p>During implementation, financial audit(s) shall be carried out by an internal (internal audit units and controlling units of public administration institutions) or an external certified audit organisation for the Projects, as specified in the respective Project Agreement.</p> <p>The audit organisation shall carry out audits of the Projects according to the terms of reference and International Standards on Auditing (ISA). In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.</p> <p>The audit reports are transmitted to the NCU. The competent authorities with the full support of the Government of Bulgaria shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted according to existing regulations.</p> <p>In principle, a <i>Final Financial Audit</i> has to be carried out for each Project at its completion. For each Project lasting longer than two years and exceeding the amount of CHF 500,000, <i>Intermediary Financial Audit(s)</i> have to be additionally carried out, unless otherwise specified in the Project Agreement.</p> <p>A <i>Final Financial Report</i> and the conclusions and recommendations of the <i>Final Financial Audit Report</i> shall be presented to Switzerland by the NCU together with the Project Completion Report (cf. 5).</p>	<p>Responsible: NCU Involved: Internal Audit Units of the Intermediate Body, Executing Agency</p>
7.	Evaluation	<p>After Project completion, the Parties may request an independent evaluation. The cost will be borne by the requesting Party.</p>	<p>Responsible: NCU or SECO</p>

3. Payment and Reimbursement Procedure

The National Fund Directorate within the Ministry of Finance of Bulgaria is the Paying Authority for the Contribution. In principle, all disbursements for SECO Projects shall be pre-financed out of the national budget of Bulgaria according to the national budget procedure. The Executing Agency shall submit payment claims covering all eligible expenses over the current period to the NCU, together with certified copies of all supporting documentation and the interim report. The NCU and/or the Intermediate body shall verify the completeness and certify the correctness of the submitted documents. The Paying Authority shall make payments to the Executing Agency (and/or Intermediate Body) in accordance with the Implementation Agreement. The Paying Authority shall submit the reimbursement requests to Switzerland for approval and payment.

The detailed reimbursement procedures are laid down in the Project Agreements and must, if not otherwise specified, comply with the following procedures:

No.	Steps	Activities	Organisations
1.	Issue of the original invoice	Issue the original invoice.	Responsible: Supplier of a product or service; contractor, consultant, organisation (claimant)
2.	Examination of the original invoice or a document of equivalent value and the preparation of the payment claim	<ul style="list-style-type: none"> ▪ Control the original invoice or a document of equivalent value with regard to the specifications of the Project Agreement, the Implementation Agreement, the supply / services contract and the agreed tariffs. ▪ Verify the conformity of the execution (quantity and quality) of the work, the supply of goods / services, etc., and the special conditions etc. ▪ Payment to the supplier(s) of the original invoice. ▪ Submit the payment claim and copy of the invoices, including an interim report, to the Intermediate Body/NCU. 	Responsible: Executing Agency

3.	Certification of the payment claims to the Paying Authority and pre-financing payments and Payment to the Executing Agency	<ul style="list-style-type: none"> ▪ Check the conformity of the payment claim with the Framework Agreement, the Project Agreement and the Implementation Agreement ▪ Ensure that no double-financing occurs. ▪ Verify the completeness of the documentation, i.e. copy of invoices and other accounting documents, and the relevance of the interim report. If necessary, verify the correctness of the use of funds by means of fact-finding missions. ▪ Certify the conformity and legality of the payment claims to the Paying Authority. ▪ Ensure the payment to the Executing Agency. ▪ Transmit to Switzerland a copy of the related documentation, such as interim, annual and completion reports (cp. 3.5 and 3.6), audit reports, or their consolidated summary as requested in the Project Agreement. 	Responsible: NCU and / or Intermediate Body
4.	Submission of the reimbursement request to Switzerland	<ul style="list-style-type: none"> ▪ Check the formal conformity of the payment claims, including co-financing ▪ Ensure that no double-financing occurs. ▪ Submit the reimbursement requests to Switzerland and confirm compliance with the financial stipulations of contractual agreements. 	Responsible: Paying Authority
5.	Payment by Switzerland to Bulgaria	<ul style="list-style-type: none"> ▪ Check conformity of reimbursement requests and supporting documentation. ▪ Transfer the requested amount in Swiss francs to the separate bank account. 	Responsible: SECO Involved: Paying Authority

In particular cases, other payment procedures may be defined by the Parties in the respective Project Agreements.

The final date for eligibility of costs shall be specified in the Project Agreement. It shall be 12 months after the scheduled date for Project completion, but not later than ten years after the approval of the extension of the Contribution to Bulgaria and Romania by the Swiss Parliament according to Article 3 of the Framework Agreement. Final reimbursement requests must have been received by Switzerland not later than six months after the final date of eligibility.

In case of irregularities, wilfully or negligently, Switzerland is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and to ask repayment of illegitimately paid reimbursements at any stage of the Project. The reasons for the respective instructions shall be communicated in writing to the NCU and other entities involved.

4. Responsibilities and Tasks

The responsibilities and tasks of the main actors are outlined below. Project Agreements will contain more detailed responsibilities and activities tailored to the individual case.

4.1 The National Coordination Unit

The NCU is responsible for the identification, planning, implementation, financial management, controlling and evaluation of Projects, as well as for the use of funds under the Contribution in accordance with the Framework Agreement. This includes responsibility to:

- Ensure the building-up of the Project Portfolio according to the Annex 1, through consultation of line ministries and the organisation of calls for Project proposals (cf. 1.1.1), as well as the appraisal of project applications and the selection by appropriate Evaluation committees;
- Transmit to Switzerland the Project proposals selected by the NCU in form of Project Outlines (cf. 1.1), including the result of assessments and decisions of the Evaluation committee;
- Supervise the timely preparation of the Final Project Proposal resulting from approved Project Outlines and assess their quality and their compliance with the conditions expressed by Switzerland after loop 1 (cf. 2.1);
- Submit to Switzerland well documented Project Financing Requests in the form of Final Project Proposals (cf. 2.4) resulting from approved Project Outlines (cf. 2.3);
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements by establishing adequate monitoring and auditing systems;
- Ensure the correct verification of the invoices or of the documents of equivalent value received from the Executing Agencies and verify the sufficiency of documentation, including through delegation of these tasks to the respective Intermediate Bodies;

- Ensure that there is no double-financing of any part of the Project by any other source of funds;
- Confirm that the co-financing part has been provided according to the Project Agreement;
- Ensure the efficient and correct use of available funds for the overall Bulgarian-Swiss Cooperation Programme;
- Verify in each Project if the value added tax (VAT) can be recovered by the Executing Agency and inform the Swiss authorities accordingly in the form of a declaration by the applicant as part of the Project documentation;
- Confirm compliance with state aid rules;
- Ensure financial control, including complete and sufficient audit trails in all involved institutions;
- Provide a yearly overall financial statement on all payments between Switzerland and the Paying Authority on one side and between the Paying Authority and all national bodies involved (e.g. NCU, Intermediate Body, Executing Agency) on the other side;
- Submit yearly a summary with conclusions and recommendations of all audit reports of the financed Projects. The NCU presents in a separate appendix all original conclusions and recommendations of the audit reports;
- Ensure the discussion of audit results with the partners involved, including Switzerland, and the implementation of the decisions made based on the audit report;
- Ensure regular reporting to Switzerland on the implementation of Projects financed by the Contribution. Any irregularities shall be reported immediately to Switzerland;
- Organise annual meetings at overall Bulgarian-Swiss Cooperation Programme level in consultation with the Swiss Embassy and present an annual report;
- Ensure reimbursement to Switzerland of unduly paid sums financed by the Contribution;
- Ensure information and publicity about the Bulgarian-Swiss Cooperation Programme;
- Ensure storing of all relevant documents relating to Projects implemented within the Bulgarian-Swiss Cooperation Programme for 7 years after the completion of Projects.

The NCU can delegate part of the tasks and responsibilities mentioned above to one or more Intermediate Bodies and Executing Agencies.

4.2 Intermediate Body

Intermediate Body means any legal public or private entity appointed by the NCU which acts under the responsibility of the NCU or which carries out duties on behalf of the NCU with regard to Executing Agencies implementing Projects.

The main tasks of the Intermediate Bodies are to:

- Call for and collect Project proposals, review compliance with the requirements for Project proposals (cf. 1) and assess the quality of applications submitted in consultations with line ministries;

- Submit Project proposals with appraisal reports to the NCU;
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements, and carry out the necessary controls;
- Ensure that there is no double-financing of any part of the Project by any other source of funds and report to the NCU;
- Verify in each Project if the value added tax (VAT) can be recovered by the Executing Agency and to inform the NCU accordingly in the form of a declaration by the applicant as part of the Project documentation;
- Confirm compliance with state aid rules and report to the NCU;
- Check the invoices or the documents of equivalent value received from the Executing Agencies, verify the authenticity and correctness of submitted documents as well as the eligibility of costs on payment claims and report to the NCU;
- Certify invoices or the documents of equivalent value and submit certified invoices or documents of equivalent value to the NCU or to the Paying Authority;
- Submit payment claims to the Paying Authority and certify their conformity and legality;
- Report to the NCU on the progress of Project implementation;
- Submit all audit reports of the financed Projects to the NCU;
- Check for irregularities and report them to the NCU;
- Ensure storage of all relevant documents related to Projects implemented within the Bulgarian-Swiss Cooperation Programme for 10 years after the completion of Projects;
- Agree to write with the Executing Agencies justified amendments to the implementation of agreed Projects within the limits defined in the respective Project Agreements;
- Monitor the achievement of objectives and results;
- Ensure the promotion of and information about the Bulgarian-Swiss Cooperation Programme and the Projects.

4.3 Executing Agency

An Executing Agency is any legal public or private entity as well as any organisation, recognised by the Parties and mandated to implement Supporting Measures.

The main tasks of the Executing Agency are i.a.:

- Implementation of Projects;
- Execution of public procurement;
- Reporting to the Intermediate Body or the NCU, based on the requirements;

- Achievements of objectives and results;
- Submit all audit reports of the financed Projects to the respective Intermediate Body or directly to the NCU.

The Project Agreement shall contain the name of the Executing Agency. Its tasks and responsibilities shall be defined in the Implementation Agreement.

4.4 Paying Authority

The Paying Authority is responsible for ensuring appropriate financial control over the use of the Swiss Contribution. It shall in particular:

- Check the conformity of payment claims with financial stipulations of contractual agreements;
- Confirm to the NCU that the co-financing part has been provided according to the Project Agreement;
- Submit the respective reimbursement requests to Switzerland;
- Keep accounts of all reimbursement requests made to Switzerland;
- Provide a yearly overall financial statement on all payments between Switzerland and the Paying Authority on one side and between the Paying Authority and all national bodies involved (e.g. NCU, Intermediate Body, Executing Agency) on the other side and report to the NCU;
- Report periodically to the NCU on financial flows;
- Reimburse to Switzerland unduly paid sums financed by the Contribution as agreed between Switzerland and the NCU.

Furthermore, the Paying Authority ensures that the usual standards and procedures valid for public funds are applied in the management of the Swiss Contribution. It verifies their application by the NCU, the Intermediate Bodies and the Executing Agencies. The Paying Authority ensures that payments are made to the claimants within the specified deadlines.

4.5 Audit Organisation

During project implementation, financial audits at project level (cf. 2.6) shall be carried out by an internal (internal audit units and controlling units of public administration institutions) or external certified (bodies from outside the public finance sector dealing with audits) audit organisation for the Projects, as specified in the respective Project Agreement.

Additionally, the Executing Agency shall ensure a final financial audit of the Project after its completion on the basis which shall be stipulated in detail in the Project Agreement. The audit organisation shall carry out financial audits of the Projects according to the terms of references and International Standards on Auditing (ISA). In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.

The audit reports shall be transmitted to the NCU. The competent authorities with the full support of the Government of Bulgaria shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted according to existing regulations.

Costs of external financial audits are eligible for reimbursement and must be included in the Project budget.

4.6 Evaluation Committee

The NCU shall establish evaluation committees which are responsible on the Bulgarian side for the selection of Projects.

The Evaluation Committee will consist of experts appointed by Intermediate Bodies as well as representatives of social partners and NGOs as observers. The experts, as permanent members, will make a decision on the recommendation of Projects for further appraisal, while observers will check and comment for transparency and accuracy of the whole decision-making process. In case of irregularities, observers may report to the Monitoring Committee, which will undertake corrective measures.

The Evaluation committee, operating on the basis of a ranking list of the Project outlines along with proper justification provided by the Intermediate Body, takes a decision on the recommendation of particular Projects and on a particular ranking list. The Evaluation Committee acting through the Intermediate Body, introduces to the NCU the list of recommended and reserve Projects.

4.7 Swiss Embassy

On the Project level, the Swiss Embassy - in addition to the tasks described in Annex 2, section 5.4 - is responsible for:

- Contributing to the preparation and formulation of open calls;
- Participating in the assessment of Projects presented by the NCU, including pre-screening of Project Outlines;
- Assessment of Project reports (operational, financial, others);
- Participation in Project Steering Committees, if needed;
- Information and communication about Projects and their results achieved (together with the responsible institutions);
- Support for technical missions, review and evaluation missions on Project level;
- Participation in the preparation of the Project Agreement;
- Monitoring of objectives and results, including field visits and assessments.

4.8 State Secretariat for Economic Affairs (SECO)

On the Project level, the main tasks of SECO are - in addition to the tasks described in Annex 2, section 5.5 - to:

- Provide support for Project identification and preparation;
- Assess Project Outlines and Final Project Proposals;
- Decide on the financing of Projects submitted for funding;
- Assess Project reports (operational, financial, others).

5. Special Provisions for Financial Assistance

Repayments and redemptions from financial instruments benefiting the private sector (including credit lines, guarantee schemes, equity and debt participation and loans) are to be dealt with as follows:

- Provided that the contribution for financial assistance is redeemed (credit lines, equity and debt participation and loans), the value of the principal shall be transferred upon maturity to any institution aiming at the same overall objective agreed upon by the two Parties.
- The same shall apply to amounts committed as guarantees, provided that the funds have not been called upon during the life of the instrument.

The modalities, including the transfer of the ownership, shall be laid down in the respective Project Agreement or by exchange of letters.

Annex 4: Rules and Procedures for Thematic Funds and Special Projects

Annex 4 is an integral part of the Framework Agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council concerning the implementation of the Bulgarian-Swiss Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of this Framework Agreement.

Annex 4 defines for Thematic Funds and for special projects the rules and procedures as well as the responsibilities and tasks of the actors involved.

Annex 1 defines the conceptual framework of the Bulgarian-Swiss Cooperation Programme. The rules and procedures are defined: in Annex 2 for the overall Bulgarian-Swiss Cooperation Programme; in Annex 3 for Projects; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

A. General Provisions for Thematic Funds

1. Definition and purpose

Thematic Funds target a specific theme or a specific beneficiary group. Thematic Funds are set up to efficiently implement Activities.

An Activity is a specific assistance for, inter alia, projects, scholarships, partnerships and knowledge transfer provided within a Thematic Fund. Financial allocations for an Activity may range from a few thousand Swiss Francs up to allocations envisaged for individual projects.

A Thematic Fund is managed by a Swiss Intermediate Body and an Activity is implemented by an Executing Agency. In some cases, SDC may manage the Thematic Fund.

2. Selection of the Swiss Intermediate Body

Eligibility as Swiss Intermediate Body. The Swiss Intermediate Body shall be a public or private sector body or a non-governmental organisation. The Swiss Intermediate Body shall have strong ties to the sector in which the Thematic Fund is implemented. Due to the specific requirements in knowledge transfer, the Swiss Intermediate Body needs to be familiar with Swiss know-how and Swiss institutions working in the related thematic field.

Call for proposals. To select the Swiss Intermediate Body, SDC shall launch an open or restricted call for fund management proposals. The call shall respect Swiss and international public procurement rules. In exceptional cases, SDC shall nominate the Swiss Intermediate Body directly. The type of the selection depends on the subject matter.

The selection criteria for the Swiss Intermediate Body and the call documentation shall be worked out by SDC and submitted to the NCU for commenting. The final decision on the selection criteria and on the content of the call documentation shall be taken by SDC.

Proposal evaluation and decision. The proposal evaluation shall be done by an independent expert mandated by SDC, a member of the NCU and a member of SDC. The evaluation results shall be discussed between SDC, the NCU and – if previously agreed upon – the line ministry in charge of the subject matter. The final decision shall be taken by SDC.

Timing. Calls for proposals shall be launched within 6 months after the signing of this Framework Agreement. The final decision on the Swiss Intermediate Body shall be taken not later than 12 months after the signing of this Framework Agreement.

3. Thematic Fund Agreement

Preparation. For each Thematic Fund, the Parties shall conclude a Thematic Fund Agreement. This agreement shall be prepared by SDC.

Content. The Thematic Fund Agreement shall include inter alia:

- Objectives of the Thematic Fund;
- Organisational structure, responsibilities and tasks;
- Thematic Fund management procedures including procedures for the assessment and selection of Activities;
- Activities already identified for implementation;
- Co-financing rules, co-financing sources and procedures;
- Implementation schedule;
- Budget and financial planning including management costs;
- Disbursement and audit procedures;
- Monitoring and steering procedures including the set-up of a steering and Activity approval committee;
- Reporting;
- Publicity.

Signing. The Thematic Fund Agreement shall be signed by the NCU, the line ministry/institution in charge of the subject matter – if previously agreed upon – and SDC or the Swiss Embassy. The signing of the Thematic Fund Agreement is not a prerequisite for the process of selecting the Swiss Intermediate Body.

4. Mandate Agreement

SDC shall conclude with the Swiss Intermediate Body a Mandate Agreement for the implementation of a Thematic Fund. The Mandate Agreement shall take into account the provisions of the Thematic Fund Agreement and shall spell out, inter alia, procedures on Activity selection, Activity implementation, disbursements, financial audit, monitoring, steering, reporting, review and evaluation.

5. Activity selection and approval

Composition of the Activity portfolio. The Activity portfolio may include: Activities retained in this Framework Agreement; Activities proposed by Bulgaria or by Switzerland in a later stage; and Activities identified on the basis of a call.

Criteria for Activity selection. Criteria for the selection of Activities shall take into account inter alia: the common interest of the Parties; the possibility to transfer Swiss knowledge and experience; institutional partnerships between Bulgarian and Swiss actors; potential for networking; specific niches for the Swiss Contribution; innovation and visibility. The financing of equipment and/or infrastructure shall be limited to the extent to which it is required to support capacity building and institutional strengthening objectives.

Proposal and approval for Activities financed by a block grant. Activities financed by a block grant shall be submitted to the Swiss Intermediate Body. Each Activity shall be:

- assessed by the Swiss Intermediate Body;
- rejected or approved by a Steering or Selection Committee.

SDC will be represented in the Steering or Selection committee and will have the right of objection on Activity approval.

Proposal for and approval of Activities in the form of projects not financed by a block grant. Activity proposals in the form of projects not financed by a block grant shall follow a two loop approval procedure. First, the Executing Agency shall submit the project outline to the Swiss Intermediate Body. The project outline shall be:

- assessed by the Swiss Intermediate Body and agreed with the NCU;
- proposed by the Steering or Selection Committee to SDC for rejection or approval;
- rejected or approved by SDC.

Once the project outline has been approved, the Executing Agency shall submit a final project proposal with detailed and complete project documentation. The assessment and approval of the final project proposal shall follow the same procedure as applied for the project outline.

Upon request of the Executing Agency, a project preparation support may be granted. The request needs to be submitted with the project outline.

SDC will be represented in the Steering or Selection committee.

Activity agreement. For each Activity, the Swiss Intermediate Body shall establish an activity agreement.

6. Flow of funds, advance payments and audits

Flow of funds. The Swiss Intermediate Body shall open a bank account. All payments of SDC shall be made directly to this bank account. All payments from the Swiss Intermediate Body directly to the Executing Agency shall be made from this bank account.

Advance Payments. SDC shall provide working capital advances to the Swiss Intermediate Body. A prerequisite for payments is the approval by SDC of respective progress reports.

Advance payments to the Executing Agencies by the Swiss Intermediate Body – in particular to non-governmental organisations and institutional partners – shall be decided on a case by case basis, depending on the financial capacity of the Executing Agency as well as on the rate of financing provided. Advance payments shall be proposed by the Swiss Intermediate Body and decided by SDC.

Audit. Financial audits shall be carried out by an international audit organisation as specified in the Thematic Fund Agreement. The audit reports shall be transmitted to SDC and forwarded by SDC to the NCU.

Depending on the structure of the Thematic Funds, the Audit Authority can perform specific audits, at the request of SDC or the Swiss Intermediate Body, which must nominate the public institutions to be audited and the thematic approach and objectives of the audits. Audits will be established only after projects have been approved. Moreover, the selection of projects to be audited will entirely be SDC or the Swiss Intermediate Body's decision.

Alleged cases of irregularities shall be investigated by SDC in cooperation with the NCU.

7. Monitoring, Steering and Reporting

Monitoring. Monitoring shall take place at the level of the entire Thematic Fund and at the Activity level. SDC shall ensure monitoring at the level of the entire fund. The Swiss Intermediate Body shall be responsible for monitoring at the level of the Activities.

Steering. A Steering Committee shall be established for each Thematic Fund. The Steering Committee shall provide guidance on strategic matters and shall recommend Activities for approval by SDC. Selection criteria for Activities shall be specified in the Thematic Fund Agreement.

Reporting. The reporting shall include the interim reporting as supporting evidence for the payment claims, the annual reporting and the completion reporting. On the level of the entire Thematic Fund, reporting shall be done by the Swiss Intermediate Body and shall be addressed to SDC. At the level of Activities, the Executing Agencies shall be responsible for reporting. Reports shall be addressed to the Swiss Intermediate Body.

Annual reports on Thematic Funds shall include a financial statement on commitments and disbursements. They shall be provided to the NCU two months prior to the annual meeting.

8. Eligibility of costs and co-financing

Eligible costs. Eligible costs include:

- Management and administration of the Thematic Fund;
- Contribution to the preparation of Activities by the Executing Agency;
- Activities financed by the fund;
- Financial audit;
- Review and evaluation;
- Seminars and public events e.g.; to launch the call for Activity proposals; to inform on procedures; to assess and inform on progress;
- Publicity.

Co-Financing. The co-financing rates defined in the main part of this Framework Agreement, Article 5.4 shall apply. Co-financing shall be provided as joint financing or as parallel financing.

Support by the Thematic Fund shall not replace subsidised facilities and bank loans.

9. Responsibilities and Tasks

The responsibilities and tasks for Thematic Funds are as follows:

9.1. The Swiss Agency for Development and Cooperation

SDC has the responsibility for the implementation of the Thematic Funds. The main tasks of SDC include to:

- Launching a call for proposals for Thematic Fund management by a Swiss Intermediate Body;
- Organising and participating in the evaluation of Thematic Fund management proposals;
- Discussing the evaluation with the NCU and deciding on the selection of the Swiss Intermediate Body;
- Deciding on the financing of the Thematic Fund;

- Submitting the Activity selection criteria proposed in the Project Document of the Thematic Fund to the Monitoring Committee for commenting;
- Preparing and concluding the Thematic Fund Agreement;
- Preparing the Mandate Agreement and mandating the Swiss Intermediate Body;
- Supervising the operational monitoring and the financial controlling of the Intermediate Body;
- Ensuring the steering of the Thematic Fund;
- Participating in the steering and Activity approval committee;
- Analysing the regular reporting of the Swiss Intermediate Body, discussing the reporting with the NCU and ensuring follow-up;
- Requesting immediate reporting in case of irregularities and ensuring follow-up;
- Assessing and discussing implementation progress with the NCU based on the annual reporting prepared by the Swiss Intermediate Body;
- Carrying out reviews and evaluations;
- Organising Publicity in Switzerland.

SDC may delegate a part of these tasks to the Swiss Embassy in Sofia.

9.2 The Swiss Intermediate Body

The Swiss Intermediate Body is responsible for the set-up and management of the Thematic Fund, for the build-up of the Activity portfolio, for the contracting and the supervision of the Executing Agencies, for the controlling of the Activities and for the reporting on the Thematic Fund.

The main tasks of the Swiss Intermediate Body include to:

- Drafting the Project Document of the Thematic Fund including criteria for Activity selection;
- Arranging all legal aspects required for the implementation of the Thematic Fund;
- Set-up implementation structures;
- Managing and administrating the Thematic Fund;
- Establishing the chair (if decided so by SDC and the NCU) and assuming the post of member-secretary of the Steering and Activity Approval Committee;
- Establishing an adequate financial and operational controlling system for Activity implementation;
- Calling for and/or collecting proposals for Activities, reviewing compliance with the proposal requirements and establishing selection recommendations;

- Preparing and concluding contracting arrangements with the Executing Agencies implementing the Activities;
- Applying controlling systems and intervening if required. Informing SDC on irregularities immediately;
- Reporting to SDC. Reporting includes at least one annual progress report and financial reports;
- Ensuring the financial audit of the Thematic Fund, submitting audit reports to the NCU as well as to SDC and ensuring the follow-up to audit recommendations;
- Organising publicity in Switzerland and in Bulgaria in cooperation with the NCU.

9.3 The National Coordination Unit

The NCU is responsible for the inclusion of the Thematic Fund in the portfolio of Supporting Measures and – on a general level – for the monitoring of the Thematic Fund implementation.

The main tasks of the NCU include to:

- Participating in the evaluation of proposals for the Thematic Fund management;
- Discussing the results of the proposal evaluation with SDC;
- Concluding the Thematic Fund Agreement;
- Participating in the steering and Activity approval committee;
- Monitoring the Thematic Fund implementation on a general level and provide feedback to SDC on observations;
- Commenting on the Thematic fund reporting prepared by the Swiss Intermediate Body;
- Commenting the audit reports;
- Acknowledging the payments made by SDC on the basis of financial statements submitted by SDC;
- In the event of irregularities, participating in the assessment of causes and solutions;
- Including main elements of the Thematic Fund reporting in an overall annual report on the Swiss Contribution;
- Discussing implementation progress with SDC in the annual meeting;
- Ensuring inclusion of the Thematic Fund in the publicity on the Contribution.

Responsibilities and tasks shall periodically be reviewed and amended, if needed. A first review shall take place during the first annual meeting of the Parties.

B. Specific Provisions for Thematic Funds

B.1 Security Fund

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.1.

1. Definition and purpose

A Security Fund shall be established. The fund shall address Schengen related issues and contribute to enhancing socially related security as well as to fight against corruption and organised crime.

In well-justified cases, the Parties may agree to include Activities that are not included in the above mentioned topics.

2. Swiss Intermediate Body

SDC shall issue a call for fund management proposals or directly appoint the Fund Manager. The Swiss Intermediate Body shall have: the knowledge and experience in the field of security issues and the capacity to manage funds in trust. Due to the specific requirements in knowledge transfer, the Swiss Intermediate Body needs to be familiar with the Swiss institutions working in the thematic field of security.

3. Composition of the Activity Portfolio and Indicative Financial Allocation

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Activities retained in this Framework Agreement	6,013,000
Activities proposed by Bulgaria or by Switzerland in a later stage	2,387,000
Thematic Fund management, funding of project preparation and reserve	1,450,000
Total	9,850,000

Activities retained in this Framework Agreement:

The information on project content, project partners and beneficiaries, duration and financing required is indicative. Detailed project planning may lead to adaptations of project features or may result in cancellation of entire projects.

Schengen Issues: Development of personnel capacities and awareness raising. The project aims to develop the personnel capacities of all stake-holders (i.e. Ministry of Interior Academy, DIOPC – SIRENE, Criminal Police, Security Police, Border Police, Directorate "Migration", Directorate "Bulgarian Identity Documents", Press center and public relations) concerning Schengen topics with main focus on **SIS and SIRENE**. Activities include training workshops, study visits, e-learning software and equipment, technical equipment for SIRENE, flyers for police officers and awareness-raising materials for civil society (TV-spot, brochure, spokesperson and journalist training event). **Project partners:** the Ministry of Interior on the Bulgarian side; the Swiss Federal Police FEDPOL on the Swiss side. **Duration:** 12 to 18 months. **Financing:** Swiss Contribution: **300,000 CHF** (85%); Bulgarian co-financing provided by Mol **52,940 CHF** (15 %).

Tracing of stolen vehicles. The project shall contribute to the fulfilment of **article 100 of the Schengen Convention** concerning the tracing of stolen cars. The project shall ensure a SIS compatible information system and improved equipment of units of the Ministry of Interior. Project activities shall include capacity building, exchange of experience, provide hardware and software. The project is closely linked to the above mentioned project. **Project partners:** the Ministry of Interior on the Bulgarian side; subject matter specialists, possibly competent authorities may be included on the Swiss side. **Duration:** 2 years. **Financing:** Swiss Contribution: **800,000 CHF** (85%); Bulgarian co-financing provided by Mol **141,176 CHF** (15 %).

Exchange practice in the field of migration (legal migration and prevention of irregular migration). The project aims to improve the application of the new legislation and enhance the qualification of officials. Activities include identification of best practices in the management of migration flows, training in legal matters, exchanges of experience regarding actions of return to the country of origin and practice of voluntary return. **Project partners:** the Ministry of Interior, the Migration Directorate on the Bulgarian side; Subject matter specialists, possibly competent authorities on the Swiss side. Beneficiaries: Officials in the Migration Directorate. **Duration:** 1 year. **Financing:** Swiss Contribution **160,000 CHF** (85%); Bulgarian co-financing provided by Mol: **28,230 CHF** (15%).

Juvenile Justice / Prevention of crimes against and by children. Strengthening the juvenile justice system. Activities include: reform of the legal/normative framework of the juvenile justice system; capacity building of justice officials, lawyers and prosecutors; design the setting up for the establishment of juvenile chambers within district courts; piloting juvenile courts; **Project partners:** the Ministry of Justice in cooperation with UNODC (United Nations Office on Drugs and Crime); the Judges Association; the Association of Prosecutors; the National Institute of Justice; the Bulgarian Bar Association. **Duration** 2 years. **Financing:** Swiss Contribution **850,000 CHF** (85%), Bulgarian co-financing provided by MoJ: **150,000** (15%)

Prevention of Juvenile Delinquency. The objective is prevention of crimes committed against and of children on the territory of Bulgaria and the countries in the Schengen area. Activities include: Effective international operative cooperation between the specialized law-enforcement body structures of both countries related to work with children with unlawful behavior / begging, vagrancy, pick pocketing / who are travelling abroad unaccompanied by their parents; Exchange of practices in proving the juvenile delinquency and the illegal activities of adults inducing children to such crimes abroad /traffic, labour exploitation, lack of supervision/ ; Increasing of the administrative capacity and professional skills of police officers dealing with children; Development of internet site, serving children's security with "Safe Internet" and "Parents' control" applications; Elaboration of information technology (hardware, software and organizational), serving the specialized structures of Mol dealing with children who are crime

victims; Updating and enhancing the National Police Programme "Work of the police at schools"; Practical implementation of "Work with the Police at Schools" programme. **Project partners:** Ministry of Interior, Criminal Police Main Directorate, Security police Main Directorate, the Prosecution and the Ministry of Justice on the Bulgarian side; subject matter specialists, possibly competent authorities may be included on the Swiss side. **Duration:** 2 years. **Financing:** Swiss Contribution **625,000 CHF** (85%), Bulgarian co-financing provided by Mol: **110,290 CHF** (15%).

Capacity building for police officers. The project pursues two objectives: the first is to train police officers in European **human rights**. Activities include train the trainers in police schools, anchoring a human rights strategy in the curricula of the police schools, joint working groups; the second objective is specialized police training for public order police through **reality simulations**. Activities include designing a simulation area with IT support and equipping the simulation area. **Project partners:** the Academy of the Ministry of Interior, the Ministry of Justice on the Bulgarian side; subject matter specialists, possibly competent authorities may be included on the Swiss side. Beneficiaries: the Ministry of Interior – the Academy, the Ministry of Justice, Security Police Main Directorate. **Duration:** 2 years. **Financing:** Swiss Contribution **1,278,000 CHF** (85%); Bulgarian co-financing provided by Mol: **225,530 CHF** (15%).

Capacity building of forensic experts. Set up modern facilities, properly structured specialist training and ensure proper preparation for the practical use of modern methods and technical means for collecting and examining physical evidence. Strengthening the capacity of the expert services of the Ministry of Interior in the process of collecting and examining material traces of crime scenes to meet the criteria for best European practices in the field of forensic examinations. **Partners:** Research Institute of Forensic sciences and Criminology (RIFSC) and Academy of Ministry of Interior (Mol). **Duration:** 18 months. **Financing:** Swiss Contribution **1,000,000 CHF** (85%), Bulgarian co-financing provided by Mol: **176,470 CHF** (15%).

Environmental security. Enhance the respect of the rule of law related to the environment. The project shall build the capacity of the Association of Prosecutors in Bulgaria as a centre of competence and professional training; it shall enhance knowledge of prosecutors to tackle cases related to environment. Activities include: Comparative analysis of legal framework at national and EU level on the roles of prosecutors related to environment; map demands of Bulgaria's prosecutors for training and know-how exchange; develop a strategy of the Association as informal capacity building arm of the Prosecution authority; equip and train the staff of the association to deliver services to its members; devise and conduct a training curricula; develop networking among prosecutors, raise public awareness for the work of the prosecutors. **Project partner:** Association of Prosecutors in Bulgaria under the auspices of the General Prosecutor; subject matter specialists, possibly competent authorities may be included on the Swiss side. **Duration:** 30 months **Financing:** Swiss Contribution **180,000 CHF** (85%). Bulgarian co-financing provided by the Association of Prosecutors **31,760 CHF** (15%).

Combating organized crime, trafficking of human beings and money laundering. The project shall enhance the capacity of the public prosecutors in the field of fighting organised crime and supporting the ongoing reform of the Judiciary. It will be achieved by: examining the best practices of Switzerland and some of the member states and adopting the highest standards of EU in fighting organised crime; creating national mechanisms for coordination of the activities among the competent authorities - Ministry of Finance, Mol and National Assets Recovery Commission, State Agency for National Security etc.; Training of specialised investigation teams of prosecutors, investigators and policeman in fighting organised crime and trafficking of human beings; Creating of a specialised prosecutors unit for tracing, seizure and

confiscation of proceeds of crime and prosecution of money laundering abroad. Main activities: review, analysis and examination of the legal environment in EU and development of a Catalogue of recommendations and instructions for prosecutors; Training seminars and training visits; Involvement of foreign experts, specialists in combating organised crime, money laundering and human trafficking. **Project partner:** Bulgarian Prosecutors Service and the Supreme Cassation Prosecutors' Office on the Bulgarian side; subject matter specialists, possibly competent authorities may be included on the Swiss side **Duration:** 3 years **Financing:** Swiss Contribution **820,000 CHF** (85%); Bulgarian co-financing provided by Bulgarian Prosecutors Service: **144,700 CHF** (15%).

Activities proposed by Bulgaria or by Switzerland in a later stage:

A conceptual frame for project identification and selection shall be proposed by the Swiss Intermediate Body. Activities proposed by Bulgaria or by Switzerland shall be within this conceptual frame. The conceptual frame could inter alia address:

- Prevention of and combat against Human Trafficking;
- Supporting measures for the Bulgarian Border Police.

4. Steering Committee

A Steering Committee shall be established and shall be composed of representatives of MOI, MOJ, Prosecutors' Office, the NCU, SDC, the Swiss Intermediate Body and possibly civil society. It shall meet at least twice a year.

The lead of the Steering Committee shall be assured by the Swiss Intermediate Body which shall also act as member secretary of the Steering Committee.

B.2 Reform Fund linked to Civil Society Participation

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.2.

1. Definition and purpose

A Reform Fund shall be established with the objective of promoting the civil society's contribution as important actors of development and participation. Priority shall be given to Activities of the civil society organisations/NGOs contributing primarily to the provision of social services as well as tackling environmental issues, allowing for strengthening organisational capacities.

In well-justified cases, the Parties may agree to include Activities that are not included in the Priority mentioned above.

2. Swiss Intermediate Body

SDC shall launch a call for fund management proposals. The Intermediate Body shall have: the knowledge and experience required in the field of environmental and social services; the qualification to support NGOs in their development; and the capacity to managed funds in trust. Due to the specific requirements in knowledge transfer, the Swiss Intermediate Body needs to be familiar with the Swiss know-how and Swiss civil society organisations.

3. Composition of the Activity Portfolio and Indicative Financial Allocation

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Activities retained in this Framework Agreement	4,200,000
Activities identified on the basis of a call procedures (block grant)	3,000,000
Thematic Fund management, funding of project preparation and reserve	800,000
Total	8,000,000

Activities retained in this Framework Agreement:

Activities have been retained in this Framework Agreement that contribute to enhancing the **sustainable development** of areas with high ecological value, that benefit from the strong **commitment of Swiss environmental NGOs** in knowledge transfer and strengthening Bulgarian partners in the field of integrated management of natural resources, that can mobilise **substantial co-financing** and correspond to Bulgarian and Swiss priorities.

The information on the project content, project partners and beneficiaries, duration and financing required is indicative. Detailed project planning may lead to adaptations of project features or may result in the cancellation of the entire project.

Linking nature protection and sustainable rural development: The project aims to link biodiversity conservation and sustainable rural income generation, by harnessing both market mechanisms and public programmes and thereby to increase public awareness and acceptance for conservation. The project shall support measures: 1) to improve and demonstrate efficient management of protected areas and develop mechanisms to remunerate nature protection services 2) to develop sustainable income generation through environment-friendly products and services, as well as 3) to improve attractiveness of rural areas, both for local residents and visitors. **Project partners include:** on the Bulgarian side: BBF - Bulgarian Biodiversity Foundation, BIOSELENA - Foundation for Organic Agriculture, BSPB - BirdLife Bulgaria - Bulgarian Society for the Protection of Birds; on the Swiss side: Agridea - Swiss Association for developing agriculture and rural areas, SVS - Birdlife Suisse - Swiss Association for the protection of Birds, Pro Natura - Swiss League for Nature Protection (Friends of the Earth Switzerland), Redd -

Réseau Echanges Développement Durable, SAVE Foundation Switzerland (Project Office).
Beneficiaries: Population living in rural areas, environmental NGOs. **Duration:** 4 - 5 years.
Financing: Swiss Contribution: **approx. CHF 4.2 million**. Co-financing amounting to min. 10% provided by the project partners.

Activities identified on the basis of a call procedure:

Block Grant for the financing of small Activities of the civil society organisations/NGOs.

The Priority shall be given to Activities in the field of environment protection and social issues (e.g. child care, elderly, and people with addiction problems). Activities will be favoured that have the potential to strengthen the Bulgarian NGOs and to enable its active participation in policy processes both as the voice of civil society and as a service provider. The Activities shall be selected after calls for project proposals. The costs of Activities shall range from CHF 10,000 to 250,000. A Selection Committee shall be established with representatives of the civil society, the NCU, and SDC. **Project partners on the Bulgarian side:** non-profit organisations with a legal status in Bulgaria, which are independent of government and other public authorities as well as of political parties or commercial organisations and independent organisations with specific legal status (National Red Cross Societies, etc.). **Project partners on the Swiss side:** NGOs that cooperate with Bulgarian partners. **Duration:** 4 years. **Financing:** Swiss Contribution: **approx. CHF 3.0 million**; Bulgaria may co-finance the Block Grant with 15%. The NGOs shall provide 10% of activity cost.

4. Steering Committee

A Steering Committee shall be established and shall be composed of representatives of the Ministry of Environment and Water, the Ministry of Agriculture and Food; the Ministry of Labour and Social Policy, civil society representatives, the NCU, SDC and the Swiss Intermediate Body. It shall meet at least twice a year. The lead of the Steering Committee shall be assured by the Swiss Intermediate Body which will also act as the secretary of the Steering Committee.

B.3 Reform Fund linked to the Inclusion of Roma and other vulnerable groups

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.3.

1. Definition and purpose

A Fund shall be established with the objective of promoting social inclusion of the Roma and other vulnerable groups.

2. Swiss Intermediate Body

SDC shall be responsible for the management, steering and supervision of the Fund. SDC may delegate some functions to a Swiss Intermediate Body to be selected through a call for proposals. The Swiss Intermediate Body shall have: the knowledge and experience to develop support policies, concepts and strategies for Roma and other minorities and vulnerable groups; the qualification to assess, supervise and steer Activities in favour of Roma and other minorities and vulnerable groups and the capacity to manage funds in trust.

3. Composition of the Activity Portfolio and Indicative Financial Allocation

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Promotion of social inclusion of the Roma and other vulnerable groups	6,300,000
Home cares services	1,900,000
Thematic Fund management, funding of project preparation and reserve	700,000
Total	8,900,000

Activities retained in this Framework Agreement:

Promotion of social inclusion of the Roma and other vulnerable groups

Two strategic lines shall be pursued:

Line 1: Improvement of living conditions through: improved access to services; and improved access to rights.

Line 2: Empowerment and awareness through strengthened Roma cultural integration and identity (Roma as target group), improved acceptance (majority and Roma as target groups) and enhanced Roma participation in decision making / policy institutions (majority and Roma as target groups).

For Line 1: priority shall be given to support integrated services and activities in the field of health for children and women as well as education for children, including parental capacity. The programme shall combine both health (health awareness and access to medical services in communities) and education (pre-schooling and out-of-class) activities in an integrated manner, meaning that activities shall be coordinated and coherent, implemented in the same territory and managed by a multidisciplinary team.

The programme implementation shall involve local stakeholders including governmental and non-governmental institutions such as mobile medical units, health mediators, local health institutions including General Practitioners (GPs) and medical centres, schools, kindergartens, chitalishte, NGOs and other existing health and educational bodies. Services shall be provided in an equal manner pursuing an integrated policy approach in a way that benefits especially Roma children and women.

Focus shall be given on activities with direct impact on individual / household level. Geographical focussing shall prioritise regions with: high Roma population; high school drop-out rates; high unemployment and precarious housing situations. Envisaged is the implementation of a pilot / model project followed by two to three larger projects. Projects shall be selected based on an assessment of the local situation or on a call for proposals within a specific prioritised region.

Selection criteria shall include socio-economic indicators of the target area, quality and relevance of the project proposal, coherence of the partnership and capacity of the members, contribution in cash and in kind. The Programme is to be implemented by SDC in cooperation with Bulgarian governmental and non-governmental institutions including the Centre of Educational Integration of Children and Students of Ethnic Minorities (CEICSEM), the Ministry of Health, the Ministry of Education, Youth and Science, the Ministry of Labour and Social Policy, and the National Council for Cooperation on Ethnical Demographic Issues at the Council of Ministers with the support of the decentralised health and education Directorates, the network of the health mediators, Bulgarian NGOs working in the fields of health and education, the chitalishte.

The operational management of the programme will be preferably carried out by a Project Management Unit (PMU) hosted by one of the partner ministries or when more appropriate by a consortium of NGOs selected by SDC. The host location of the PMU will be selected by SDC on the basis of the proposals made by the Bulgarian partners. The PMU is a separate unit of staff recruited with the involvement of SDC and including SDC staff particularly for the implementation of the programme. It will deal with the direct management of the programme, definition of terms of references, award of mandates to consultants and other implementing organisations, execution of calls, monitoring of the programme activities, overall management of the fund including operating payments.

The strategic management of the programme will be carried out by the Steering Committee set up for the Reform Fund linked to the Inclusion of Roma and other vulnerable groups (see section 4 below).

Project partners: For each project, a local partnership shall be formed. The partnerships may include social subsidiaries of state institutions operating in the health and educational sectors, local social, health and educational service providers, community based organisations such as chitalishte and NGOs, local and regional authorities and others. Each partnership shall implement a geographically focused project. **Beneficiaries:** Roma, other minorities, vulnerable

groups of non-minorities. **Phasing:** The projects may start with a pilot phase followed by a scaling-up phase. **Duration:** Pilot phase 2 years; scaling-up 3-5 years. **Financing:** Swiss Contribution CHF 5,800,000. Co-financing to be provided by the Ministry of Health, the Ministry of Labour and Social Policy, as well as the project partners: for NGOs 10%, for all other project partners 15%. **Control and monitoring:** The programme will be operationally monitored by the PMU and will be supported by regular backstopping and assessment activities carried out by SDC.

For Line 2, priority shall be given to the promotion of Roma role models and leadership (leaders, successful careers, support for access to higher education, etc.) as well as to Media campaigns. **Project partners:** Bulgarian-Swiss partnerships. **Duration:** 4-5 years. **Financing:** Swiss Contribution CHF 500,000.-; co-financing provided by the project partners: for NGOs 10%, for all other project partners 15%.

Home Care Services

The project aims to introduce home care services in Bulgaria as a form of long-term care for older people, people with chronic diseases and people with disabilities, taking also into consideration the special needs of those from the Roma community and from other vulnerable groups. The project shall establish Home Care Centres in three to five municipalities within a region with poor socio-economic indicators and high Roma population. It shall improve and keep the health, economic and social-well being of older, chronically- ill and disable people through direct service provision at their homes thus ensuring their independent living and social inclusion. The project will eventually propose legislative changes to ensure institutional and financial sustainability of home care in health insurance packages to be financed by the National Health Insurance Fund (NHIF) and/or voluntary health funds.

Project partners: On the Bulgarian side the Ministry of Health (possible leader), the Ministry of Labour and Social Policy, the Bulgarian Red Cross. On the Swiss side possibly subject matter specialists and institutions with specific know-how and experiences. **Duration:** 3-4 years.

Financing: Swiss Contribution CHF 1,900,000; co-financing provided by the partners: for NGOs 10%, for all other project partners 15%.

4. Steering Committee

A Steering Committee shall be established and may include representatives of the Ministry of Health, the Ministry of Labour and Social Policy, the Ministry of Education, Youth and Science, the National Council for Cooperation on Ethnical Demographic Issues at the Council of Ministers, the National Association of Municipalities in the Republic of Bulgaria (NAMRB), civil society representatives, the NCU, SDC and if need be the Swiss Intermediate Body. It shall meet at least 2 times per year. The lead of the Steering Committee shall be assured by SDC which may delegate this function to a Swiss Intermediate Body. The Swiss Intermediate Body may act as secretary of the Steering Committee.

B.4 Scholarship Fund

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.4.

1. Definition and purpose

A Scholarship Fund shall be established that allows Bulgarian students and researchers from higher educational and research institutions to join the Scientific Exchange Programme between Switzerland and the New Member States of the European Union.

The Scientific Exchange Programme (Sciex-NMS^{ch}) aims to contribute to the reduction of economic and social disparities in the enlarged European Union through fostering the scientific capacities of researchers in the new EU member states and promoting sustainable research partnerships between the new EU member states and Switzerland.

The main goal of the programme is to establish scientific partnerships, which i) develop individual researchers' capacities (human capital), ii) foster scientific progress and innovation (scientific prospects); and iii) establish or enhance networks between researchers (networking) through the provision of research scholarships and short term research visits.

2. Swiss Intermediate Body and Coordination Body for the Scholarship Fund

On the Swiss side, the mandate awarded by SDC to the Rectors' Conference of the Swiss Universities (CRUS) as the Swiss Intermediate Body for the management of the Scholarship Fund with eight new EU member states shall be extended to the Fund with Bulgaria.

On the Bulgarian side, coordination activities within the Scholarship Fund shall be supported by a Coordination Body within the Ministry of Education, Youth and Science. The activities of this Coordination Body shall be considered as the Bulgarian co-financing.

The financing provided by the Swiss Contribution shall be transferred directly to the beneficiaries via CRUS and the Swiss host institutions.

3. Composition of the Activity Portfolio and Indicative Financial Allocation

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Scholarships	1,800,000
Thematic Fund management, funding of project preparation and reserve	200,000
Total	2,000,000

4. Scholarship Fund Agreement

The Scholarship Fund Agreement shall be prepared by SDC. It shall be signed by the NCU on the Bulgarian side and by the SDC on the Swiss side.

A separate Memorandum of Understanding (MoU) will be concluded between the Bulgarian Coordination Body and CRUS. The MoU details the coordination arrangements, scoring mechanism and assessment criteria, planning of calls and timing, reporting and monitoring arrangements as well as information and communication arrangements.

5. Steering Committee

The Steering Committee of the SciexNMS^{ch} Programme is responsible for the general operational decisions of the programme. It also discusses and approves proposed scholarships.

The Steering Committee is composed of the Swiss research stakeholders, i.e. delegated representatives of the following organisations: CRUS (1 member as President of the Steering Committee); State Secretariat for Education and Research (1 member ESKAS); the Swiss National Science Foundation (1 member career development, 1 member international cooperation); Swiss cantonal universities and Swiss Federal Institutes of Technology (1 member elected by CRUS); Swiss Universities of Applied Sciences (1 member elected by KFH); ETH-Domain (1 member elected by ETH-Rat); Bridge to the Research Institutions outside the university sector (1 member elected by SER) as well as SDC (1 member).

The Bulgarian side has the right of up to two observers.

B.5 Research Fund

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.5.

1. Definition and purpose of the Research Fund

A Research Fund shall be established with the purpose to promote joint Bulgarian-Swiss research.

2. Swiss Intermediate Body and Coordination Body for the Research Fund

SDC shall directly appoint the [Swiss National Science Foundation and the Bulgarian Scientific Research Department of the Ministry of Education and Science] as the Swiss Intermediate Body. The Swiss Intermediate Body shall have the knowledge and experience in promoting research and the capacity to manage funds in trust.

3. Composition of the Activity Portfolio and Indicative Financial Allocation in the Research Fund

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Joint research projects	3,300,000
Thematic Fund management, funding of project preparation and reserve	700,000
Total	4,000,000

Joint Research Projects (JRP). Joint Research Projects (JRP) shall be implemented by Bulgarian and Swiss research institutions. JRP shall enable Bulgarian and Swiss scientists to engage in joint research activities. Priority shall be given to the following research topics: Social sciences and natural sciences. Research projects with a budget of up to CHF 400'000 shall be identified on the basis of an open call for proposals. **Beneficiaries:** Researchers and academic institutions in Bulgaria and in Switzerland. **Financing:** Swiss Contribution: **CHF 4 million;** Bulgarian co-financing provided by the Ministry of Education and Science for participating public research and academic institutions: 15%.

4. Selection Committee

A joint project Selection Committee shall be established and shall be co-chaired by a representative of the Bulgarian and of the Swiss side. The Swiss Intermediate Body may act as member secretary of the Selection Committee.

B.6 Partnership and Expert Fund

The general conditions of chapter A.1 of this Annex shall apply unless otherwise stipulated in B.6.

1. Definition and purpose

- A Partnership and Expert Fund shall be established with two objectives:
- To promote and/or enhance institutional partnerships between Bulgarian and Swiss partners in order to contribute to the solution of specific development challenges, strengthen capacities and structures of the Bulgarian institutional partners, benefit from Swiss added value, and contribute to the strengthening of the partnerships.
 - To mobilise Swiss expertise.

Institutional partnerships. Priority shall be given to institutional partnerships between Bulgarian and Swiss non-profit organisations, territorial entities and social partners that address development challenges.

Mobilisation of expertise. Expertise shall primarily be mobilised through short term inputs by Swiss experts. These inputs shall be provided to non-profit institutions and public organisations.

2. Swiss Intermediate Body

SDC shall launch an open call for fund management proposals. The Swiss Intermediate Body shall have: the qualification to support the development of Bulgarian-Swiss partnerships; the know-how to mobilise short-term expert inputs from Switzerland; and the capacity to manage funds in trust.

3. Composition of the Activity Portfolio and Indicative Financial Allocation

Portfolio Item	Indicative Swiss Financial Allocation in CHF
Activities retained in this Framework Agreement	600,000
Activities identified on the basis of a call procedures (block grant)	2,200,000
Short term expert inputs	600,000
Thematic Fund management, funding of project preparation and reserve	600,000
Total	4,000,000

Financial allocations are indicative. The NCU and SDC may jointly decide to adapt allocation between portfolio items.

Activities retained in this Framework Agreement:

The information on the content, partners and beneficiaries, duration and financing required is indicative. Detailed planning may lead to adaptations of cooperation features or may result in the cancellation of entire Activities.

Promotion of social dialogue and better working conditions for employees: The institutional partnership aims at improving the working conditions of employees e.g. by: 1) strengthening socially responsible behaviour of business organisations in connection with the Strategy for Corporate Social Responsibility 2009-2013; 2) the elaboration of information system

for collective labour agreements by sectors and relevant data on wages and implementation of collective labour agreements; 3) the development of paritarian funds with special focus on vocational training, health and safety, and enforcement of collective agreements. **Project partners include:** on the Bulgarian side: the Ministry of Labour and Social Policy, the National Institute for Conciliation and Arbitration, regional and national unions, employers organisations, etc. On the Swiss side: Swiss Labour Assistance (SLA), others. **Duration:** 3 to 4 years. **Financing:** Swiss Contribution: **CHF 600,000**; co-financing provided by the project partners: for NGOs 10%, for all other project partners 15%.

Activities identified on the basis of a call procedure:

Block Grant for the financing of joint Activities of institutional partnerships. The Block Grant aims to promote and/or enhance institutional partnerships between Swiss and Bulgarian partners. The costs of the Activities shall range generally from CHF 10,000 to CHF 100,000. Exception is granted for maximum of 3 Activities ranging up to CHF 250,000. Activities shall be identified on the basis of a rolling call for proposals. A Selection Committee shall be established and may include representatives of associations of Bulgarian Municipalities, civil society, the NCU, and SDC. **Partners on the Bulgarian side:** non-profit organisations with a legal status in Bulgaria such as non-governmental organisations, networks, associations, federations, think tanks, educational institutions, cultural institutions; territorial entities such as regions, cities and municipalities; social partners i.e. nationally recognised and representative trade unions and employers' organisations. **Partners on the Swiss side:** Institutional partner that cooperate with their Bulgarian partners. **Duration:** 4 years. **Financing:** Swiss Contribution: **CHF 2.2 million**; co-financing provided by the institutional partners: for NGOs 10%, for all other project partners 15%.

Block Grant for the financing of short term inputs of Swiss experts. The Block Grant aims to mobilise highly-qualified Swiss experts. Requests for financing of experts can be submitted any time during a given time period (rolling call). Activity costs shall range from a few thousand Swiss Francs up to CHF 35,000.-. In well-justified cases, the upper limit may be slightly increased. The NCU and SDC shall jointly approve the activity proposals made by the Swiss Intermediate Body.

Eligible applicants for expert support include governmental organisations and non-profit organisations with a legal status in Bulgaria. **Duration:** 4 years. **Financing:** Swiss Contribution: **CHF 600,000.-**. Bulgarian co-financing (e.g. local transportation, interpretation) provided by the beneficiary of the expert input.

4. Steering Committee

A Steering Committee shall be established and shall be composed of representatives of Bulgarian municipality associations, civil society representatives, the NCU, SDC and the Intermediate Body. It shall meet at least twice a year. The lead of the steering shall be assured by the Swiss Intermediate Body, which shall act as the secretary of the Steering Committee.

Annex 5: Rules and Procedures for the Project Preparation Facility and the Technical Assistance Fund

Annex 5 is an integral part of the Framework Agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council concerning the implementation of the Bulgarian-Swiss Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of the main part of this Framework Agreement.

Annex 5 defines the rules and procedures for the Project Preparation Facility and the Technical Assistance Fund.

Annex 1 defines the conceptual framework of the Bulgarian-Swiss Cooperation Programme. The rules and procedures are defined: in Annex 2 for the overall Bulgarian-Swiss Cooperation Programme; in Annex 3 for Projects and Programmes; in Annex 4 for Thematic Funds.

A. Project Preparation Facility

1. Definition and purpose

The "Project Preparation Facility" provides financial support for the preparation of the Final Project Proposals (e.g. feasibility studies, environmental impact assessments, etc.).

2. Request and approval procedures

A request for financial support within the Project Preparation Facility must be part of the Project Outline (cf. Annex 3, Chapter 1.2).

SECO shall assess whether the requested assistance for project preparation is suitable for financial support.

The decision on the provision for financial support for the project preparation is part of the final decision by Switzerland on the Project outline.

3. Management of the Project Preparation Facility

Project Preparation Facility is managed by the NCU.

4. Project Preparation Facility Agreement

The Project Preparation Facility Agreement shall be prepared and signed by the NCU on the Bulgarian side and by SECO on the Swiss side. The content of the Project Preparation Facility Agreement shall include inter alia:

- Objectives of the Project Preparation Facility;
- Roles and responsibilities;
- Detailed listing of costs eligible for financing;
- Co-financing;
- Audit procedures, monitoring and reporting.

5. Co-financing

Financial means provided by the Project Preparation Facility require a minimum co-financing of 15% by the recipient or any third party. The co-financing rate shall be determined on a case-by-case basis.

B. Technical Assistance Fund

1. Definition and purpose

A Technical Assistance Fund may be established to contribute to some additional costs incurred by Bulgaria for the efficient and effective implementation of the Contribution.

2. Eligible costs

Costs incurred by the Bulgarian authorities for the management, implementation, monitoring and control of the Contribution are in general not eligible for financing. However, some costs incurred by the Bulgarian authorities for tasks performed additionally and exclusively for the implementation of the Contribution are eligible for financing, if they belong to one of the following categories:

- a) Costs of annual meetings, monitoring and of the project selection committees for the Bulgarian-Swiss Cooperation Programme;
- b) Training for potential Executing Agencies with the objective to prepare them for the Bulgarian-Swiss Cooperation Programme;
- c) Hiring of consultants for the elaboration of procedures and guidelines to implement the Swiss contribution;
- d) Hiring of consultants and experts for the identification and/or review of Project proposals addressed to the NCU and the preparation of financing requests to Switzerland;
- e) Hiring of consultants and experts for the monitoring, auditing and for the review of Supporting Measures financed by the Contribution and of the overall Bulgarian-Swiss Cooperation Programme;
- f) Audits and on the spot checks of operations related to the Contribution, where this relates to activities above and beyond the normal obligations of Bulgaria;
- g) Publicity measures related to the Contribution;
- h) Costs for the participation in meetings with Swiss authorities held outside of Bulgaria;
- i) Translation costs of the NCU and Intermediate Bodies at the level of the management of the Swiss Contribution;
- j) Additional equipment, including software, specifically procured for the implementation of the Contribution.

Costs incurred by the Bulgarian authorities for the management, implementation, monitoring and control of the Contribution are eligible, if:

- No other source of financing is available;

- A detailed assessment of staff requirements is available and agreed upon by the Parties;
- The financing of this staff is crucial for the efficient implementation of the Swiss Contribution;
- The amount of financing this staff is not exceeding the Bulgarian co-financing of the Technical Assistance Fund.

3. Management of the Technical Assistance Fund

The Technical Assistance Fund is managed by the NCU.

4. Technical Assistance Fund Agreement

The Technical Assistance Fund Agreement shall be prepared and signed by the NCU on the Bulgarian side and by SDC / SECO on the Swiss side. The content of the Technical Assistance Fund Agreement shall include inter alia:

- Objectives of the Technical Assistance Fund;
- Detailed listing of costs eligible for financing;
- Organisational structure, roles and responsibilities;
- Procedures;
- Budget and financial planning;
- Audit procedures;
- Monitoring and steering;
- Reporting.