

# *STRATEGIC REPORT*

## *FM14-21*

Bulgaria

Reporting period:

01 August 2021 - 31 July 2022

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## 1. EXECUTIVE SUMMARY

The present Strategic Report presents an overview of the status of implementation of the EEA and Norway Grants in Bulgaria in terms of progress of interventions, achieved results, outstanding activities, challenges, risks and issues that need to be addressed. The assessment of the performance of programmes and stakeholders takes into consideration the global context and cumulative effect of the Covid-19 pandemic followed by an unprecedented humanitarian and economic crisis in Europe. In the Bulgarian context this crisis had as a consequence and as a worsening factor a political instability lasting for more than a year with no visible perspective to be overcome soon.

Against this background, the main indicators of economic and social development of Bulgaria during the last year show the following:

- economy revived from the Covid-19 crisis and stroke a rebound of 4.2% in 2021, followed by 5,6% year-on-year growth in the first half of 2022.
- The private consumption stroke the record of 8% growth in 2021, but is projected to sharply shrink to 4% in 2022 and 3.5% in 2023;
- The unemployment rate remained lower than the EU average, striking 4,8% in 2021 and is expected to remain around 5% in 2022; exports grew by 31%, compared to 2020 and stroke a record increase of approximately 52% for the first six months of 2022,

In the reporting period the following developments under programmes took place: 7 calls for proposals were launched, for 3 of which deadlines for submission expire in the period September – December 2022; for 9 calls evaluation and selection procedures were finalised; under 1 call evaluation is ongoing.

In summary, all 26 open procedures have been launched (incl. 2 re-launched under Environment programme), the total number of contracted projects is already 110, incl. 34 pre-defined projects. Contracting is pending for 20 approved projects. 5 projects have been completed. 1 predefined project has not been contracted at the cut-off date of this report and for 1 predefined project application procedure has not been launched yet.

Monitoring activities at programme and project level were held by the POs, NFP and FMO. Besides the regular reporting, technical monitoring meetings were held with the participation of POs and project promoters of pre-defined projects. Results from all monitoring activities were very helpful to the decision-making and for improved risk management. Increased on-the-spot monitoring took place both by POs and NFP as a tool not only to verify implementation, but also to get a real sense of the outputs and their impact on target groups.

Under the guidance and with the support of the NFP communication activities under the programmes and projects channels and tools for dissemination of information were diversified (Facebook, storytelling, photos) and better quality of the communication content with a focus

on results was achieved. Analysis of the media monitoring results show that the most popular topics for the media in the reporting period were energy efficient street lighting and the youth centers, as these are the most advanced projects that have direct effect on local communities, and since the beginning of 2022 culture and environment attracted serious attention .

Bilateral relations started to gain speed after all restrictions for travel and meetings were withdrawn in Europe. Bilateral events were held at programme and projects level, travel support schemes were re-launched. . Currently out of the 110 on-going projects 82 projects are implemented in cooperation with donor country partner.

The Joint Committee for the Bilateral Fund (JCBF) held two hybrid meetings in November 2021 and May 2022. One new bilateral initiative was approved by the JCBF, for 1 initiative the partnership and the project concept were amended as a result of the structural changes undertaken by the Bulgarian Government. For the two initiatives elaboration of full applications is ongoing.

The Audit Authority issued on 11.02.2022 and submitted to the FMO the Fourth Annual Audit Report and Annual Audit Opinion under the EEA FM and NFM 2014-2021 and carried out the following audits:

- audit of certified expenditures under 6 programmes for accounting year July 2020 - June 2021 (Local Development, Home Affairs, Justice, Energy, TAF and BF);
- audits of certified expenditures under 8 programmes for accounting year July 2021 – June 2023 (Local Development, Justice, Home Affairs, Energy, Culture, Environment, TAF and BF) – the audit started on 26.07.2022 and is scheduled to be completed on 30.11.2022.;
- system audits of the Culture Programme and of the Certifying Authority.

The audit conclusions from all above audits were that the errors found are of random nature and they are not related to systemic weaknesses. No findings were formulated in the system audit for the Certifying Authority.

The CA certified and submitted due forecasts of likely payments and via GRACE interim financial reports 7 and 8 for each programme.

The financial implementation cumulative is as follows:

- Funds transferred from the FMO amount to 60 371 657 Euro, of which 23 314 003 Euro In the reporting period;

- Funds transferred to programmes amount to 70 616 048 Euro (incl. national co-financing), of which 27 273 486 Euro in the reporting period;
- Certified costs amount to 25 000 646 Euro, of which 9 903 264 Euro for IFR#7 and IFR#8 packages;
- Incurred expenditures under the programmes amount to 28 019 405 Euro that represents an increase of 41% in comparison to the previous reporting year..

Compared to the approved time schedules (milestones) there are still delays for most programmes. However, the progress achieved during the current reporting period with all calls for proposals launched, most projects contracted or under contracting, all predefined projects (except for one in Energy) launched and bilateral activities on track, the risks for reaching programmes outputs and outcomes have been substantially lowered.

## 2. POLITICAL, ECONOMIC AND SOCIAL CONTEXT

### Overview

The reporting period could be regarded into two time frames with the outbreak of the war in Ukraine as a watershed for the social, economic and political changes in Bulgaria.

The war found the Bulgarian economy rebounding, surpassing its pre-crisis level, despite the coronavirus crisis, prolonged political uncertainty and rising inflation. The private consumption remained the main driving force with exports growing, improving labour market and slight decline of the poverty, thanks to the strong fiscal support. However, the Russian invasion in Ukraine changed the economic and political landscape. As in the other European countries, the increased shortage of energy and goods supplies, followed by the monetary expansion of the European Central Bank accelerated the inflation in Bulgaria and dampened the competitiveness of the country. In this complex background, after two unsuccessful elections, a regular four-party coalition Cabinet took office at the end of 2021, while the President was re-elected. The new government pledged to take decisive measures against corruption, to reform the judicial system in terms of accountability of the chief prosecutor, lift the pensions above the poverty line, modernise the country's economy and deal with the pandemic. In the meantime, it had to tackle several crises as the unprecedented refugees flow from Ukraine, galloping inflation, suspension of the gas delivery from Russia, the high dependence of Bulgaria on Russian oil and the vulnerable issue with the Bulgarian veto on North Macedonia's EU accession. The 6-month ruling of the Government was torn by political scandals, allegations of compromised large infrastructural projects and border control, as well as by coalition tremors and numerous protests against and for the driven pro-NATO and EU policies. In addition to this, the pro-inflationary measures, introduced to compensate the households and the businesses from the rising prices, together with the lift of the Bulgarian veto on NM's EU accession negotiations ended with unprecedented collapse of the government after a motion of non-confidence in June 2022, throwing the country into the next political crisis and fourth round of elections within a year. Since August 2022 the President appointed his third Caretaker

Government and set the date of 2 October 2022 for the next parliamentary elections. The well-being of the country is now at stake at the backdrop of the coming world recession and domestic political crisis. It will depend on the strong political commitment for anti-crisis targeted support, the timely implementation of the investments and reforms under the Recovery and Resilience Plan and the adequate absorption of the available structural and other foreign funds.

#### **Bulgaria's progress In figures:**

**Bulgaria's economy** revived from the Covid-19 crisis and stroke a rebound of 4.2% in 2021, followed by 5,6% year-on-year growth in the first half of 2022. It was driven by rising exports and domestic demand, packed with wage increase in the private sector, low credit rates and strong public spending. However, this momentum was challenged with the outbreak of the war in Ukraine and the consumer confidence deteriorating. Due to the strong recovery in the first quarter of 2022 the EC projected for Bulgaria a real GDP growth of 2,8% in 2022, against the average of 2,7% for the EU. However, it revised its forecast downward for 2,3% economic growth in 2023, due to the worsened external environment, possible EU recession and slowing private consumption. The domestic political uncertainty and the low rate of vaccination within the expected surge of pandemic cases in the forthcoming winter period also add reasons to this.

**The private consumption** stroke the record of 8% growth in 2021, supported by favourable labour market environment and the tangible increase of the salaries in the private sector in the beginning of 2022. However, it is projected to sharply shrink to 4% in 2022 and 3.5% in 2023 with the rising energy and cost of living prices, slower paste of wage growth and the expected tightening of the lending conditions by the Bulgarian banks, resulting from the higher benchmark policy rates of the ECB as of July 2022. The drop of the consumer confidence close to the pandemic level and the overall business confidence to pre-invasion level is a signal for forthcoming possible recession in the country. This could be bypassed to a certain extent by the introduced compensatory measures against the rising energy prices, the lifting of the Covid-related restrictions as of March 2022 and the implementation of 6,3 bn euro investments under the national Recovery and Resilience Plan (approved in May'22).

**The unemployment rate** remained lower than the EU average, striking 4,8% in 2021. The labour market is set to stagnate with the decreased hiring intensity, leading to stabilisation of unemployment rates at slightly below 5%.

**The growing HICP (harmonised) inflation** reached 7,8% in 2021 and the record 16% year-on-year in August 2022 due to the rise in food and energy prices. Additional inflation pressure was put by the huge refugee flow from Ukraine, the suspension of the gas supplies to Bulgaria by Russia since April 2022 and the European embargo on Russian oil, although Bulgaria was exempted from it until 2024. Although the gas shortage will likely be avoided by the supply of US and EU liquefied natural gas, together with gas imports from Azerbaijan via a new pipeline, the high dependence of the country on Russian deliveries is expected to exacerbate inflationary tensions. Faced with these tensions, companies were granted a partial compensation for their electricity bills. Household electricity, heating and water tariffs were frozen since December'21 till March'22. The budget revision in June'22 introduced VAT rate

cuts on some products, increased tax relief for families, fixed compensation for fuel prices, higher salaries for teachers and doctors and a 2-stage hike of the pensions with the prospect to reduce the inequalities between the pensioners. These measures will additionally inflate the prices, with the HICP inflation expected to reach 11,9 % in 2022 , the highest in 15 years and 5% in 2023. This, in turn, could hinder the Eurozone accession of the country in 2024 as the price stability criterion will not be met.

### **Trade balance**

Both, the net exports and imports increased in 2021, surpassing the negative growth trend from the previous year. The exports grew by 31%, compared to 2020 and stroke a record increase of approximately 52% for the first six months of 2022, mainly due to energy commodities and their higher prices. The imports also grew by 58% in 2021, reaching an increase of 45% for the first half of 2022, compared to the same period in 2021. The trade balance remained negative. It is expected that the exports will expand in 2022/3, following the anticipated investment growth under the RRP.

### **Fiscal policy**

The budget deficit remained stable at 4.1% of GDP in 2021. It is set to widen to 4,9% of GDP in 2022, driven by supporting measures and fall to 2.4% in 2023 on the back of the positive impact of Recovery and Resilience Plan (RRP) investments and the phase-out of COVID-19 measures.

Bulgaria's debt continued to be the second lowest in the EU, although rising to 25,1% of the GDP against 20% ratio on pre-pandemic level. It is set to increase to 25.3% of GDP in 2022 with a further increase to 25.6% of GDP in 2023 due to the persistent deficits. Despite wider deficits expected Bulgaria's public debt ratio will remain very low compared with EU countries.

Overall, Bulgaria's socio-economic development during the reporting period was totally projection of the geo-political and economic environment, with the strong impetus of the war in Ukraine and the effects of EU sanctions against Russia. It was additionally hindered by the political erosion in the country, the pro-inflationary governmental policy and delayed absorption of the RRP and other EU funds. Thus, the red button for economic recession and alienation of the Eurozone accession was pressed.

During the regarded period the EEA Grants played an important role for cushioning the crisis effects. Important projects in the field of energy, justice, local development and business, including those, implemented under the Bilateral Fund on workers' rights protection and crisis management services for refugees were of high significance for addressing the outstanding vulnerable issues in the country.

## **3. EFFECTS OF THE GRANTS**

The programmes and interventions supported under the EEA and Norway Grants in Bulgaria are targeted at areas that became very sensitive in the context of the recent economic, political and social crisis experienced at national and European level. Most of the projects under implementation started to yield results that have short to medium term impact on the beneficiaries and wider target groups.

By the end of the reporting period under implementation are 160 projects under all programmes, incl. the Bilateral Fund at national level. For 18 projects contracting is on-going, 52 project proposals submitted under 1 open procedure are under evaluation (Culture programme), 3 calls for proposals are still open for application with deadlines in September - October 2022 (Home Affairs, Local Development and Energy programmes), 1 open call and 1 pre-defined project are yet to be launched (Home Affairs and Energy programmes).

Most advanced are the pre-defined projects as well as the projects implemented under open calls in Local Development (Youth Centers), Energy (Rehabilitation and modernization of municipal infrastructure lightening), Environment (Measure to reduce marine litter SGS), Culture (Access to Arts and culture improved).

Analysis of the media monitoring carried out on a daily basis shows that the most popularised type of interventions in the media are those in which effects could already be demonstrated to the public - street lightening, youth centers activities, reducing of marine litter campaigns, activities related to prevention of gender based violence, cultural events and performances.

It is worth noting that in general the most innovative measures or such that do not receive funding but have been popularised under the funds became part of the RRP ensuring multiplication of results and greater sustainability.

The following particular effects achieved under the programmes could be reported at this stage:

Under **Local Development** programme attainment of results are reported with regard to all three programme outcomes:

- models for local development of municipalities using existing territorial resources were elaborated and used as a basis to launch a call for proposals aiming to promote job creation in 10 identified disadvantaged municipalities. The models were made public and can be used by any public or private entity aiming to increase its potential for development;
- the first for Bulgaria Control and Communication Center for teleassistance and telecare services was established and put into operation – it is fully equipped, connected to the 7 Home Care Centers and operates 24 hours, 7 days a week, with a trained team to work with specialized software in order to monitor real time physiological indicators and take a timely response. By April 30, 2022, 462 people used the teleassistance and telecare services in the 7 municipalities. This model of telemedicine service takes on board the Norwegian experience and best practices and that is expected to be widely disseminated in Bulgaria in the near future.
- By the end of June 2022, 48 families have benefited from the services provided by the **Rehabilitation Centre for Children with Oncohematological Diseases**. The study of good practices and exchange of experience with rehabilitation centres for children with various diseases, including cancer, in Norway and Italy contribute to the better quality of the services provided;
- the National Network of Youth Centers continued to play a very important role in promoting cooperation, transferring experience and know-how among the old and the new Youth Centers

supported under the Local Development programme, incl. on topics such as working with vulnerable groups, inclusion of representatives of Roma communities in youth activities, etc. 1837 representatives of the Roma community were reached by projects activities.

***Novel Approaches to generate data for vulnerable groups*** – thematic reports were elaborated: for children; for older people; for people with disabilities; on the situation of the Roma; Overview of data and indicators for monitoring “vulnerability” of groups at risk in Bulgaria; Overview of legal and policy frameworks addressing vulnerability. All these reports provide a comprehensive picture of the different aspect of vulnerability and their impact on the different target groups. The accumulated data, conclusions and experience could be used in the process of formulation of policies targeted at the population most in risk of poverty, social exclusion and violation of basic human rights.

#### Under Justice and Home Affairs programmes

Results were achieved in three of the outcomes under the Justice programme:

- promoting a model for social reintegration of the imprisoned after their release - establishment of a training center within the Prison of Pazardzik and providing training of prisoners for one full school year – in total 15 detainees studied in the centre with a tendency to increase the number in the future (the full capacity is for 96 students) – the centre consists of eight modern classrooms, computer cabinet, gym and workshops to increase the qualification of prisoners;
- trainings for more than 100 probation officers to better manage vulnerable offenders groups, incl. Roma and on topics related to risk assessment, anger management in domestic violence.

Strengthening national capacity and expertise for application of European legal framework in the areas of protection of human rights and domestic and gender based violence through:

- preparation for the introduction of Human Rights Teaching in Bulgarian Universities, incl. the elaboration of a model curricula for human rights law courses;
- elaboration of a basic training course on Human Rights for magistrates;
- Training courses held for magistrates on domestic and gender based violence, the model for e-learning training course of the CoE European Programme for Human Rights Education for Legal Professionals (HELP Programme) on “Violence against Women and Domestic Violence” was translated, adapted and the pilot delivery has started;
- three Bulgarian magistrates seconded in the Registry of the European Court of Human Rights (ECHR). One Bulgarian magistrate (investigator) has been seconded in the Department for the Execution of Judgements of the ECHR at the Council of Europe.
- over 2 000 legal consultations to people living below the poverty line, including women, children, and representatives of the Roma community were provided by teams of lawyers and Roma mediators.

### **Home Affairs**

The following main results have been achieved: 119 unaccompanied minors received social support, language, schooling services and legal aid; the coverage of the single radio system TETRA in Blagoevgrad and in Smolyan was increased with 30%; 122 experts were trained in investigation and prevention of organized crime; IT equipment for improving analytical capabilities and digitalization of cases was installed; 36 trainers were trained on prevention of ill-treatment by the police; 17 information sessions on increased awareness of Roma on asylum and migration were held; increased number of pre-trial investigations of corruption within the police.

### **Culture**

Wide popularity among the public and promotion in the media was enjoyed by the cultural events produced in partnership between Bulgarian and Norwegian cultural organisations. The performance of the theatre spectacles “Killing Flight – Theatre play with Choices” and “ Per Gynt” as well as “Bulgaria-Norway sing” first concerts with joint participation of Bulgarian and Norwegian singers were very successful and put the focus on the Bulgarian – Norwegian cultural exchange.

### **Energy efficiency, environment protection and climate change mitigation**

Installation of energy efficient street lightening has been completed under 6 projects with the following cumulative effect:

- 6000 t CO2 emissions saved;
- 370 362 Euro expected financial savings per year
- 5055 expected energy savings per year.

In qualitative terms the new street lightening ensures safer environment in main streets and housing areas of the six beneficiary municipalities.

It should be noted that a significant benefit of the procedure is the high number of good mature projects that could not be funded due to insufficient budget of the programme components but were transferred for funding under the Recovery and Resilience Plan.

Another indirect effect of the call for proposals on energy efficiency in buildings was the awareness raised on the transformation into “near-to-zero energy buildings”, that is innovative intervention for Bulgaria but is a part of the Bulgarian energy policy targets.

In the area of Environment protection and climate change the following effects could be reported to date:

- Implemented measures to reduce marine litter – 3 initiatives implemented for reduction of pollution from land based sources on marine environment and a strong start of the awareness building and education campaigns – both activities were widely reflected in the local media;
- A methodology for selection of innovative climate change and adaptation measures was developed and concrete innovative measures to be realized on the territories of the 8 partner municipalities were identified.

### Progress in achievement of the Roma focus under the programmes

#### Local Development Programme

- **Youth centers (Plovdiv, Vratsa, Dobrich, Stara Zagora)**
- 1837 representatives of the Roma community were reached by projects activities. A number of activities including representatives of Roma community were implemented: informal trainings, work with young people from remote settlements, meetings with representatives of vulnerable groups; new club formats, workshops and meetings with employers; music workshops, summer youth camp, competitions and youth initiatives.
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- **PdP 2 Innovative Community Care Models for People with Chronic Illness and Permanent Disabilities**
- Total number of employees (nurses, mobile units and domestic helpers and CCC employees: 74 people, including 4-hour mobile units. 15% of the employees are of Roma origin.
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- **PDP 4 Healthcare for everyone**
- 6 pilot municipalities with settlements with a high degree of marginalization, where the project activities will be carried out have already been selected. Mapping is underway, which will cover a total of 7,500 people and will contribute to the development of a plan for the implementation of the campaigns and provision of health services envisaged under the project. An *Analysis of the implementation of national health policies at the local level* has been elaborated with the aim to support the improvement of the coordination between central and local government.
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- **PdP 6 Novel Approaches to Generating Data on hard-to-reach populations at risk of violation of their rights**

- An online conference was held on 4 and 5 May 2022. Four thematic reports were presented – an in-depth analysis of the situation of children, Roma, people with disabilities and the elderly in the country. The second day of the conference was dedicated to the presentation of the thematic report on the situation of the Roma in the context of the requirements of the European Framework of Indicators for Monitoring Roma Inclusion. The applicability of the data from the survey conducted within the project for assessment of territorial vulnerability, as well as the future information provision of the National Strategy for Roma Inclusion and Participation (2021 – 2030), were also discussed. Within the report a general overview of the main indicators at the municipal level has been done. The data show the state of each municipality in terms of a set of indicators and will serve as a starting point for measuring the impact of implemented or planned measures and initiatives at the regional and local level. In combination with data from the 2021 census on the territorial distribution of Roma, the "Vulnerability Maps" will allow municipalities with a high concentration of Roma population to be prioritized in the allocation of resources from the relevant operational programs.
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- Other important contributions in regards with the Roma focus are expected to come from the projects under the two new grant schemes:
- The general objective of **Early Childhood education and Care** procedure is to support children from vulnerable groups, including Roma communities, at an early age and their families, to enhance inclusion in the formal education system in order to reduce the transmission of poverty between generations. Contracts with the 10 project promoters (Sofia, Tvarditsa, Lom, Gorna Oryahovitsa, Malko Tarnovo, Stara Zagora, Maglizh, Kyustendil, Kozloduy, and Botevgrad Municipalities) were signed in the period April 17-19, 2022.
- The projects under the **Integrated Measures for Supporting Roma Inclusion and Empowerment** procedure have started their implementation but are still in the early stages and no specific results are reported. The overall objective of this procedure is to create sustainable mechanisms to improve the status and opportunities of people living in marginalized Roma communities through effective integrated approaches linking multiple and complementary interventions to improve access to social services, education, employment, health and resistance of discrimination based on ethnicity. Contracts with the 12 project promoters (Smyadovo, Plovdiv, Lom, Samokov, Pernik, Sungurlare, Blagoevgrad, Dupnitsa, Kameno, Montana, Stamboliyski, Maglizh Municipalities) were signed in the period April 11 – July 5, 2022.
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- Justice Programme
- **Pre-defined Project no. 9/ National Legal Aid Bureau**
- Teams of lawyers and Roma mediators have provided over 2 000 legal consultations to people living below the poverty line, including women, children, and representatives of the Roma community. About 70% of the consultations provided were mobile (in remote settlements or neighbourhoods). In the three target regions of Varna, Veliko Tarnovo and Stara Zagora there are operational Pilot coordination mechanisms. In collaboration with the Donor project

partner, the Norwegian Courts Administration, work continues on the analysis of barriers to access to justice for representatives of the project's target group.

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- Home Affairs Programme
- **PDP 9 Capacity building of the police officers working in multi-ethnic environment, including Roma communities and prevention of ill-treatment by the police:** With regard to the activity "Training of trainers" as a result of the implementation of needs assessment the adaptation of the envisaged training materials and the training program for trainers on "Police and the Roma - effective policing in accordance with human rights" were finalized. The trainings were finished and as a result, a total of 36 participants were trained (12 women and 24 men).
- **PDP 11 Improvement of the coordination and dialogue between police and Roma society:** Six focus group discussions with Mol officers from the criminal and security police were held. Study results were analyzed and are intended to be used for the preparation of methodology for the trainings
- **PDP 12 Awareness raising of local communities in areas with significant share of Roma population on asylum and migration issues:** A study for an in-depth assessment of the situation of the Roma population, and in particular with regard to the issues related to migration, was developed. A methodology and a questionnaire for in-depth assessment of the situation of Roma population was developed. Locations for the assessment were selected: Filipovtsi neighborhood in the town of Sofia, the towns of Trun, Breznik, Provadia, and Harmanli. Communication strategy was developed and IOM has started the organization of information sessions, discussions, seminars and other awareness-raising events. 17 information events were held with 609 participants (174 men and 435 women) and Roma community mediators. The events arouse great interest among the target group and they actively participate in the discussions and seminars. The 3 awareness raising campaigns among the Roma communities on legal aspects, rights and responsibilities of asylum seekers and undocumented migrants in Bulgaria started this summer.

## 4. STATUS OF PROGRAMMES

### BG-JUSTICE Justice

*Programme Operator:* Ministry of Justice

*Donor Programme Partners:* Norwegian Ministry of Justice and Public Security; Directorate of Norwegian Correctional Services (KDI), Norwegian Court Administration (DA)

*IPO:* Council of Europe

*Budget:* 39 024 118 Euro (incl. 33 170 500 Euro grant and 5 853 618 national co-financing) – after allocation of the reserve under the NFM

Eight out of nine grant contracts under pre-defined projects were signed at the total amount of € 29,755,000.

One of the initially foreseen pre-defined projects – PDP 4 related to Child-Friendly Justice was cancelled.

During the reporting period, the PO has organised the selection process under the Small Grant Scheme. Nine projects were selected – five projects under Outcome 3: Domestic and Gender-Based Violence and four projects under Outcome 4: Child-friendly justice. Three contracts are ready to be signed and six contracts are under preparation. The signing of all contracts is expected in the period August-September 2022.

**Correctional Services (PA 19):** The three contracts with Project Promoter: General Directorate “Execution of Penalties” are under implementation.

**Under PDP 1 (Reconstruction of six prison sites)** one of the sites has already been completed and put into exploitation, for two sites public procurement contracts were signed and the construction works are under implementation; for three sites public procurement procedures were launched but no contracts signed by the end of July 2022.

The status of the six activities under the project is as follows: *Activity 1 “Reconstruction and change of the purpose of an existing production workshop to the prison of Pazardzik into a training center to support social inclusion of the imprisoned after their release”* has already been completed, the site was put into exploitation as of 7<sup>th</sup> July 2021, one full school year for the first prisoners have already taken place in the improved conditions. Under the Activity 2 *“Renovation of an open-type Prison Dorm of an open type “Hebros” (in the city of Plovdiv) the public procurement procedure was launched in June 2022 with a deadline for submission of bids: 12 August 2022;* Under Activity 3 *“Renovation of an open-type Prison Dorm “Samoranova” as part of the prison “Bobov Dol” the public procurement procedure was launched on 25<sup>th</sup> May 2022, by the deadline for submission of bids on 27<sup>th</sup> June 2022 six bids were received and are under review;* Under Activity 4 *“Reconstruction and change of purpose of a building intended for the relocation of an open-type Prison Dorm “Ceramic Factory” (in the city of Vratza) a contract was signed on 20<sup>th</sup> January 2022, the construction site was opened in March 2022 and construction and installation works are currently under way;* Under Activity 5 *“Reconstruction and change of purpose of the building for separation of the arrest and the probation service in the town of Petrich” a contract was concluded with the selector contractor in June 2022 and the construction and installation works are currently underway;* Under Activity 6 *“Reconstruction of Prison Dorm “Stroitel” in the Burgas Prison” a public procurement procedure was launched with deadline for receiving of offers by 20<sup>th</sup> May 2022. The procedure was terminated due to clerical errors and was relaunched on 5<sup>th</sup> August with a deadline for submission of offers by 1 September 2022.*

**Under PDP 2 “Pilot prison facility connected to a training centre”** a public procurement procedure with a subject: “Construction of a pilot prison connected to a staff training centre and construction of a half-way house” was launched on 5<sup>th</sup> April 2022. The public procurement procedure was terminated on 7<sup>th</sup> July 2022 on the grounds that the two submitted bids failed

to comply with the requirements. The Contracting Authority undertook market consultation in line with the Public Procurement Act for determining the up-to-date estimate of the value of the construction activities. The results of the market consultation has shown that the current prices of the construction activities tend to be significantly higher than initially foreseen and opportunities should be identified for optimisation of the scale of the construction works/identifying possibilities for additional funds. The public procurement documents will be revised and a new public procurement procedure is planned for August 2022. A public procurement tender has also been launched for the selection of a construction supervision.

**Under PDP 3 “Strengthening the application of alternative sanctions to imprisonment”** a concept for training of probation officers was elaborated, as well as programmes for initial and continuous training. An on-line platform for training of employees has been developed and the implementation phase will start. Trainings for probation officers in order to upgrade the motivation interview skills and counselling to better manage vulnerable offenders groups, incl. Roma were conducted with Norwegian experts in the period May-June 2022. More than 100 probation officers were trained on topics related to risk assessment, anger management in domestic violence and others.

On 12<sup>th</sup> May 2022 an opening conference of PDP 2 and PDP 3 was held with more than 100 attendees. The analysis prepared within the activity for the Assessment of training needs of the GDES officers was presented. The collaboration between the Project Promoters and the Norwegian partners – Norwegian Correctional Services, Ana Prison, Probation Office “Adler”, the University College of the Norwegian Correctional Services KRUS and Solhomen Half-Way House is considered very successful.

#### **Judicial System (PA 21):**

**Under PDP 5/ “Procedural Representation before the ECHR” Directorate** draft Guidelines for the Introduction of Human Rights Teaching in Bulgarian Universities have been elaborated in cooperation with Norwegian Centre for Human Rights at the University of Oslo and the New Bulgarian University. The partners also produced model curricula for human rights law courses at the general master’s, specialized master’s, and Ph.D. levels. Conference titled “Human Rights Legal Education in Bulgaria: Combining Theory and Practice” was held in April 2022. Six issues of the Bulletin, reflecting the ECtHR’s case law against Bulgaria have been drafted. A total of 34 ECtHR’s acts (guides, factsheets, and judgments) have been translated in Bulgarian and published in the relevant databases.

**Under PDP 6/National Institute of Justice** a basic training course on Human Rights for magistrates was elaborated. The training framework, including analysing strategic acts of the Council of Europe and the European Union in relation to judicial training, is also under preparation. The process of refining the list of reference materials related to the protection of fundamental rights, which will be translated and published in Bulgarian, is still undergoing. A hybrid training entitled „Protection of the right to property under art. 1 of Protocol №1, ECHR“ was held with 40 attendees.

**Under PDP 7/National Institute of Justice** three online trainings took place related to domestic and gender-based violence with total of over 150 trainees as well as two self-trainings for

candidates for junior and junior magistrates. The model for e-learning training course of the CoE European Programme for Human Rights Education for Legal Professionals (HELP Programme) on “Violence against Women and Domestic Violence” was translated, adapted and the pilot delivery has started.

The working group set up for the drawing up of a Case Management Guide on DGBV-issues for magistrates proceeds with its activities based on a report identifying best practices related to the protection of fundamental rights and the implementation of international standards on prevention and protection from domestic and gender-based violence.

**Under PDP 8/Supreme Judicial Council** three Bulgarian magistrates (judges) have been seconded in the Registry of the European Court of Human Rights (ECHR). One Bulgarian magistrate (investigator) has been seconded in the Department for the Execution of Judgements of the ECHR at the Council of Europe. A selection for new traineeships will start in September 2022. A working group of Bulgarian, Norwegian and Dutch magistrates has been established in the field of restorative justice mechanisms. Two study visits (one in Bulgaria and one in Norway) for analysis and exchange of experience and good practices took place.

**Under PDP 9/National Legal Aid Bureau** over 2 000 legal consultations to people living below the poverty line, including women, children, and representatives of the Roma community were provided by teams of lawyers and Roma mediators. About 70% of the consultations provided were mobile (in remote settlements or neighbourhoods). In the three target regions of Varna, Veliko Tarnovo and Stara Zagora there are operational Pilot coordination mechanisms. Analysis of barriers to access to justice for project’s target groups is an-going in collaboration with the Norwegian Court Administration.

Two meetings of the Cooperation Committee were held during the period – an online meeting on 30<sup>th</sup> November 2021 and one meeting in hybrid form (in Plovdiv and on-line) on 24<sup>th</sup> June 2022. The CC Meetings covered various topics related to the programme and projects implementation, public procurement issues under PDP 2, Small Grant Scheme, re-programming of Outcome 3 – Child-Friendly Justice.

In 2021, the reserve under the NFM has been transferred to the budget of the Programme, based on the provisions of Art. 1.11 of the Regulation. The modified Programme Agreement entered into force on 20th August 2021. The entire amount was directed to pre-defined project no. 2 with Project Promoter the General Directorate Execution of Sentences.

A second modification related to a budget reallocation between the two outcomes covered by the Small Grant Scheme was proceeded and entered into force on 07 July 2022. The aim of the reallocation was to secure the larger number of projects to be financed under the Outcome 4 – Domestic and Gender-Based Violence.

**Fulfillment of the conditions from the PA (relevant for the reporting period)**

- The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) will remain up to 70% of the increased amount under the programme;
- Adequate segregation of duties is ensured by providing external independent verification of Project Promoters' costs and payment claims and monitoring of projects' outputs through a contractor selected in line with the Public Procurement Act;
- The programme includes measures to increase the use of alternative sanctions to imprisonment;
- The Programme Operators under the Justice and Home Affairs Programme participate in CC Meeting and key events jointly in order to strengthen the justice chain, inter alia, regarding access to justice, good governance, gender-based violence and trafficking in human beings;
- The measures related to Roma at project level are discussed at meetings organised by the NFP, PO and PPs.

**Threats facing the programme:**

- Delays due to complex public procurement procedure mostly affected PDP 1 and PDP 2 under the programme. The largest public procurement for construction of pilot prison, training center and halfway house was suspended due to incorrectly submitted bids. As a result of the increasing prices, the initially foreseen amount will not be sufficient for financing of all activities. There is still risk that after the re-launching of the procedure in August no offers complying with the requirements will be submitted or appealing the results of the tender. Conducting of new procurement will also additionally reduce the implementation period.

- Non-achieving all indicators under Outcome 3 "Increasing the capacity of Bulgarian institutions in the field of child-friendly justice". In the last year the Programme Operator has been actively working on re-programming Outcome 3 but the process took a very long time. Eventually, three Bulgarian institutions have presented initial versions of project proposals for pre-defined projects. However, the feasibility of any of these projects is under question because there is not much time left until the end of the eligibility period. In this respect, the PO is planning to propose re-allocation of the available 1,8 MEUR, together with any other potential savings to the budget of PDP 2. Partially the indicators under Outcome 3 will be achieved through the implementation of the four projects approved under the Small Grant Scheme.

***Future steps***

Signing of nine contracts under the Small Grant Scheme and launching the implementation;

Monitoring of pre-defined projects and projects under the SGS;

Analysis of possible savings under the programme and processing of PA modification, if necessary, to ensure sufficient funds for implementation of PDP 2.

### ***Financial implementation***

The total amount of funds transferred to the programme is 12 868 721 EUR. Incurred expenditures amount to 2 643 806 EUR.

## **BG-HOMEAFFAIRS Home Affairs**

*Programme Operator:* Ministry of Interior

*Donor Programme Partners:* National Police Directorate (POD); Norwegian Ministry of Justice and Public Security; Norwegian Directorate of Immigration (UDI)

*IPO:* Council of Europe

*Budget:* 25 294 118 Euro (incl. 21 500 000 Euro grant and 3 794 118 national co-financing)

In total 17 projects were under implementation during the reporting period – 13 pre-defined projects (1 project already completed) and 4 projects selected as a result of the first open call for proposals.

In the period of August 2021 – July 2022 the last one pre-defined project was appraised and contract was signed – PDP 8 with Project Promoter: General Directorate Border Police.

In addition the projects under the call for proposals “Improving the national asylum and migration capacities, especially as regards provision of conditions for vulnerable migrants and in particular for unaccompanied minors” were appraised and four contracts signed at the total amount of 2 510 007,06 EUR. All projects are currently in the initial stage of implementation (with Project Promoters: International Organisation of Migration, Caritas Sofia, Sofia Municipality – District of Oborishte and European Institute Foundation).

On 9<sup>th</sup> of June 2022 the PO announced a second call for proposals with the savings made under the first call - BGHOMEAFFAIRS-1.005 “Improving the national asylum and migration capacities, especially as regards provision of services to third-country nationals seeking international protection and to third-country nationals granted temporary protection with a special focus on vulnerable groups”. The call for proposals is aimed at increasing the capacity of non-governmental organizations, state or public bodies or institutions, municipalities or regions of municipalities working in the field of asylum and migration as well as at providing various services to TCNs. It also aims at providing services to help TCNs who seek international protection/TCNs who benefit from temporary protection status following the Council Implementing Decision (EU) 2022/382 establishing the existence of a mass influx of displaced persons from Ukraine. The deadline for submission of application is 9<sup>th</sup> September 2022. The signing of contracts is expected by November 2022.

The PO has also prepared the call for proposals BGHOMEAFFAIRS-1.004 “Voluntary return of third-country nationals in the country of origin”. The procedure is focused on the voluntary return of third-country nationals and provision of reintegration support after the return in the country of origin. It is aimed to contribute to reaching higher level of effectiveness and improvement of the mechanisms of the migration and asylum system. The call for proposals targets the voluntary return of ‘vulnerable persons’ - minors, unaccompanied minors, disabled people, elderly people, pregnant women, single parents with minor children and persons who have been subject to torture, rape or other serious forms of psychological, physical or sexual violence. The expected date for launching of the call is in August 2022, with expected date of signature by the end of 2022.

The following main results have been achieved as a result of projects’ implementation: 119 unaccompanied minors received social support, language, schooling services and legal aid; the coverage of the single radio system TETRA in Blagoevgrad and in Smolyan was increased with 30%; 122 experts were trained in investigation and prevention of organized crime; IT equipment for improving analytical capabilities and digitalization of cases was installed; 36 trainers were trained on prevention of ill-treatment by the police; 17 information session on increased awareness of Roma on asylum and migration were held; increased number of pre-trial investigations of corruption within the police.

Two Cooperation Committee meetings were carried out on 14 December 2021 and 5 April 2022 through online videoconferencing platforms. PO also consults programme-related documents with the Cooperation Committee members via email.

For the reporting period, one amendment of the Programme Agreement for the Home Affairs Programme was approved on 08.02.2022 by the FMO. It referred to pre-defined project No. 2 with the inclusion of a new partner (National Legal Aid Bureau – Bulgaria) and change in the description of the activity on the representation of unaccompanied children following the adoption of the new article 25 of the Law of Asylum and Refugees.

**Fulfilment of the conditions from the PA (relevant for the reporting period)**

- Condition 1 (Roma target) – the total budget of PDP 9, 10, 11 and 12 was allocated to reach the target of at least 10% of the total eligible costs of the programme to be dedicated to improvement of the situation of the Roma population. All projects are under implementation – training on “Police and the Roma – effective policing in accordance with human rights were held and in total 36 trainers trained; six focus groups discussions with criminal and security police on issues related to Roma held; in-depth assessment of the situation of Roma population, in particular related to the issues related to migration developed;
- Condition 2 (maximum level of infrastructure) – the fulfilment of this condition was strongly hindered by COVID-19 as Project Promoters and partners could not implement activities and spend budget on soft measures. Hard measures are also affected as promoters fail to sign contracts according to the project timelines and therefore do not declare expenses for reimbursement;

- Condition 3 (synergy with Justice Programme) – representatives of Programme Operator of the Justice Programme regularly take part in the Cooperation Committee of the Home Affairs Programme and vice versa;
- Condition 4 (synergy with other Roma inclusion measures) – ensured through strategic planning, better coordination and involvement of all partners and synergies between the funding from under programmes under EEA FM and Norwegian Financial Mechanism;
- Condition 5 and 6 were fulfilled following the signature of contracts between the Programme Operator and external agencies for appraisal of pre-defined projects and external verification of payment claims and project outputs.
- Fulfilment of general condition 7 for post-completion obligations is ensured through specific texts in the contracts signed with all Project Promoters.

**Threats facing the programme:**

Effects at programme level

The possible new escalation of COVID-19 situation could affect the implementation of some projects and could cause additional delays.

Some of the projects experience difficulties because of the growth in the price of the envisaged supplies and services. Following budget analyses, a need of increase in planned budgets was identified.

Effects at project level

The pressure from mass arrivals from Ukraine and the number of persons who seek protection affects the administration of the State Agency for Refugees. SAR is facing need to recap, shift priorities, engage and redistribute personal resources in order to handle the challenges that stream from the situation.

Public procurement plans under some of the PDPs have been experiencing delays due to the lack of administrative capacity and unsatisfied level of project coordination.

Termination of signed contracts between promoters and economic operators or in some cases even the inability/unwillingness of a company to supply equipment or deliver services (due to increased prices) may cause significant delays, as procurements have to be relaunched.

Delays in the deliveries of equipment, mostly IT equipment, caused by the COVID-19 pandemic present significant risk for the timely implementation of projects.

***Future steps***

Evaluation and selection of projects under the second call for proposals “Improving the national asylum and migration capacities, especially as regards provision of services to third-country nationals seeking international protection and to third-country nationals granted

temporary protection with a special focus on vulnerable groups” – expected signature of contracts – 17.11.2022.

Publication, evaluation and selection of projects under the call for proposals “Voluntary Return of third-country nationals in the country of origin – expected signature of contract – December 2022.

Monitoring of projects.

### **Financial implementation**

The total amount of funds transferred to the programme is 9 504 181,77 EUR (44,21%) of which 1 135 601,77 EUR in the reporting period. The incurred expenditures amount to 6 224 177 EUR.

## **BG-LOCALDEV Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups**

*Programme Operator:* Ministry of Education and Science

*Donor Programme Partners:* Norwegian Association of Local and Regional Authorities (KS)

*IPO:* Council of Europe

**Budget:** 41 764 706 Euro (incl. 35 500 000 Euro grant and 6 264 706 Euro national co-financing)

During the reporting period last 2 PDPs have been contracted (Health for everyone, Capacity building for social inclusion). 22 grant contracts with municipalities have been signed (ECEC – 10; Integrated measures – 12). *Job creation* call for proposals has been launched with deadline September, 9 2022.

The following Programme modifications have approved:

- Modification #9 of November 22, 2021 for Updating indicator baseline values for the bilateral outcome indicators;
- Modification #10 of January 12, 2022 for Allocation of the EEA FM reserve and reallocation between outcomes;

The PO has proposed another Programme Agreement modification for reduction of management costs by 682,550 euro and their transfer to the procedure for the Establishing of Youth Centres. The available resource (682,550 euro) is the result of an analysis of the necessary funds to manage the Programme until the end of the Programme eligibility period. The transfer of funds to the budget of the outcome 2 Establishing of Youth Centres, as well as

already available resources under PA 8 Children and Youth at Risk in the amount of 517,450 euros, remaining after the signing of the contracts under the procedure for Early Childhood Education and Care will allow to implement a restricted Call for additional funding of the construction/reconstruction activities of the beneficiaries building youth centres (Pernik, Montana, Gabrovo and Burgas Municipalities), in the amount of 1,200,000 euros. This support for the implementation of the projects is a measure to prevent the risk of not completing the buildings on time due to the increased prices.

- **PdP 1 “Growth through Activating Local Potential – GALOP”** - NAMRB, KS. The time for implementation was extended until December 31, 2023. The strategies and business plans were finalized at the end of September 2021. Ten partnership forums were organized by the NAMRB for presentation and discussion of the developed strategies and business plans. At the end of October, 2021, the prepared strategies were approved by the Municipal Councils of the 10 selected pilot municipalities. Based on the strategies, five models for local development were developed at the end of 2021 using existing territorial resources (natural resources, cultural and historical heritage, organic farming and animal breeding). The models are already public and can be used by any public or private entity. In June 2022 a study trip to Norway was organized for the representatives of the NAMRB management bodies. 19 municipal mayors and 3 experts from the NAMRB visited Norway for exchange of experience and good practices
- **PdP 2 “Innovative Community Care Models for People with Chronic Illness and Permanent Disabilities”, BRC.** During the period, the implementation of the contract for “Delivery of integrated system for monitoring and provision of the teleassistance and telecare service” was finalized. All personal devices as well as specialized software were delivered on time to the Control and Communication Center and to the 7 Home Care Centers. The Control and Communication Center (CCC) is operating 24 hours, 7 days a week, with a trained team to work with specialized software in order to monitor real time physiological indicators and take a timely response, was established. The teleassistance and telecare services for users was successfully launched in January 2022. The official opening of the CCC was on March 8, 2022. In the period March 7-9, 2022, on the occasion of the official opening of CCC Vratsa and holding of a regional round table, the project coordinator from KS visited the BRC and took an active part in both events. Norway’s experience in introducing teleassistance and telecare services, as well as KS’s contribution to the project was presented. By April 30, 2022, 462 people used the teleassistance and telecare services in the 7 municipalities. The study visit to Norway, which was postponed for a long time, took place in the period June 5-10, 2022. Eleven (11) representatives of the Ministry of Labour and Social Policy, Ministry of Health, Bulgarian Red Cross, CCC employees and Home Care Centre coordinators took part in the study visit. Approval was received to extend the project implementation period until the end of 2023. Additional grant in the amount of 530,000 euro will be relocated to the project, of which 477,000 euro will be provided under the Programme.
- **PdP 3 “Rehabilitation Centre for Children with Oncohematological Diseases” Kostinbrod Municipality, “Children with Oncohematological Diseases” Association-contractor.** The implementation time was extended until April 30, 2024 and additional funds in the total amount of 690,827 euros (i.e., FM and national co-financing) were provided in order to assure sustainability and efficiency of the activities until complying with the new Social Service Act. The indicator “Number of families using the services of the Centre for the Rehabilitation of Children with Oncohematological Diseases” was also increased from 50 to 100. By the end

of June 2022, 48 families have benefited from the services provided by the centre. The study of good practices and exchange of experience with rehabilitation centres for children with various diseases, including cancer, in Norway and Italy is in progress. In the period July 9-12, 2022, the exchange of experience with the rehabilitation centre “Dinamo Camp” in Italy was carried out. The visit to the centre in Norway is to be carried out by the end of the project activities.

- **PdP 4 “Health for everyone”, MoH, National Network of Health Mediators** – grant contract was signed on October 25, 2021. A working group has been established to assess the implementation of the national policies in the area of maternal and child healthcare and sexually transmitted infections. A questionnaire was prepared and sent to municipalities where there are settlements with a high degree of marginalization according to data from previous studies and in which health mediators work, based on which the 6 pilot municipalities where the project activities will be carried out have already been selected. Mapping is underway, which will cover a total of 7,500 people and will contribute to the development of a plan for the implementation of the campaigns and provision of health services envisaged under the project.
- **PdP 5 “Building Capacity for Educational and Social Inclusion”, Centre for Educational Integration of Children and Students from Ethnic Minorities (CEICSEM), Sofia University** - grant contract signed on September 17, 2021. An opening conference was held on February 4, 2022 and the main activities and the expected results were presented. The procedure for upgrading the training frameworks for youth workers, Roma educational mediators, non-pedagogical staff and municipal representatives was finished. Training frameworks for teachers and university teachers were developed as well as specialized modules for training in prevention and protection against any form of discrimination and protection against hate speech and anti-Roma attitudes in social media. A 2-day public discussion was held in the beginning of April 2022, where the training frameworks were presented to the stakeholders. The development of the E-platform for inclusive education is in progress and it is envisaged to start operating in the next few months. The trainings under the project have started in May 2022 and currently 10 trainers of youth workers, 51 youth workers and 18 university teachers are being trained.
- **PdP 6 “Novel Approaches to Generating Data on hard-to-reach populations at risk of violation of their rights”, NSI, FRA.** The project is being implemented according to plan after it was extended by nine months due to the postponement of the national census. A scientific conference was organized online to present the developed “Key social inclusion and fundamental rights indicators in Bulgaria” analysis. To raise awareness and for publicity reasons, the conference was attended by representatives of the European Commission, international organizations, state and local authorities, the scientific community and non-governmental organizations. Draft version 6 of the analytical document “Key social inclusion and fundamental rights indicators in Bulgaria” was presented to the general public through an organized online conference. The comments and recommendations received were reflected in the report in order to develop the final version. The FRA team, in close cooperation with FRANET and the NSI, continued the data analysis and preparations of the four thematic reports. The survey data was compared with the mapping of places perceived by the surrounding population as “Roma neighbourhoods” (the results are included in the thematic report on the situation of the Roma). A preliminary consultation was held with a limited circle

of representatives of the interested parties regarding the thematic report on the situation of the Roma. The work has begun on the development of an analysis of the main indicators at the municipality level and the mapping of the results.

- **Restricted call for proposals for the youth centres in Dobrich, Plovdiv, Stara Zagora, Vratsa. The projects under the restricted call “Youth centres: a powerful factor for local development” are in implementation since July 1, 2020.** A lot of informational campaigns and non-formal trainings were carried out in the reporting periods. In April 2022 a training seminar for organizations working with vulnerable groups was organised as part of the activities of the National Network of Youth Centres. In June 2022, Youth Centre Plovdiv hosted the International Youth Festival “Act and Impact” with the participation of 36 organizations (local, national and international) working for and with young people. 61 initiatives led by young people were implemented by June 30, 2022, 53 of which in the period August 2021 – June 2022. 5554 youth and 4452 people from other age groups were covered by June 30, 2022, 2436 youth and 2557 non-youth were covered in the period August 2021 – June 2022. 1837 representatives of the Roma community were reached by projects activities. As most of the restrictions related to the spread of COVID-19 have been lifted in 2022, this allowed the youth centres to organize and conduct several trips for exchange of experience and good practices with organizations from Norway, Portugal, Ireland and North Macedonia.
- **Call for proposal for establishing 4 new youth centres (Burgas, Gabrovo, Montana and Pernik)** The contracts with the chosen municipalities – Burgas, Gabrovo, Montana and Pernik were signed on 20th of October 2020. By July 2022 all projects have chosen youth workers and Roma educational mediators and all of the newly staff have passed the first round of trainings, provided under “Building capacity for educational and social inclusion” Project. The staff of the youth centres hold informational events to promote planned activities of the youth centres and to raise awareness of the young people in their regions. The youth workers and educational mediators are participating in exchanges of experience with the ‘old’ youth centres and taking part in the activities organized by the National Network of Youth Centres in Bulgaria. Due the rising prices of the construction materials as result of the Covid 19 pandemic and broken supply chain, as well as the Russian invasion in Ukraine, all four projects are facing serious problems with continuation of the construction works. It was defined as high risk for implementation of the projects and the PO has started a procedure to reallocate additional funds to support the projects in addition to their co-financing in order to minimize the risk and to ensure successful finalization of the construction works.
- **Call for proposals “Early Childhood Education and Care”** In April 2022 grant contracts with 10 municipalities were signed. The total amount of funding provided for the ten approved projects is 4,928,731.51 euros. The 10 projects are being implemented in the following municipalities: Sofia, Tvarditsa, Lom, Gorna Oryahovitsa, Malko Tarnovo, Stara Zagora, Maglizh, Kyustendil, Kozloduy, Botevgrad.
- **Call for proposals “Integrated Measures for Supporting Roma Inclusion and Empowerment”** By mid-July grant contracts with 8 municipalities have been signed (9 906 772.33 euro) - Smyadovo, Plovdiv, Lom, Samokov, Pernik, Sungurlare, Blagoevgrad, Dupnitsa) (Kameno, Montana, Stamboliyski, Maglizh was issued on June 6, 2022. Project promoters’ training was held on May 19-20, 2022.

- **Call for proposals “Job Creation” Small Grants Scheme** On July 8, 2022, The PO announced a call for project proposals for the “Job creation” Small grants scheme. The deadline for submission of project proposals is September 20, 2022. The total call budget is 3,523,000 euro. The PO will organize an online Information Day on August 11, 2022, which will include presentations and Q&A session.

**Fulfillment of the conditions from Annex I of the PA (relevant for the reporting period)**

1. *The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 50%.* – In the Programme Agreement, the maximum level of funding of the programme for infrastructure is set to **50%**. The Programme operator is looking closely to not exceed this requirement and it is ensured by setting maximum level of funding for infrastructure to all calls and PdPs.;
2. *The National Focal Point and the Programme Operator shall seek coordination and synergies with other Roma inclusion relevant measures across the different programmes of the EEA and Norwegian Financial Mechanisms 2014-2021 in Bulgaria* – The PO seeks synergies with other Roma inclusion relevant measures through participation in coordination meetings and regular exchange of information. The results of the National Statistical Institute project have been communicated with the Ministry of Interior and the Ministry of Justice in order to have the most up-to-date data on key indicators for vulnerable groups. The PO takes part in the Active Citizens Fund initiative Roma Lab providing information on the relevant projects’ initiatives and results. In order to improve the capacity of the PO in regards with the Roma integration measures the PO initiated the creation of Consultancy Board consisting of representatives of the Roma and actively working for Roma inclusion NGOs partnering with the municipalities in the two new schemes – Early Childhood Education and Care and Integrated measures for supporting Roma inclusion and empowerment. The board will act as an advisory organ to the PO and could also participate in specific trainings/other activities.
3. *The National Focal Point and the Programme Operator shall ensure joint ownership of the process and results among all relevant national stakeholders.* – The PO and the NFP ensure joint ownership of the process and results among all relevant national stakeholders by regular consultations and communication with relevant Ministries, State agencies and NGOs working in the same fields of interventions.

There is a working group created under the PO in cooperation with the National Network of Youth Centres regarding the Ministry of Youth and Sports quality standards for youth services and approbation of its requirements for youth centres.

Regarding the identified low capacity of the municipalities in the process of preparation of their projects, the PO has organised a 3-day training (July 18-20, 2022) entitled “Activities and results for changing attitudes” for the projects promoters under the procedure “Integrated measures for the inclusion and empowerment of Roma” procedure. The training schedule was related to the specifically developed module related to counselling, training, tracking the results and evaluating the achievements in terms of organizing activities/campaigns to

increase the level of acceptance of the Roma community by the majority and vice versa. The process will continue with two more trainings and continuous consultation process.

As recommended by the Selection Committee, the project promoters under the Early Childhood Education and Care procedure should be encouraged to build and maintain a collaborative network among themselves and meet regularly, virtually or physically, to share their experiences publicly in the implementation of the activities, difficulties and achievements for the duration of the projects. The Programme Operator will assist in building this consultative platform by making initial contacts, organizing the first meeting and acting as an observer at subsequent meetings. The implementation of this recommendation will be monitored by the Programme Operator through the responsible expert assigned for each project. The first joint meeting of the project promoters and the PO representatives is planned by the municipality of Gorna Oryahovitsa and will take place in September.

On August 11, 2022 the PO conducted an Information Day under the Small Grants Scheme. The aims and objectives of the scheme, the important specifics, rules and main types of eligible activities were presented to the potential beneficiaries in relation to the published Application Guidelines.

*4. The National Focal Point shall ensure that the Programme Operator ensures the sustainability of the youth centers and of the services provided.* PO ensures the sustainability of the youth centres and the services provided by including the obligation of sustainability in the Application Guidelines, Beneficiary Guidelines, Project contracts and requirement for submission of a decision of the Municipal Council for ensuring the sustainability of the activities for at least 5 years after the completion of the projects.

Regarding the quality of the services offered by the Youth Centres, in the framework of the regular monitoring as well as during the meetings of the National Network of Youth Centres, the PO is monitoring the implementation of the main goals of the centers and the commitments for activities contributing to change in the social life of young people.

#### ***Future steps***

- the Small Grant Scheme (SGS) “Job creation” launched on 08.07.2022 with a deadline for submission of applications: September 20, 2022; Finalization of the evaluation process and preparation for the Selection Committee: December 31, 2022; Selection Committee: January 2023; Contracts signing and start of project implementation: February – March 2023.
- Planned restricted call for proposal for the projects under procedure for the Establishing of Youth Centres. The PO plans to prepare a restricted Call for additional funding of the construction/reconstruction activities of the beneficiaries building youth centres - the municipalities of Pernik, Montana, Gabrovo and Burgas, in the amount of 1,200,000 euro. This support for the implementation of the projects is a measure to prevent the risk of not completing the buildings on time due to the increased prices.

#### ***Financial implementation***

Until the end of July 2022 the PO has received the total requested amount of 19,676,450 euro, of which 16,724,982.50 euro (85%) from the FMO and 2,951,467.50 euro (15%) national co-financing.

Total expenditures under the Programme are in the amount of 13,972,556.38 euros, of which advance payments paid to Project promoters in the amount of 13,022,012,80 euros and 950,543.58 euros paid for management costs.

## BG-ENERGY Renewable Energy, Energy Efficiency, Energy Security

*Programme Operator:* Ministry of Energy

*Donor Programme Partners:* Norwegian Water Resources and Energy Directorate (NVE) and the National Energy Authority of Iceland (OS)

*Programme budget:* 32,941,176 EUR (incl. 28,000,000 EUR grant and 4,941,176 EUR national co-financing)

The recent political and economic situation make the programme among the most critical in a number of aspects of the national policies – economic/enterprise performance and development, green deal targets, savings of public funds.

There was a good level of mobilisation of the PO team in the reporting period as well as a very constructive cooperation between PO, DPPs, FMO and NFP on issues that required management decisions to be taken. This allowed to conduct evaluation, selection and contracting under two very important open procedures – geothermal energy for heating and cooling and energy efficiency in buildings and to announce the last small grant scheme – “Energy efficiency in industry” according to agreed timelines. PDP 1 “Feasibility study for the utilisation of hydro-energy potential” was successfully completed and implementation of initiatives supported under the Fund for bilateral relations at Programme level made good progress.

However, efforts to prepare the launching of the PDP 2 System for Forecasts, Control and Management of HPP Generation and Dams Condition” with Project Promoter: National Electricity Company EAD, were not efficient and did not achieve the expected results that puts the project at a significant risk.

Provided below is a summary of the implementation status and results of programme components:

- **PDP 1** *“Feasibility study of the use of hydroenergy potential of existing water supply systems and increasing the potential of existing small hydroelectric power plants in water supply systems”* with beneficiary the Agency for Sustainable Energy Development - completed successfully. Final payment was made as there was substantial amount of savings under the project that were reallocated. The main results of the project include: detailed review of regulatory framework, establishment of a database with information on 44 Water and Sewerage (WS) entities, capacity building and training of hydro experts on applicable renewable sources technologies in the WS sector, extensive exchange of experience with the Norwegian partner NVE.
- **Call 5:** *„Rehabilitation and Modernization of Municipal Infrastructure - Systems for External Artificial Lighting of Municipalities”* - In April 2021 twenty contracts were concluded with the municipalities ranked as a result of the selection procedure. In September 2021, after reallocation of savings, two more contracts were concluded with the municipalities of Ruse and Shabla. Following a decision for a second reallocation of funds few more (2 or 3) projects will be contracted in the 3<sup>rd</sup> Q of 2022. The projects of the municipalities of Varna, Apriltsi, Sredets and Targovishte have been successfully completed. The projects of the municipalities of Burgas and Pazardzhik are in the final phase of implementation of the activities and reporting. The remaining projects are at different stages of implementation. The main results achieved with regard to the energy efficiency objectives are as follows:
  - 6000 t CO2 emissions saved;
  - 370 362 Euro expected financial savings per year
  - 5055 expected energy savings per year.

As a result of the monitoring activities performed the PO identified a risk for a serious number of projects of not being able to carry out all planned activities within the current duration of the signed contracts. Extension of the contracts within the eligibility period of the grants is under consideration.

- **Call 2** *“Use of geothermal energy for heating or for heating & cooling in state or municipal buildings”* - 6 project proposals were submitted, evaluated and all 6 were selected for funding. Grant contracts were signed in March 2022. Implementation has started but there are some signs that increased prices will have an impact on the activities.
- **Call 3** *„Energy efficiency in buildings“* - 52 project proposals were submitted which showed huge interest in energy efficiency and in particular towards buildings with near to zero energy consumption in Bulgaria. As a result of the evaluation and selection procedure 16 projects were approved - 10 with the original available budget and 6 following the reallocation of funds agreed in April 2022. Within the deadline for submitting documents for concluding a contract, six of the approved municipalities - Anton, Shumen, Straldzha, Vratsa, Septemvri and Samokov, did not submit one of the required documents, namely the Partnership Agreement. All these six municipalities applied with the same donor project partner – the company MP

ENERGY and the Norwegian partner was not available for contact in the period. During the entire period from April to the end of June 2022, the experts of the PO were in contact with all interested institutions, as well as with the affected municipalities. Still this issue is partially solved as half of the municipalities got partnership agreements and half still cannot agree with the company. The same company is a partner in 4 projects for street lighting. All of them have problems with the verification of expenditure of the partner. No appropriate proof of expenditure is provided by the partner as to the requirements of the Regulation. PO engaged a lot in the communication with this partner. Also NVE is informed, FMO and NFP also copied. The risk is that either the municipality will bear the expenses as PO refuses to verify them or the Norwegian company will not get paid by the municipality due to the lack of sufficient documents. The company was advised to avail of the opportunity under the Regulation to proof its expenditure by an audit performed by independent auditor (art. 8.12, p. 4 of the Regulation).

- For **PDP 2** “System for Forecasts, Control and Management of HPP Generation and Dams Condition” with Project Promoter: National Electricity Company EAD. The PO and the Project Promoter undertook the following:
  - Reviewed in detail all the possible grounds from the GBER that considered and could potentially refer to when defining the type of aid, incl. Art. 56.
  - The idea when work on the project started and NEK EAD was designated as a beneficiary of a pre-defined project, associated NEK EAD with its role as public supplier of electricity in Bulgaria, given the fact, that it manages over 90% of the hydroelectric power plants in Bulgaria and in this capacity, although it is not in a monopoly position, still has public importance, in the interest of every Bulgarian citizen. To date, however, the situation is not in favour of the public supplier, a function which NEK EAD is expected to lose soon after the transposition of the new European regulations aimed at full liberalization of the electricity market and equating NEK EAD with the role of a regular participant in the market. A series of opinions expressed by the Ministry of Finance and, in particular, the concerns about placing NEK EAD in a more favourable position and the potential obtaining of an economic advantage guided PO into believing that the notification to the Commission is without an alternative.
  - The PO decided to study the possibilities of initiating a Notification procedure before the European Commission, as the last possible option of action, in accordance with the Law on State Aid, and in accordance with Art. 108, par. 3 of the TFEU and in conjunction with the Guidelines on state aid in the field of climate, environmental protection and energy from 2022, especially since the latter were just adopted and entered into force on 27.01.2022. This decision was also supported by the independent legal opinion that was sent on 04/06/2022 by the Norwegian partners, who also saw in the Notification procedure the only useful further course of the project from the point of view of state aid.
- **SGS** “Energy efficiency in industry” - on 19 July 2022 the last call under the Programme was launched. The deadline for submission of project proposals is 21st of October 2022. The SGS was envisaged as an open call but after analysis of the possible state aid regimes a request for PA modification was approved by the donors for transforming the open call into SGS and to apply de minimis as a state aid regime. The maximum amount of the grant was set at EUR 200 000 and the new minimum amount - EUR 150 000. This change allowed all types of costs

envisaged by the Regulation to be eligible, and the grant intensity to be up to 100% of the eligible costs, that is also a favourable development from economic point of view to potential beneficiaries.

- **Call 1** on utilisation of hydropower potential - In the last quarter of 2021 PO made analysis of the different circumstances related to the call (regulatory, institutional, etc.) and decided that it will not be feasible to implement the call within the eligibility deadline of the grants. It would risk the utilization of the allocated funds, therefore PO suggested that those funds were reallocated to the other calls that have the potential to attract very high interest.

With the purpose to utilise the available savings and non-committed funds the PO prepared and consulted with the DPPs, FMO and NFP a new proposal for PA modification and reallocation of funds. The proposal for reallocation of funds was supported by the stakeholders and approved in principle by the FMO in April 2022 that facilitated the on-going contracting process. The PO is expected to provide the formal request for PA modification accordingly.

Two Travel Support Schemes for the creation of a network of experts, exchange, sharing and transfer of knowledge under the Bilateral Fund were launched during the period - on 06.08.2021 be held in September 2022. Under the first Scheme, 11 requests for support from municipalities and other eligible applicants were approved at the amount of €49,895. The approved trips and events, the main of which was a seminar in Norway, organized by Greenzone, have been successfully conducted. Under the second Scheme, 9 requests for support from municipalities were approved. The events are planned to be held in September 2022.

During the reporting period, five Cooperation committee meetings were held. This intense agenda was necessary due to the crucial phase of implementation of the Programme and the need to discuss and take decisions and introduce appropriate adjustments.

The main threats to the programme at this stage are related to:

- Failure to implement all programme components (in particular PDP 2) and to take a timely decision on programme amendments;
- .
- Not carrying out all planned activities within the time period of the signed contracts.

Overall, the Programme the implementation of the programme experiences a delay that ranges from moderate to significant for the different programme components. A persistent problem for which the FMO and the NFP have repeatedly expressed their common concern, is the fact that the PO is not willing to engage with a definite timeline on tackling problematic issues. For PDP 2 the clarification of the state aid issues took a very long time, it has not been sorted out yet and this raises the question of the feasibility of the project implementation.

**Fulfilment of the conditions from the PA (relevant for the reporting period)**

*2. The National Focal Point shall ensure that Article 8.15 of the Regulation, as well as national and European Union law on public procurement are complied with at any level in the*

*implementation of the Programme and the projects.* – the obligation of the PO has been stipulated in the PIA and in the project contracts. The PO has contracted an external irregularity officer to follow on cases of non-compliance with the legal framework on public procurement and prepare irregularity reports;

3. *The Programme Operator shall seek to ensure synergies with the programmes “Business Development, Innovation and SMEs” and “Environment protection and climate change” implemented under the Norwegian and EEA Financial Mechanisms 2014-2021 in Bulgaria.* – The head of PO of “Environment protection and climate change” Programme is included as a voting member in the Selection committees for all calls for proposals.

The head of the team of the PO of the Programme is included as a voting member in the Selection committees for a call for proposals under the “Environment protection and climate change” Programme. An informal working dinner with the participation of the heads of both PO, the FMO and the DPP is organized at the end of February in Sofia. A common CC meeting for the two programmes and site visits of projects is being prepared to take place in the beginning of September 2022.

4. *The National Focal Point shall ensure that the Programme Operator achieves through the Programme a minimum CO2 reduction and/or avoidance of 54,000 (metric) tonnes per year under outcome 1.* - High requirements for CO2 savings are set in the evaluation methodology for the relevant calls.

5. *The National Focal Point shall ensure that the Programme Operator achieves through the Programme a minimum CO2 reduction and/or avoidance of at least 118,000 (metric) tonnes per year under outcome 2.* - Call 3, SGS and Call 5. High requirements for CO2 savings are set in the evaluation methodology for call 3, SGS and call 5.

***Future steps:***

- New request for PA modification – to be provided by the PO formally.
- Small grant scheme “Energy efficiency in industry” - The PO plans to perform the procedure for evaluating of project proposals, SC and contracting with the ranked projects in the period starting from November/December 2022 to the first quarter of 2023.
- PDP 2 “System for Forecasts, Control and Management of HPP Generation and Dams Condition” – The PO plans to initiate a Notification procedure before the European Commission, as the last possible option of action.
- ***Financial implementation***

The total amount of funds transferred to the programme is 12 564 636 Euro of which 7 938 014 Euro in the reporting period. The certified expenditures amount to 2 614 387 Euro of which 2 472 247 Euro in the reporting period.

## BG-ENVIRONMENT Environment Protection and Climate Change

*Programme Operator:* Ministry of Environment

*Donor Programme Partners:* The Norwegian Environment Agency

*Budget:* 15 294 118 Euro (incl. 13 000 000 Euro grant and 2 294 118 Euro national co-financing)

### Progress in implementation of the programme

Implementation has started under all programme components of the Environment Protection and Climate Change programme. Within the past year the PO team succeeded to run in parallel finalization of the 6 outstanding calls for proposals, signature of grant award contracts and monitoring of all projects under implementation. The PO demonstrated as well a very good capacity to identify corrective actions and appropriate changes to the programme wherever needed to ensure better effectiveness and efficiency of the available resources.

In the reporting period the PO launched two calls for proposals: Call 1 Diffuse pollution of marine waters under outcome 2 and re-launch of Call 3 Climate, signed grant award contracts for PDP 2 and for 22 projects selected in 3 open calls and 2 SGS. In consultation with the Cooperation Committee a decision was taken for cancellation of call 1 "Diffuse pollution of marine waters" which was re-launched but no project applications were submitted. After evaluation and selection under all open calls were finalised and predefined projects contracted or in preparation for contracting, the PO analysed the available savings and uncommitted funds and proposed a PA modification, incl. reallocation of funds. The PA modification was approved by the donors and resulted in funding projects on the reserve lists (for Call 2 and for SGS 3) with corresponding revision of outputs and outcomes of the programme.

Currently 27 projects are under implementation out of the 29 projects contracted in total. One project („Implementation of marine waste reduction measures in the Bay of Burgas" - SGS 2, Burgas municipality) has been completed and final report is pending approval. One project promoter refused to implement the project and the contract is terminated.

Certain activities have been delayed in comparison to the agreed time line but so far this delay is manageable and does not put at risk the successful implementation of the programme.

The status of implementation of the programme components is as follows

- Predefined project 1: "Monetary valuation system for all Bulgarian ecosystems developed(VAIES)" – following approval by the FMO of the detailed description and budget of PDP 1 the PO announced procedure No. BGENVIRONMENT-1.001 on 07.03.2022. After a positive appraisal conducted by an independent entity a Grant award Decision No. 41/06.04.2022 was issued. By the cut-off date of this report the signing of the Order for the grant at the amount of 1 781 058.37 euro was pending;
- Pre-defined project 2 "Science and Information towards Regional Environmental Action for the Black Sea (SCIRENA-Black Sea)" – the grant award contract was signed on 06.12.2021. The project is under implementation. One of the project partners – Sofia University turned out to have pending obligations to the state and the municipality and therefore dropped out. The Black Sea Basin Directorate took over both the University's activities and budget, which was reflected in Annex II Operational Rules;
- Open call 1: Diffused pollution of marine waters – at the Cooperation Committee Meeting in October 2021 a decision was taken, following the unsuccessful re-launch of the call, to reallocate its budget to Outcome 3 Circular Economy for funding projects on the reserve lists under SGS 3 "Improved municipal resource management" and Call 2 "Circular economy and resource efficiency in municipalities". The PA was amended and is effective as of 11.03.2022
- SGS 2: Measures to Reduce Marine Litter (with increased budget as a result of the cancellation of SGS 1) – Out of the 5 projects contracted, 4 are under implementation and 1 was completed. The following indicators were reported and verified for the completed project № BGENVIRONMENT-2.003-0003-C02 "Implementation of marine waste reduction measures in the Bay of Burgas" - 3 initiatives for reduction of pollution from land based sources on marine environment implemented and 1 education campaign developed;
- Open call no.2 „Circular Economy and Resource Efficiency” – Grant award contracts were signed for 4 projects that are currently under implementation. One project from the reserve list is in process of contract signature by the project promoter;
- SGS no. 3 Circular Economy - grant award contracts were signed for 7 projects that are currently under implementation, incl. four projects from the reserve list. One project promoter refused to implement the project and the contract was terminated.
- Predefined project 3 "Implementation of Innovative Measures for Mitigation and Adaptation to Climate Change in The Municipalities in Bulgaria" – In December 2021 the Project Promoter conducted a conference meeting with KS and Municipalities. A methodology was developed for selection of innovative climate change and adaptation measures. In July 2022 NTEF submitted the proposals for realization of innovative measures which will be realized at the territories of 8 municipalities to the PO for review and recommendations. The measures are in a process of final approval after which their implementation on-site in the 8 municipalities will start;
- Open call no. 3 Climate Change – during the first round of the call there was a high number of projects rejected at the stage of administrative and eligibility compliance assessment and almost half of the available budget (1 652 138 Euro) was not committed. The PO prepared

analysis of commonly made mistakes/omissions and guidance for potential applicants how to avoid them and re-launched the call on 16.09.2021. Submitted were a total of 18 project applications, of which 4 were approved for funding and grant award contracts were signed. Thus, a total of 8 projects are currently under implementation.

- SGS no4 Climate Change - Grant award contracts for 2 projects were signed and the projects are currently under implementation

The main threat that could affect the programme implementation is the external risk of inflation of the supply/service prices. Several beneficiaries have already contacted the PO with queries on how to proceed in situations where no offers were submitted in announced tender procedures due to increased prices. After careful consideration, the PO suggested that project promoters use the amount for contingencies set in their budget. The PO observes the situation and should inflation continue to hike, a call for proposals will be prepared in compliance with Art.7.4.8 for beneficiaries that face such issues. Before applying such measures, the PO will discuss the matter with the Cooperation committee.

It should be noted that the decision of the PO to envisage contingency budget item in the projects' budgets proved a very useful tool for overcoming to a considerable extent the consequences of the high inflation.

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*Status of implementation of the conditions from Annex I of the Programme Agreement relevant to the current reporting period;*

*1. Appraisal of the pre-defined projects no. 1 and 2 to be carried out by a legal entity independent of and unrelated to the Programme Operator*

The experts from the selected contractor BIM Consulting OOD (contract no. D-30-23 / 15.06.2020 with additional agreement signed to the contract), conducted the evaluation of the pre-defined project proposal 1 "Monetary valuation system for all Bulgarian ecosystems developed(VAIES)".

1. *Verification of payment claims for pre-defined projects 1 and 2 to be carried out of a legal, entity independent of an not related to the PO*

Verification of payment claims for pre-defined projects 1 and 2 will be performed by a legal entity independent of and not related to the PO. The PO signed a contract with an audit company called Grant Thornton – contract D -33-61/10.12.2021.

*3. For the outcome 3 indicator "Share of waste recycled" where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than*

*three months after the finalisation of the selection of projects under the call for proposals within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.*

On 25 January 2022 the PO submitted to the FMO the analysis of the baseline value of the share of waste recycled for Outcome 3 “Improved municipal resource management” (Circular economy). This was approved with the amendment of the PA - the baseline value is 32.25%, the target value - 35.48 %.

- 1. For the outcome 4 indicator “Share of population living in areas with enhanced capacity to reduce emissions and prepare for extreme weather events”, where the target value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the target value, together with a description of the data collection method used, no later than three months after the finalisation of the selection of projects under the call for proposals within this outcome. The target value shall be agreed upon through a modification of the programme agreement.*

Concerning outcome 4 indicator “Share of population living in areas with enhanced capacity to reduce emissions and prepare for extreme weather events”, the PO provided the required information in July. Thus the agreement condition was updated and the target value stipulated at 45%.

*8. Pre-eligibility – No costs shall be eligible under PDPs 1, 2 and 3 before the detailed descriptions and budgets, incl. the role and contribution of the donor project partners have been submitted and approved by the FMC*

The detailed description and budget of PDP 1 was submitted to the donor project partner. On 25 January 2021 the pre-eligibility condition for pre-defined project 1 “Valuation and implementation of ecosystems services (VAIES)” was lifted.

The PO is committed to develop its administrative capacity, to ensure accountability for performance and to retain its trained, experienced staff. Apart from the continuous capacity building through targeted training, the PO raised the issue of closer cooperation between the POs both on national level as well as on international programme level should be encouraged.

### ***Future steps***

#### Milestones

- Signing of **grant agreement PDP 1** and starting the implementation of the projects - third quarter of 2022;
- **Monitoring** of projects under **SGS 3, SGS 4, Call 2, Call 3, PDP2 and PDP3** – throughout their implementation;
- Verification and approval of Final Report for Burgas and conduction on the spot check.
- Verification and approval of Final Report for Nesebar and on the spot check.
- Programme management and implementation, including verification (technical and financial) of payment claims and conducting a day-to day coordination of the signed contracts;
- Organizing joint CCS related visits to Norway with PO for BG Energy programme;

#### Publicity-related events

- Public event on the occasion of 16 September – International Day for protection of the ozone layer. The PO and the project promoter of “Time Travelers” project (SGS 4 Climate) will hold a workshop for the children of kindergarten 115 “8<sup>th</sup> of Match”.
- 22<sup>nd</sup> of September day without vehicles – joint initiative in cooperation with schools.
- 31<sup>st</sup> October, 2022 Black Sea Day – a joint event with Project promoters from outcome 2.
- A round table on Circular Economy in October/November an initiative aiming to bring the public attention on problematic issues related to waste management and circular economy. The event will be for schools and educational organizations.

### ***Financial implementation***

The total amount of funds transferred to the programme is 8 462 058 EUR. The incurred expenditures amount to 2 018 852,36 EUR.

## **BG-CULTURE Cultural Entrepreneurship, Heritage and Cooperation**

*Programme Operator:* Ministry of Culture

*Donor Programme Partner:* Arts Council Norway (ACN)

*Programme Budget:* 12 755 882 Euro (incl. 10 800 000 grant and 1 955 882 national co-financing) – after approved PA modification

As of July 2022 the Programme Operator has concluded in total 30 contracts under the programme, as follows:

- 13 contracts under the First Call of Outcome 2 “access to Arts and Culture Improved” at the total amount of 2 179 872,92 Euro;
- 3 contracts under Outcome 1, Output 1.2 “Digitalisation of Cultural Heritage” at the total amount of 967 218,76 Euro and
- 14 contracts under Outcome 1.1 “Cultural Heritage presented in revitalised, restored and renovated spaces” at the total amount of 4 154 618,36 Euro.

During the period August 2021 – July 2022 three open calls for proposals were closed:

- under Outcome 1, Output 1.1 - the deadline for submission of applications was 18 August 2021. Out of 42 project proposals received, 14 projects were selected and contracted by July 2022;
- under the second call, Outcome 2 - the deadline for submission of applications was 23th August 2021. Out of 67 applications received, 9 projects have been selected and the signing of contracts is pending;
- under Outcome 3 “Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)” – the deadline for submission of applications was 29<sup>th</sup> November 2021. 52 project proposals were received and are currently under evaluation. The selection process should be completed by beginning of September 2022.

The contracted rate so far is 70.92% of the total available budget for projects.

The PO registered a very strong interest by applicants for the five open calls under the Programme, as well as strong participation from partner organizations from the donor countries. A total of 313 project proposals were received, with 85% of all applications that have so far passed the Technical and Financial Evaluation stage having at least one partner from the donor countries.

The implementation of the first projects under Outcome 2 has already started. Performances of a theatre spectacle “Killing Flight – Theatre play with Choices” – amusing story for a group of people travelling on an extraordinary flight from Sofia to Oslo were held in small cities around the country. The music, the choreography and scenography were created by Norwegian experts and there is substantial interest from the local communities throughout the country.

Another big success is the premiere of the spectacle “Per Gynt” under the project “Peer Gynt Travels” on 4<sup>th</sup> February 2022 in Theatre “Sofia”. The tickets were sold in advance and there are very positive reviews in the media on the play and the actors.

Within the project “Bulgaria-Norway sing” workshops were organised with participation of Bulgarian and Norwegian experts in Norway and in Bulgaria and the first concerts with joint participation of Bulgarian and Norwegian singers took place.

During the reporting period there were no amendments to the Programme Agreement. By September 2022, the PO has to determine the base values for two of the indicators under Outcome 1 and they will be processed as a technical amendment to the Programme Agreement.

One Cooperation Committee Meeting was held on 24<sup>th</sup> November 2021. During the meeting, the following main topics were discussed: approved and implemented changes in the Programme Agreement, up-to-date information on the call for proposals, incl. dates for the Selection Committee meetings, bilateral cooperation, measures to reduce the risks, etc. The next CC Meeting is planned for November 2022.

**Fulfillment of the conditions from the PA (relevant for the reporting period)**

- The PO has included limitations on infrastructure costs in the Application Guidelines throughout all calls, so that the maximum level of funding available from the total eligible expenditure of the programme for 'hard' measures will not exceed 60%;
- The PO has included provisions in the call for proposals to encourage projects addressing some of the special concerns in the MoU, namely the needs of minority groups, such as Roma, through measures in education, the documentation of cultural history of social, ethnic and cultural minorities and groups and the involvement of minority groups in cultural projects and their access to culture;
- The PO has included criteria for Technical and Financial Evaluation under Outputs 1.1 and 1.2 giving additional points to projects contributing to improvement of the situation of Roma, while the whole call under Outcome 3 will be entirely focused on raising awareness of arts and culture of ethnic and cultural groups through cultural and educational events.

**Threats facing the programme:**

Due to the delayed announcement of the public procurement for selection of an external verification, the PO amended the Management and Control Systems and switched to internal verification. The process of internal verification initially started with 4 experts but while the number of projects is growing, more internal verifiers need to be included in PO team.

The changes in the Head of the PO due to changes in the government also pose risks to the timely completion of the evaluation stages, preparation of PO decisions and conclusion of contracts under the calls.

The risks to the implementation of projects under the launched calls as a result of new peaks of the Covid-19 pandemic were largely mitigated by the adopted changes in the Programme Agreement, which were also reflected in the adapted texts of the Application Guidelines under the calls.

**Future steps**

Completed evaluation of the projects under Outcome 3, Selection Committee and signing of contracts;

Contracting of all projects under the Second call of Outcome 2;

Cooperation Committee meeting to be held in November 2022;

Monitoring of projects.

### ***Financial implementation***

The total amount of funds transferred to the programme from the FMO is 3 011 124 Euro. The total incurred expenditure is 545 628,44 Euro.

During the reporting period the PO has received from the FMO the total amount of 1 683 390 Euro. In total 1 030 560 were transferred to Project Promoters, incl. advance payments and reimbursed costs. The incurred management costs during the period are 105 860.60 Euro.

## **5. STATUS OF BILATERAL FUNDS**

The 6<sup>th</sup> and 7<sup>th</sup> meetings of the Joint Committee for the Bilateral Funds (JCBF) took place in the reporting period. Follow-up of the main decisions of the JC is summarized below:

- NFP shall request from POs by the end of January 2022 plans for bilateral cooperation events at programme level and assess the capacity of programmes to utilize the envisaged additional BF funding of 100 000 Euro per programme – based on the information provided it was concluded that under almost all programmes the POs and DPPs have discussed and identified bilateral initiatives that will require additional funds;
- By the spring 2022 JC session NFP to submit to the JCBF for discussion topics for bilateral initiatives at national level – a new initiative “Barnahus project: Promoting multidisciplinary and interagency justice and response for child victims and witnesses of violence” (promoter the Council of the Baltic Sea States, Bulgarian partner - the Social Activities and Practices Institute) was presented and approved by the JCBF members;
- An informal meeting/workshop will be held in the 1<sup>st</sup> Quarter of 2022 between NFP and the donors to discuss synergies with EU funds and other supporting instruments and outline priority areas for bilateral cooperation at national level, incl. such of relevance also to future EEA and Norway Grants – due to the still on-going programming of the RRP and the Swiss cooperation programme the workshop could not be held as planned;
- NFP will present to the JCBF a detailed revised project concept for the initiative “Boost up talents innovation mobility exchange” by February 2022 – the institutional restructuring resulted in a change of the project promoter and the need to revise once again the initial concept;
- A revised concept for the initiative “Boost up talents innovation mobility exchange” will be prepared and submitted to the JC by the end of June 2022 – the revised initiative is currently under elaboration after a series of discussions held between the partners;
- NFP shall inform the JCBF members and observers on the proposals from project promoters on additional activities, changes to the time schedules, incl. requested extension under the on-going

predefined bilateral initiatives – one request was submitted and approved by the NFP for extending the implementation of project “Completion and equipment of Crisis Management Center at the Bulgarian Ministry of Foreign Affairs” with 16 months. The NFP approved additional activities that will be funded out of savings under the project “Cooperation for decent work”;

- NFP shall collect information from the POs and project promoters under the BF on the potential impact of raising prices on their projects’ implementation in order to support the FMO in the elaboration of guidance to all Beneficiary States on the possibilities to use savings under the programmes to address the inflation challenge – no claims for additional funds have been received in the reporting period;
- The possibilities for organizing a study trip to Norway and Iceland under the bilateral fund on topics related to hydropower, geothermal energy and batteries will be discussed with the Programme Operator and DPPs of the “Renewable energy, energy efficiency and security” programme.

Provided below is a summary information on the progress in implementation of the measures from the Work Plan that was last updated in July 2020.

#### 1. NFP activities, incl. Travel support scheme

In August 2021 a representative of the Bulgarian Institute of Agricultural Economics was invited by the Director of the Institute of Economic studies, University of Iceland in Reykjavik to give a public lecture at the seminar on Environmental governance in Bulgarian agriculture. At the event possibilities for bilateral cooperation between academic institutions in the field of sustainable development have been discussed.

In January 2022 an application for travel support, submitted by the Bulgarian University of National and World Economy, was approved. It was about exchange of experience with the University of Agder, Norway in the area of: education, scholarships and youth entrepreneurship, disaster prevention and preparedness. The visit was postponed due to COVID-19 restrictions.

#### Pre-defined initiatives

- **“Cooperation for decent work”** (promoter: “General Labour Inspectorate” Executive Agency (GLIEA), donor partner: Norwegian Labour Inspection Authority (NLI), approved budget: 800 000 euro)

The initiative is in its third year of implementation. Most of the activities are almost completed. Those rescheduled due to the Covid-19 restrictions and mainly related to international travel are to be carried out by the end of 2022.

The progress on the activities is as follows:

#### *Activity 1 “Information campaign” – ongoing*

- “Know Your Rights” information campaign’s implementation in Norway:

“Know Your Rights” (KYR) campaign is launched to make migrant workers aware and empowered about their rights and duties, when working in Norway. Pulse 2 of the social media

advertising KYR campaign (<https://www.arbeidstilsynet.no/en/knowyourrights-BG>) was launched in September and October 2021. Facebook and Display ads were the priority channels for this round. The main film and the shorter films that were developed were advertised on Facebook. The Bulgarian partner moderated the comments and the messages posted on the NLI Facebook page.

An evaluation of the campaign started by an external Norwegian contractor show that the campaign is successful and effective and the appropriate channels have been selected to reach the target groups. The results of the survey so far show the following for Bulgaria:

- 124 respondents from Bulgaria;
- 4 500 Bulgarian Facebook accounts of people located in Norway;
- the information video in Bulgarian language was the video that performed the best overall and it reached almost everyone in the target group;
- the campaign advertising reached many Bulgarians on social media for low cost.

Another two KYR campaign advertising pulses on Facebook happened in January-June 2022, about the fish season in Norway in January-April and about the agriculture seasonal work in April-June. The fish season advertising reached out 41 183 people, 2099 out of which are Bulgarians.

In September 2022, in Oslo, a final seminar will be carried out to present the KYR campaign's results.

- “Know Your Rights” information campaign's implementation in Bulgaria:

The General Labour Inspectorate in Bulgaria directed its efforts to inform the Bulgarian citizens about their labour rights when working abroad, by organizing and participating in information events.

In this regard, an information seminar was held in November 2021, in Plovdiv, with the participation of the directors of the Labour Inspection Directorates. They were trained about the methods to conduct information events and activities in the Labour offices to raise workers and employers' awareness of their rights and obligations when working in Norway and EU countries. The information materials developed under project, as well as, the forthcoming elaboration of the tool for self-assessment of the risk of undeclared work were also presented at the seminar.

GLI EA encounters difficulties in reaching and communicating with Bulgarian citizens who work or will work abroad. The Agency has extremely limited capacity and methods to identify the target groups of cross-border Bulgarian workers to whom it can direct its efforts to increase their awareness of labour rights. The methodology for carrying out the survey by the Norwegian Institute FAFO and the subsequently developed strategy for carrying out the KYR campaign in Norway, with which the target groups of foreign workers in Norway have been defined is a good practice and experience. GLI EA built on and used it to achieve the specific goals of the information campaign in Bulgaria.

A performance of a national sociological representative survey regarding the employment abroad by Bulgarian citizens is included in the project as additional activity. The purpose of the

study is to identify the groups of Bulgarian citizens who do seasonal or permanent work abroad; their demographic characteristics and socio-economic status; geographic concentration (which countries they prefer to work in) and economic sectors; motivation for working abroad; channels through which jobs are found abroad and ways to communicate with employers, etc. The results of the study will be a valuable source of information for developing a strategy for planning inspection and information events, as well as for planning international cooperation with foreign labour inspectorates to guarantee the labour rights of Bulgarian workers. The research is expected to define the scale of the cross-border employment of Bulgarian citizens and the effectiveness of the awareness policies carried out so far.

Activity 2 “Cooperation through exchange of good practices, information and joint inspections” - ongoing

In November 2021, in Plovdiv, Bulgaria, an annual meeting on expert and leader level was held with representatives of GLI EA and NLI. The topics discussed were: tackling undeclared work related events and inspections; annual planning of the activities; information activities under the European campaign for seasonal workers; challenges in inspections regarding the temporary worker agencies, mediators and staffing companies, etc.. Both authorities agreed to cooperate to identify possible infringements, when it comes to recruiting in Bulgaria for work in Norway.

In May and June 2022, in Plovdiv, Bulgaria, joint inspections were carried out at construction sites and agriculture companies, with the participation of Norwegian labour inspectors. The Bulgarian labour inspectors demonstrated the scope of their control activity.

As a feature of experience exchange under this project activity to strengthen the cooperation between GLI EA and NLI, the Norwegian inspectors, who visited Sofia and participated in the joint inspections, welcomed the Bulgarian inspectors in Norway. They were involved in joint inspections in Bergen, Norway in June 2022. The Norwegian inspectors presented the good practices of their activities in planning and carrying out inspections, as well as methods for tackling undeclared work.

Ten experts and inspectors from both partner institutions have been involved in these exchanges.

An annual meeting is foreseen in Bulgaria with participants from NLI at the end of 2022. This will be the final meeting under the initiative, where the achieved objectives and results will be presented.

Activity 3 “Development of new GLI EA website and self-assessment tool with a focus of tackling undeclared work” - ongoing

The new official GLI EA website (<https://www.gli.government.bg/bg>) is developed and is in operation. Two firewall security devices were purchased to establish a barrier between the trusted internal network and unsure external network.

A self-assessment tool about the risk of undeclared work is to be developed and available for external users to assess particular labour relationship. It aims to raise the awareness of workers and undertakings of possible undeclared work.

A public procurement procedure for the elaboration of the self-assessment tool was awarded. The tool will be developed and implemented on the new GLI EA website until the end of 2022.

Activity 7 “Development of guidance and factsheets on the rights and obligations of companies and workers in Bulgaria” – completed

Guidelines and information materials on the rights and obligations of companies and workers in Bulgaria were developed. Their elaboration was outsourced. The materials content was analysed and approved by five GLI EA experts. They have focus on tackling the undeclared work with target group – employers and workers. The slogan of the information materials is “Decent work – Depends on you”. The guidelines and the information materials cover ten topics:

- Contracts of employment.
- Payment of wages.
- Work time and rest periods.
- Young people at work.
- Employment of disabled workers.
- Workers on business trips.
- Remote work and home working.
- Seasonal workers.
- The administrative services of the Labour Inspectorate for workers.
- The administrative services of the Labour Inspectorate for employers.

Thematic videos on eight of those ten topics were also produced. The guidelines and the information materials were developed in Bulgarian and English languages. They were uploaded on the GLI EA website and are publicly available (<https://www.gli.government.bg/bg/node/11825>). They were also printed on paper and will be spread among workers and employers during inspections. The availability of these materials will increase the sensitivity of workers and undertakings to the problem of undeclared work and its negative consequences and will foster intolerance to the shadow economy.

Activity 8 “Training of GIT EA employee” – new activity

This activity will increase the effectiveness and efficiency of the actions aimed to prevent the undeclared work by improving the knowledge and the professional skills of the Bulgarian labour inspectors. It will also increase the institutional capacity of the GLI EA. The activity is with a budget of 110 337 Euro (savings from activity 1 and 3). Twenty trainings are planned and around 400 employees are expected to be trained.

The topics for improving the qualification are directly related to increasing the employees' knowledge about undeclared work:

- Current challenges in the implementation of the control powers in the field of labour migration and labour mobility.
- Practical guidelines for inspections to prevent undeclared work.
- Challenges in the new forms of work and the risk of undeclared employment in them.

- Lawful actions when applying forced administrative measures and seeking administrative criminal liability.
- Practical guidelines for inspection in agriculture.
- Practical aspects in the control of working hours and payment.
- Planning of quantitative and qualitative indicators to improve the effectiveness of the activity in relation to undeclared work.

There were regular press release publications on the GLI EA website and online media about the project progress.

The project team actively worked on the project implementation and ensured good coordination with the project partner.

- **“Cross border dialogue v.2”** (promoter: Ministry of Regional Development and Public Works (MRDPW), donor partner: Norwegian Barents Secretariat, approved budget: 363 210 euro)

The initiative aims to set out an upgraded and functional web portal for the cross-border regions of Bulgaria and its neighbouring countries (Turkey, Serbia and Republic of North Macedonia) with possibilities to collect and process information and progress data on performance indicators under the three IPA CBC Programmes and visualize it.

The initiative started in May 2021. An advance payment of 36 321 Euro is transferred to the Ministry of Regional Development and Public Works in the beginning of 2022. The progress on the activities is as follows:

*Activity 1 “Data visualization tools and practices” - ongoing*

A Survey “Visualization - Cross-border cooperation data - Useful tools” for INTERREG IPA CBC programmes was prepared and launched in March 2022. The results of the survey will serve in the preparation of a methodology for visualization of data from the information systems of the programmes by selecting appropriate visualization tools. The main conclusions from the survey are: the sites reach a targeted audience, who is looking for useful information for applying with project proposals. The users’ interest is to see visualised data for partnerships, activities, results, funded projects and to use interactive tools to filter data.

An online meeting with the project partner was conducted on 20th of May 2022 concerning the upcoming study visit and the schedule for implementation of the project activities.

The first Study visit for exchange of experience in managing database and their visualization was held in the period 31st of May – 2nd of June 2022. Two working meetings were performed - on 31st of May 2022 and 1st of June 2022 in Kerkenez and in Oslo. The following was discussed:

- the results of the conducted survey for collecting information and technologies on possible tools/instruments and software in the field of data visualization and its possible implications in CBC programmes;
- the possibilities for development and implementation of appropriate and useful tools in the websites and information systems of the programmes;

- preparation of the methodology to develop the software required to implement data visualization on the web sites and information systems of the INTERREG IPA CBC programmes;
- sharing the experience of the stakeholders.

*Activity 2 “Analysis of the regional requirements for data visualization” - not started yet*

*Activity 3 “Delivery of communication and IT hardware” - ongoing*

New technical specification and other relevant documents for the initiation of the public procurement procedure for the supply of the communication and IT equipment has been prepared, as there is a change in regard to the purchase of VPN licenses. The communication and IT hardware will upgrade and further develop the hardware platform and the security of the web sites and the information systems of the INTERREG IPA CBC programmes. The equipment will be used to bolster the capacity of both partners to communicate and establish stable and secure relations with the other organizations and stakeholders involved.

*Activity 4 “Information and Publicity Events” - ongoing*

A press release for the start of the project was published on the web pages of [www.eeagrants.bg](http://www.eeagrants.bg) and [www.mrrb.bg](http://www.mrrb.bg).

Two promotional videos have been prepared and published on the Facebook page of the project (<https://www.facebook.com/BBDstats>).

The Survey “Visualization - Cross-border cooperation data - Useful tools” for INTERREG IPA CBC programmes was published on the Facebook pages of:

- the project;
- the EEA Financial Mechanism and Norwegian Financial Mechanism in Bulgaria;
- the four regional informational centres on the programmes CBC area;
- the programmes’ websites.

A video for the first study visit was prepared and published on the project’s Facebook page (<https://www.facebook.com/BBDstats>).

- **“Completion and equipment of Crisis Management Center at the Bulgarian Ministry of Foreign Affairs”** (promoter: Ministry of Foreign Affairs of Bulgaria (BMFA), donor partner: Norwegian Ministry of Foreign Affairs, approved budget: 200 000 euro)

The Implementation Agreement (Contract) of the initiative was signed on 15th of October 2021, but due to the COVID-19 travel restrictions and the numerous evacuations because of the conflict in Ukraine, most of the activities of the initiative were rescheduled. An advance payment of 20 000 Euro was transferred to the Ministry of Foreign Affairs of Republic of Bulgaria in the beginning of 2022.

A new project team was appointed in April 2022 and the deadline of the implementation of the initiative was extended until 15th of November 2024. The project activities are in early implementation stage. They are mainly related to the preparation of documents for awarding a public procurement procedure for an external expert to elaborate a technical specification for

the development of a mobile application for crisis response. The following activities are foreseen in the near future:

- training of the Bulgarian MFA staff for reaction in case of crises – an exchange experience seminar and information tour in Oslo, Norway;
- defining the functionalities of a mobile application for crisis response, which will upgrade the capacity of the Bulgarian MFA's Crisis Management Center to react, help or evacuate Bulgarian citizens suffering distress abroad.
- **“Strategic cooperation between Bulgaria and Norway in support of Bulgaria’s international commitments to combating antisemitism and preserving Jewish heritage”** (promoter: Ministry of Foreign Affairs of Bulgaria, donor partner: Norwegian Centre for Holocaust and Minority Studies, Bulgarian partners: Diplomatic Institute and State Institute for Culture to the MFA, approved budget: approx. EUR 199 950)

The implementation of the initiative is on a good track. During the regarded period the following project developments could be reported.

The Sociological survey towards the attitudes on the antisemitism in Bulgaria was conducted by Alfa Research Pooling Agency in February 2022. The results were presented at the Opening event for project presentation in April 2022. The findings led to the conclusion that there was no radicalism towards the Jews in Bulgaria. The main challenge to be addressed is the shortage of knowledge about Holocaust and Antisemitism among the young people. A resume of the sociological survey was translated in English and provided to the Norwegian partner for recommendations.

The expert team, which will analyse the results and elaborate the first NAP on antisemitism was set-up of experts from MFA (2), Council of Ministers (1), academia (1) and NGO (1). The team met once to discuss the future way of work and agreed upon the initial steps of drafting. It is currently studying the results from the sociological survey and the recommendations of the Norwegian partner. The drafting is to be ready in October, followed by a public event for discussion on the document's content, so that the final NAP to be adopted till the end of 2022.

The design of the integrated digital platform of the project and its subsequent technical support was assigned to ZEON Ltd. in May '22. The bilingual web portal [www.jewishheritage.bg](http://www.jewishheritage.bg) is planned to be operational as of end of August'22, instead of July the same year. The delay was caused by the newly introduced requirements of the Ministry of E-Government for the electronic platforms, commissioned by state institutions. In order to participate in the content management of the platform's design, the Diplomatic Institute was equipped with two portable workstations.

The International Research Forum is to take place in Sofia in October 2022 with up to 20 foreign and 80 national participants. A special panel on the role of youth in preserving historical memory about Holocaust and Jewish cultural heritage was included, considering the observations in the sociological survey about the lack of awareness of the topic among the young generation. The event was moved from June to October'22 due to the need of conducting public procurement for its management and logistics and also due to the busy schedule of the Diplomatic Institute. The Forum will be followed by a National Expert Meeting in March 2023 on the eve of the 80th Anniversary of the act of salvation of Bulgarian Jews.

The book by the Jewish Writer Hannah Arendt “The origins of Totalitarianism” was translated into Bulgarian. It is planned to be published by Colibri Publishing House in Spring’23 on the occasion of the 80<sup>th</sup> Anniversary of the Bulgarian Jews’ salvation.

Under the activities, related to preparation of innovative and cultural materials and events (Activity 7) the following developments took place:

- Prepared and published guidelines for project proposals, 4 projects approved on the research and preparation of presentation packages on the Holocaust and Jewish heritage in Bulgaria to be used for further activities such as organization of poster expositions, training module “Ambassadors of the Initiative” and elaboration of its curriculum.
- Signed contract with the Bulgarian Institute for Historical Research for research of materials on Jewish heritage – produced material “Bulgarian Corridor”, telling the story of the transit of Jewish refugees through Bulgaria to Palestine in the World War II”
- Signed contract with Photofactory for organizing a workshop with a famous photographer from Israel (held in April 2022).
- Another research project produced a Guide to “The Jewish Quarter in Sofia”.
- 1 poster exposition is planned, following the results from the research projects.
- Communication with the National Museum of History (NMH) for conducting research on the museum collections in the country, related to the Jewish heritage and hosting museum exhibition was initiated. Talks with other museums in the country were carried out. A contract with the State Agency “Archives” was signed for studying the available materials, related to the topic. The exposition will be presented in March ’23 at the NMH but its small mobile versions will be exposed in the museums throughout the country.
- A contract with Cinelibri Film Festival was concluded and another agreement with Sofia Documental Film Festival was prepared for organizing of special sections with workshops and debates on the antisemitism and the Bulgarian case. The festivals will be held in Autumn 2022.
- 2 study visits of SCI experts realised to Kyustendil and Burgas cities in order to investigate the possibilities of organization of seminars and engaging trainers for the educational programmes.
- **“Capacity building of the Bulgarian SME Promotion Agency (BSMEPA) on unveiling new horizons for the National Innovation Fund (NIF) and realization of national policies on increasing the number of innovative SMEs”** (promoter: BSMEPA in possible partnership with two directorates in the Ministry of Innovation and Growth; Norwegian partner: Innovation Norway, estimated budget: EUR 200 000)

This project idea was developed after the pre-defined initiative for pilot exchange of young researchers “Boost up talents innovation mobility exchange” with a promoter the Bulgarian Ministry of Education and Science failed to be implemented due to governmental and institutional changes. Consequently, it was re-drafted for capacity building of the newly established State Agency for Research and Innovation (SARI) in partnership with Innovation

Norway. A detailed concept note was expected to be submitted within the first quarter of 2022 until the SARI's functions were absorbed by the newly created Ministry of Innovation and Growth (MIG).

The current project idea envisages capacity building of BSMEPA in partnership with two directorates in the Bulgarian MIG and Innovation Norway on Norwegian side. The Bulgarian partner "Policies and Analysis" Directorate (DPA) is responsible for the development of the strategic framework in the field of innovation, whereas the other – the GD "European Funds for Competitiveness" (GDEFC) is the Managing Authority of the EU funded business competitiveness programme. Via exchange of knowledge and best practices with IN, the project is expected to contribute to the development of new evaluation tool to be applied for the measures, implemented under the National Innovation Fund (NIF), managed by the BSMEPA. The estimated budget EUR 200 000 is to be confirmed after the detailed elaboration of the concept note.

For this purpose, a meeting with all stakeholders was held in August 2022 on which Innovation Norway confirmed its readiness to be a partner and further elaboration of the project's scope and detailed activities was discussed. The NFP explained the specifics of the approval and application procedure. It was agreed that after 12 September 2022 the BSMEPA will start working on the elaboration of the detailed concept note to be presented to IN for consideration, so that the initiative will be possibly approved by the JCBF till the end of 2022.

- **"Barnahus project: Promoting multidisciplinary and interagency justice and response for child victims and witnesses of violence"** (promoter: the Council of the Baltic Sea States, Bulgarian partner: the Social Activities and Practices Institute, estimated budget: EUR 202 406)

This new pre-defined initiative was approved during the 7th JCBF, held in May 2022. It was proposed by the Norwegian Police Department as a partner to the Bulgarian Home Affairs PO. It is envisaged to be implemented by the international organization, the Council of the Baltic Sea States (CBSS) as a promoter, together with its long-standing partner - the Bulgarian Social Activities and Practices Institute (SAPI). The Initiative would strive to support the Bulgarian authorities to introduce the leading child-friendly integrated model, responding to child abuse - Barnahus model - at national level through capacity building. The proposed budget is 202 406 euro and the period of implementation - 24 months, starting since September 2022.

Currently, the draft Guidelines for application are under preparation by the NFP. Some documental and technical details are expected to be clarified with both, the promoter and the partner, in the beginning of September, so that the application process will start in October at the latest.

- **"Prevention of discrimination against Roma women"** (promoter: Bulgarian Commission for Protection against Discrimination /CPD/)

During the 6th JCBF Meeting in November 2021 it was agreed that the initiative's implementation would be postponed until ~~for~~ the next funding period of the EEA and Norway Grants due to the lack of available expert capacity in both Norway and Iceland at the current stage. All the counterparts confirmed the importance of the project for the beneficial mutual cooperation.

### **Bilateral funds to programmes**

Due to COVID-19 restrictions there are no bilateral activities to be reported except the following events under the “Climate change and environment protection” programme and Innovation Norway:

- Representatives of Green Industry Innovations and Technology Transfer Foundation visited Norway in September 2021 to meet the Nordic Unmanned Office. The purpose of the meeting was to establish long-term cooperation for implementation of joint initiatives.
- Eleven Bulgarian municipalities visited Oslo in June 2022 and took part in workshops and meetings related to circular economy, environmental protection and climate change. The main topics covered were how to develop the capacity of local communities to reduce emissions and adapt to climate change.
- Bulgarian Ministry of Transport and Burgas municipality participated in the event on Blue Growth in Europe, held on 10-11 May 2022 in Greece. The event gathered 200 representatives of businesses, clusters, researchers and policymakers from 11 countries in Europe. More than 50 speakers led discussions on how to create business in blue growth, including in thematic sessions on green shipping, blue bioeconomy, smart ports and offshore wind. 31 companies from Bulgaria signed up for the matchmaking session.

Two Travel Support Schemes were published on the website of the “Renewable energy, Energy efficiency, Energy security” Programme during the period 06.08.2021 – 30.05.2022r. Under the first Scheme, 11 requests for support from municipalities and other applicants were approved and successfully conducted. Regarding the second Scheme, 9 applications by municipalities were approved. The events are planned to be held in September 2022.

Incurred expenditures are reported at the amount of 36 479 Euro.

### **Financial implementation**

Under the pre-defined initiative “Cooperation for Decent Work” the amount incurred for the reporting period is 102 616 Euro. The total amount transferred to date is 354 964 Euro (with the reimbursement of 70 477 Euro for the period January–June 2022, still in verification, the total amount transferred will be 425 441 Euro).

Under the pre-defined initiative “Strategic cooperation between Bulgaria and Norway in support of Bulgaria’s international commitments to combating antisemitism and preserving Jewish heritage” the amount incurred for the reporting period is 27 716 Euro. The total amount transferred to date, together with the advance payment amounts to 30 321 Euro (with the reimbursement of 17 390 Euro for the period January–June 2022, still in verification, the total amount transferred will accounts for 47 711 Euro).

NFP transferred 56 321 Euro advance payments to the promoters of pre-defined initiatives “Bulgarian cross-border dialogue v.2” and “Completion and equipment of crisis management center at the Bulgarian Ministry of foreign affairs”.

According to the information provided by the Programme Operators the total amount of expenditure incurred for bilateral activities under the programmes to date is *approx.* 260 000 Euro.

## 6. MANAGEMENT AND IMPLEMENTATION

### a. Management and control systems (MCS)

After the elections on 14<sup>th</sup> November 2021 a regular government took office on 13 December 2021 after three parliamentary elections within eight months. Heads of the POs under three programmes were changed – Energy, Justice and Culture. There were no other significant changes in the staffing of the national authorities involved in the implementation of the EEA and Norway Grants and the core staff managing the funds remains the same.

In June 2022 the new regular government has collapsed in a no-confidence vote in parliament and a caretaker government is to be appointed in the beginning of August 2022.

In accordance with Decree № 197, dated 26 July 2022, the Central Coordination Unit Directorate within the Council of Ministers' administration, which acts as the National Focal Point, shall become an administrative unit of the Ministry of Finance as from 1 September 2022. The caretaker government canceled the planned structural changes.

During the period no amendments were made in the Management and Control Systems (MCS) at national level – the last version of the Management and Control Systems is version 7 dated 16<sup>th</sup> July 2020.

The following changes at the Management and Control Systems at programme level were made during the period:

- **Environment** – improving, supplementing and specifying texts, as well as adaptation of reporting, management and monitoring of projects through UMIS 2020, and synchronization and synergy between the MCS and the Programme Agreement. The amendment includes the guidelines received from the National Focal Point concerning the normative acts and rules related to the imposition of financial corrections. The amendment was made in August 2021;
- **Culture** – during the reporting period two changes were made in the Management and Control System. The first amendment (made in September 2021) relates to updating the available funds to the different outcomes of the Programme as a result of the redistribution of the reserve fund under the EEA FM; updating the positions of the PO team as well as updating texts on assessment and partnerships as a result of recommendations from the FMO and the Arts Council – Norway. The second amendment (made in February 2022) includes changes related to transition from external to internal verification as well as corresponding changes in the team under the programme.

No changes were made to the Management and Control Systems of the Programmes: Justice, Home Affairs, Local Development and Energy during the reporting period.

## b. Complaints

Only one signal was received during the period under the programme “Home Affairs”. The signal was related to PDP 12 with Project Promoter - International Organisation for Migration – it was claimed that the Project Promoter has terminated a tender procedure for supply of stationaries without specifying the reasons for the termination and after the expiry of the period for submission of bids that could lead to potential conflict of interest (technical possibility for the PP to see the price offers by the candidates).

The NFP checked the information in the signal with the Programme Operator in the Ministry of Interior. The conclusion is that there is no irregularity – the tender was cancelled after a recommendation by the PO because the PP has provided clarifications to potential applicants that could lead to changes in the preliminary set conditions and unequal treatment of bidders; the tender was terminated at the final date for submission of bids, not after the expiry of the deadline; the tender was re-launched with the same conditions; the Project Promoter has terminated the tender without reviewing the price offers of the candidates.

There are also signals received through the “irregularity button” related to the evaluation of projects under the programme Culture but according to the procedures these complaints should be addressed to the PO or to the administrative court.

## c. Irregularities

During the period, four Quarterly Irregularity Reports were submitted through GrACE for the periods: 2Q 2021, 3Q 2021, 4Q 2021 and 1Q 2022. Three irregularities were reported in two of the Quarterly Irregularity Report, as follows:

- **4Q2021** – one irregularity reported under the Local Development Programme (IR-94) and one irregularity under the Bilateral Fund (IR-95)
- **1Q2022** – one irregularity at project level reported under the Home Affairs Programme (IR-125).

The irregularities are detected by the Audit Authority in the performed audit of operations under the programmes: “Local Development” and “Home Affairs” and the Bilateral Fund. IR-125 is the first irregularity reported at project level (project BG-HOMEAFFAIRS-0007 - Forensics) for the current programming period.

The type of irregularities are as follows:

- Infringements/deviations in public procurement procedures:
  - **unlawful methodology** – the methodology has not allowed to assess the level of implementation offered by the candidates and to objectively compare and assess the technical suggestions in the offers. The methodology might have a dissuasive effect on potential applicants;

- **signing of the contracts without presenting the necessary documents** certifying the lack of grounds for removal from the procedure as well as documents for compliance with the selection criteria, including for third parties and sub-contractors;

- **the interested parties has not obtained the minimum information** regarding all requirements and guidance for participation in the procurement procedure;

The total amount of the irregularities reported through GrACE during the period is EUR 5 652.11.

All reported irregularities are reflected in the irregularity register filled in by the National Focal Point and the information on the follow-up actions is updated on a regular basis. In total 5 irregularity cases have been closed during the period. 3 irregularity cases are still open (IR-94, IR-95 and IR-125). The amounts under the reported irregularities were recovered and reflected in Interim Financial Reports.

In addition four irregularity cases are registered by the NFP under the programme “Justice” and one under the programme “Energy”. The irregularities are not reported to the FMO in line with Art. 12.5, p. 3, (c) of the Regulation - cases, which are detected and corrected by the Programme Operator, National Focal Point or Certifying Authority in the course of the verification of the expenditure declared. All reported irregularities are at project level and are related to deviations in public procurement procedures – unlawful methodology or restrictive requirements to applicants.

#### d. Audit

In the period August 2021 - July 2022, the Audit of EU Funds Executive Agency (AEUF EA) carried out the following activities under the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism:

##### 1. Audits of projects

The objective of the audits of projects is to assure that declared expenditures to the FM Office for the accounting year are correct and the transactions are legal and regular.

##### 1.1. Accounting year July 2020 - June 2021

The Audit Authority carried out audit of projects on four programmes and two funds under the EEA FM and NFM 2014-2021 (programmes and funds that had certified and declared expenditure for the fourth accounting year July 2020 - June 2021). The audit procedures were performed during the period June – August 2021. After the contradictory procedure, the final audit reports were issued and presented to the respective POs, NFP and CA as follows:

- “Home Affairs” Programme - four final reports were submitted on 13.12.2021;
- “Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups” Programme - three final reports were submitted on 13.12.2021;
- “Justice” Programme - a final report was submitted on 13.12.2021;

- “Renewable Energy, Energy Efficiency, Energy Security” Programme - two final reports were submitted on 13.12.2021;
- “Technical Assistance Fund” a final report was submitted on 13.12.2021;
- “Fund for Bilateral Relations” three final reports were submitted on 13.12.2021.

Four irregularities were detected in the **audits of projects** under the Fund for Bilateral Relations and 3 programmes (“Home Affairs”, “Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups” and “Renewable Energy, Energy Efficiency, Energy Security” Programmes), related to **non-compliance with public procurement rules** out of 5 public procurements checked.

The irregularities are related to the following:

- documents for the members of the contractor association have not been presented upon signing the contract, as provided in the Public Procurement Act and in the instructions to the participants in the procedure for concluding a framework agreement;
- the potential bidders and interested persons did not have at their disposal a minimum guaranteed information on all requirements and instructions for participation in the procedure;
- the selected contractor has not submitted documents, concerning the third party selected by him for the implementation of the public procurement, as required by the Public Procurement Act;
- restrictive requirements in selection criteria and procurement requirements.

The Audit Authority have further analysed the nature, significance and reasons for occurrence of the above irregularities and the omissions in the verification process and concluded that the errors found are of random nature and they are not related to systemic weaknesses. The financial impact of the detected irregularities amounts to EUR 6 680. The Audit Authority proposed individual financial corrections in accordance with Guidelines for the determination of financial corrections for non-compliance with the applicable rules on public procurement, adopted by Commission decision of 14.05.2019. As a result of the analysis the Audit Authority calculated the total projected error for each programme and fund with identified errors with financial impact in the sample, in accordance with the sampling method used. POs and NFP implemented all recommended financial corrections and respective irregularities were registered and accounted. Detailed information on the imposed financial corrections is presented in the Fourth Annual Audit Report under the EEA FM and NFM 2014-2021 from February 2022.

### **1.2. Accounting year July 2021 - June 2022**

The audit of projects for the certified and declared expenditure for the fifth accounting year July 2021 - June 2022 started on 26.07.2022 and is currently under implementation. The

certified and declared expenditure under all 8 programmes and funds under the EEA FM and NFM 2014-2021 are in the scope of the audit, as follows:

- - “Home Affairs” Programme;
  - “Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups” Programme;
  - “Justice” Programme;
  - “Renewable Energy, Energy Efficiency, Energy Security” Programme;
  - “Environment protection and climate change” Programme;
  - “Cultural Entrepreneurship, Heritage and Cooperation” Programme;
  - “Technical Assistance Fund”;
  - “Fund for Bilateral Relations”.

The audit checks for audit of projects is scheduled to conclude on 30.11.2022. Reporting process is scheduled to be finalized in December 2022.

## 1. System audits

The audit objective is to verify the effective functioning of the management and control systems set.

The Audit Authority carried out 2 system audits respectively for the “Cultural Entrepreneurship, Heritage and Cooperation” Programme and for the Certifying Authority. The audit procedures were performed in the period November 2021 – July 2022.

After the contradictory procedures, the final audit reports and the unqualified audit opinions for the Certifying Authority and for the “Cultural Entrepreneurship, Heritage and Cooperation” Programme were issued and presented to the CA and PO as follows:

- Certifying Authority, National Fund Directorate, Ministry of Finance on 24.06.2022;
- “Cultural Entrepreneurship, Heritage and Cooperation” Programme, PO Ministry of Culture, on 28.07.2022.

No findings were formulated in the system audit for the Certifying Authority.

The key findings in **the system audit** for the “Cultural Entrepreneurship, Heritage and Cooperation” Programme include:

- weaknesses related to verification of expenditure process, in particular as regards public procurement;
- part of the documents related to the management costs of the Programme, including expenditure and payment documents are not stored in computerized systems.

The Audit Authority has further analyzed the nature, significance and reasons for the weaknesses identified and concluded that the errors found, related to public procurement irregularities, are of random nature and the management and control system is functioning, but some improvements are needed.

In conclusion, given the scope of the engagements, the results of the audit procedures performed to assess the key requirements for the management and control systems of the PO and CA and the weaknesses identified, the Audit Authority categorized the assessment of the management and control systems, respectively at *Category 2 "Works, but some improvement(s) are needed"* from the four-category scale for the "Cultural Entrepreneurship, Heritage and Cooperation" Programme and at *Category 1 "Works well. No or only minor improvement(s) needed."* for the Certifying Authority.

All recommendations given under the "Cultural Entrepreneurship, Heritage and Cooperation" Programme were adopted by the PO as of the date of issuance of the final audit report. The Audit Authority will follow-up the corrective actions taken by the PO before issuing the Annual Audit Report on the EEA FM and the NFM.

#### 1. Other activities

- Development of the Fourth Annual Audit Report and Annual Audit Opinion under the EEA FM and NFM 2014-2021. The Report and the Opinion were issued on 11.02.2022 and were presented to the NFP, CA and FMO via GRACE;
- Participation in the Annual meeting;
- Participation in workshop and seminars, organized by FMO and NFP.

#### 2. Upcoming activities by the end of 2022

By the end of 2022, the Audit Authority plans the following activities under the EEA FM and NFM 2014-2021:

- Strategic planning of audit activities;
- Completion of the ongoing audit of projects for the fifth accounting year July 2021 - June 2022 under 8 programmes and funds under the EEA FM and NFM 2014-2021;
- Follow-up of the recommendations from audit engagements, performed during 2022;
- Working on the draft Annual Audit Report and Annual Audit Opinion under the EEA FM and NFM 2014-2021 for accounting year July 2021 - June 2022.

## 7. COMMUNICATION

A continuing trend in the reporting period was the active engagement of the NFP in supporting the communication activities of the POs, attending events of beneficiaries (significantly increased in number), taking photos and holding regular meetings of the communication network.

### **Focusing on project results**

Still within the Covid environment, in October 2021 the NFP organized a virtual event open for the public and with two aims: to present key projects in advanced implementation and to showcase the wide area of supported areas under the EEA & Norway Grants in Bulgaria. For this reason, one project for each programme was selected with an intro and moderation by the NFP. The event was shared through Facebook and the web portal, as well as through the Facebook pages of the POs. 94 people registered and 80 attended the event. The overall evaluation was very positive, though we note some areas for improvement, including time management (some presentations were far beyond the time limit), less administrative language (the case with experts from Municipalities who tend to focus on data) and better publicity of the event. The NFP has planned a second virtual event, scheduled for the 29<sup>th</sup> of September.

Taking in mind the discussions during the many Communication Workshops and meetings, organized by the FMO, the NFP has decided to make a step forward with project storytelling. In February 2022 the NFP organized a training on storytelling for the PO communicators. We share our experience as well as good practices acquired from the FMO. We relied on the positive approach of the major impact of stories when it comes to reaching the general audience. As a practical exercise, each PO had to submit a project story and we prepared prizes for the best ones. As we wanted to provide more visibility for our stories, as well as for those of the POs, we added a [dedicated section](#) on our web portal where we keep them together as an ever-expanding story of the EEA & Norway Grants in Bulgaria. Currently the section has 13 project stories in Bulgarian and English. The initiative was presented as a good practice during the Communication Workshop held in Athens June 2022.

Another source of dedicated information about projects and stories is the newly launched in 2022 [Roma Policy Lab](#) web site. As a bilingual source of information dedicated on the Roma focused projects it provided visibility of a horizontal topic that has been a priority for donor and beneficiary states. The portal contains organized data with project information and geographical coverage. It was launched in June with an online discussion about the vaccination challenges in the Roma and a presentation.

### **On the internet**

The network of followers of the Facebook page reached 1750 followers – an increase by 350 from 2020. We can identify two natural reasons for that:

- increased number of projects into implementation showing results with photos and videos (160 publications for the reporting period, an increase by 30 from last year)
- increased number of self-generated content through project visits and storytelling

The web portal continued the trend for increased number of publication with another 50% compared to last year, reaching 470 publications. Again, this is the result of active work from the POs showing results and effects from the implemented projects. Our peak number of views per one day is 830.

The number of uploaded photos at the image library has also increased from 100 to 400 in one year. This is the result of active encouragement from our side to the POs and from them to the beneficiaries.

The overall improved visibility was expected due to the high number of projects – Bulgaria has 373 projects, according to the [Data and Results Portal](#), which makes the country on the fourth place among beneficiaries.

### Highlights from the media monitoring

- The two most popular topics for the media in the reporting period are renewed street lightning and the youth centers as they cover 75% of the publications. This corresponds with the understanding of the big local news with strong effect on the city life that are in the focus of local media attention.
- The single most popular project in the media is also the biggest one in Bulgaria – the construction of a modern prison. As they are some difficulties with the tender procedure and finding a contractor, from communication point of view the outcome of the project might be crucial for the future

### Challenges

- Though being launched, for many projects ongoing public procurements cause a delay in the real effects and results that can be communicated;
- Persuading beneficiaries to publish photos in the image library. In many cases the published photos do not meet the quality requirements
- Being visible on social media without boost – somehow impossible, according to social media experts
- Reaching more paper media content – the difficulty of winning over political news

## 8. MONITORING AND EVALUATION

### a. Monitoring Monitoring

The monitoring activities of the NFP in the period were focused on progress of implementation and observance of agreed timelines specifically with regard to: preparation of guidelines for applicants for the outstanding calls for proposals and pre-defined projects, incl. tackling of problematic issues that impede or delay the launch of the respective calls, the preparation and announcement of larger tender procedures, the implementation of interventions that are most vulnerable to rising prices.

Monitoring took place through organisation of regular technical or ad hoc meetings with POs and project promoters, participation in CC meetings, in evaluation and selection committees, conduct of on-the-spot monitoring meetings to projects. Two Joint technical meetings with the participation of representatives of the FMO were held in October 2021 and February – March 2022.

The NFP took part in a series of meetings to discuss specific project related issues (*Healthcare for everyone* LocDev, *System for Forecasts, Control and Management of HPP*, Energy, Pilot Prison and Training Center, Justice, *Upgrading the Crisis Management Center of the Ministry of Foreign Affairs*, Bilateral Fund) and carried out on-the-spot visits to projects *Youth Center* in Pernik, *Street lighthening* in Burgas and Pazardjik, *Recovery Centre for Children with Oncohematological Diseases* in Kostinbrod, *Innovative Community Care models*, Training Centre in the prison of Pazardzik, Caritas project for unaccompanied minor migrants, Digitalization project of Ivan Vazov National Theatre, Bulgaria and Norway Sing - a project for partnership choral singing, Cleaning of the Burgas Bay Waters, Geothermal Usage project of a kindergarten in Buhovo etc.

The following key findings could be outlined:

- Projects under implementation – there is good progress and delivery of outputs under part of the projects that were contracted in 2019, 2020 and in the first half of 2021. There is as well an increasing number of projects that would require extension of the duration of contracts within the final deadline of 30 April 2024.
- Administrative capacity of POs – POs have stable administrative and expert capacity and working procedures in place to ensure effective monitoring of the implementation of projects. In some cases the POs also rely on external expertise for both verification and monitoring of project outputs (Justice, Home Affairs). Some improvement are necessary under the Culture and Energy Programme.
- Administrative capacity of project promoters – the on-the-spot monitoring visits and meetings with project teams show commitment and good project management skills. There are, however, cases where engagement with project activities is more formalistic or there are many changes at high management level of the PPs that have negatively affected the projects' implementation (Home Affairs Programme);
- The last Calls for proposals under the programmes were prepared and launched with some delay. That was due to several factors: the need to sort out problems identified in the preparation process (state aid regime), changed external circumstances relevant to the programme (migration flows), waiting for results from other project components to feed in the elaboration of the calls. Nevertheless, the PO teams are well organised to complete the evaluation and selection process on time. Due to delays in evaluation process (Justice, Culture) in some cases the maximum duration of the projects is reduced before signing of the contracts in order to be in compliance with the final date of eligibility (30.04.2024 ).
- Problems related to the outstanding PDPs (1 in energy and 1 in Justice) proved to be more complex and hard to find solution. In both cases the risks could have been identified at the

programming stage. Several meetings were held with the POs and PPs to discuss possible solutions to implement the projects, incl. phasing of activities/provision of additional funds;

- Delays admitted at an earlier stage in the start and implementation of larger projects prove to be critical and put at risk the achievement of results when unforeseen circumstances lead to numerous changes in PDP partnerships, the need to re-distribute or re-schedule activities,
- Participation of one and the same donor partner in a large number of projects under one programme/or in different programmes represents a high risk in case that the partner is not well acquainted with the rules and procedures of the programme/s and the obligations for promoters/partners stemming from them.

No external monitoring missions were organised by the FMO during the period. The POs follow the recommendations from previous external monitoring missions, e.g. related to the final version of the call for proposals under Outcome 3 (Roma focus) of the Culture Programme, organisation of an event related to Roma under the Home Affairs Programme, etc.

## b. Evaluation

There were no evaluations carried out in the reporting period.