**APPLICATION GUIDELINES**

**for the Pre-defined Project “Innovative Community Care Models in Favour of People with Chronic Diseases and Permanent Disabilities”**

**DEFINITIONS:**

**“Annex”**: a document amending or supplementing the terms and conditions of a concluded project contract;

**“Donor Partnership Project”**: a project implemented in close cooperation with project partner(s) whose primary location is in one of the Donor States;

**“Donor Programme Partner”**: a public entity in a Donor State designated by the FMC advising on the preparation and/or implementation of a programme, and/or participating in the implementation of a programme;

**“Donor States”**: Republic of Iceland, Principality of Liechtenstein and Kingdom of Norway;

**“Eligible expenditures”**: expenditures which can be approved in a project, in the according to the Article 8.2 “General principles on the eligibility of expenditures”, Article 8.3 “Eligible direct expenditures in a project”, Article 8.4 “Standard scales of unit costs”, Article 8.5 “Indirect costs in projects” and Article 8.6 “Purchase of real estate and land” of the Regulation on the implementation of the European Economic Area Financial Mechanism 2014 – 2021;

**“Evaluation”**: a systematic, objective and independent assessment of the design, implementation and/or results achieved in the programmes and projects with the aim to determining the relevance, coherence and consistency, effectiveness, efficiency, impacts and sustainability of the financial contribution;

**“Excluded costs”**: expenditures which cannot be approved in a project and cannot be included in a claim for reimbursement, in the meaning of Article 8.7 “Excluded Costs” of Regulation on the implementation of the European Economic Area Financial Mechanism 2014 – 2021;

**“Financial Mechanism Committee”** (hereinafter referred to as the FMC): the committee established by the Standing Committee of the EFTA States to manage the EEA Financial Mechanism 2014 – 2021;

**“Financial** **Mechanism Office”** (FMO): the office assisting the FMC in managing the EEA Financial Mechanism 2014-2021. The FMO, which is administratively a part of the European Free Trade Association, is responsible for the day-to-day implementation of the EEA FM 2014-2021 on behalf of the FMC and serves as a contact point;

 **“International Partner Organisation”** (IPO): international organisation or body or an agency thereof, involved in the implementation of the EEA Financial Mechanism 2014 – 2021, designated by the FMC;

**“Irregularity”**: any infringement of the legal framework of the EEA Financial Mechanism or any provision of European Union law or of the national law of the Beneficiary State, which affects or prejudices any stage of the implementation of the EEA Financial Mechanism 2014 – 2021 in the Beneficiary State, in particular, but not limited to, the implementation and/or the budget of any programme, project or other activities financed by the EEA Financial Mechanism 2014 – 2021;

**“Monitoring”**: the observation of programme and project implementation in order to ensure that agreed procedures are followed, to verify progress towards agreed outcomes and outputs and to identify potential problems in a timely manner so as to allow for corrective action;

**“National Focal Point”**: a national public entity (the Central Coordination Unit Directorate within the Administration of the Council of Ministers of the Republic of Bulgaria) designated by the Beneficiary State to have the overall responsibility for reaching the objectives of the EEA Financial Mechanism 2014 – 2021 and implementing the MoU;

**“Non-governmental organisation** (NGO): a non-profit voluntary organisation established as a legal entity, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs;

 **“Project grant/Project financing”**: a grant awarded by a programme operator to a project promoter to implement a project;

 **“Programme”**: a structure setting out a development strategy with a coherent set of measures to be carried out through projects with the support of the EEA Financial Mechanism 2014 – 2021 and aimed at achieving agreed objectives and outcomes;

**“Programme agreement”**: an agreement between the Financial Mechanism Committee (FMC) and the National Focal Point (NFP) regulating the implementation of a particular programme;

**“Programme area”**: a thematic field within a priority sector with specific objectives and specific measurable results;

**“Programme grant”**: the financial contribution from the Donor States to a programme;

**“Programme implementation agreement”:** an agreement between the Programme Operator (PO) and the National Focal Point (NFP), regulating the implementation of a particular programme.

**“Programme Operator”**: a public or private entity, commercial or non-commercial, as well as non-governmental organisations, having the responsibility for preparing and implementing a programme;

**“Programme Partner”**: a public or private entity, commercial or non-commercial, as well as non-governmental organisation, international organisations or agencies, actively involved in, and effectively contributing to the implementation of a programme;

 **“Project”:** an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls. A project may include one or more sub-projects. Without prejudice to Article 6.5 of Regulation on the implementation of the European Economic Area Financial Mechanism 2014 – 2021, projects are selected by the Programme Operator.

**“Project contract”**: an agreement between the programme operator and the project promoter/beneficiary regulating the implementation of a particular project;

**“Project grant/Project financing”**: a grant awarded by a programme operator to a project promoter to implement a project;

**“Project Partner”**: a natural or legal person actively involved in, an effectively contributing to, the implementation of a project. It shares with the Project Promoter a common economic or social, goal which is to be realised through the implementation of that project;

**“Project Promoter/Beneficiary”:** a natural or legal person having responsibility for initiating, preparing and implementing a project;

 **“Project proposal”**: a proposal for the award of a grant financed from EEA FM 2014-2021, which includes an application form and other requisite supporting documents;

**ABBREVIATIONS**

DPP Donor Programme Partner

ЕЕА European Economic Area

ЕЕA FM European Economic Area Financial Mechanism

EU European Union

FMC Financial Mechanism Committee

FMO Financial Mechanism Office

IPO International Partner Organisation

NFP National Focal Point

PO Programme Operator

VAT Value Added Tax

**1. Programme title:**

“Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups”

**2. Programme area:**

РА 10: Local development and poverty reduction

**3. Title of the operation:**

“Innovative Community Care Models in Favour of People with Chronic Diseases and Permanent Disabilities”

**4. Territory of the project implementation:**

North-Western Region of Bulgaria (Disadvantaged region)

**5. Objectives and target groups:**

**5.1. Overall objective:**

Improve the access of vulnerable groups in remote and rural areas to professional health care and social support by creating innovative models of community-based medical and social services.

**5.2. Specific objectives:**

Piloting a teleassistance service with a view to ensuring continuous monitoring of the health and social status of people with chronic diseases and disabilities, aged 50+, living in remote and rural areas;

Developing an emergency response system, facilitating interinstitutional communication and ensuring need-based access to services;

Setting up multidisciplinary teams of health-care and social-service experts trained for the needs of the tele-assistance services;

Extending the scope of the existing BRC Home Care network by establishing three new Home Care Centres in Vidin and Montana districts, as well as mobile units to the existing centres in Vratsa District, thereby increasing the number of beneficiaries;

Designing innovative and flexible training programmes awarding qualification in the provision of integrated medical and social services to health-care and social-service experts;

Developing effective models for social inclusion of Roma and other ethnic minorities through provision of quality vocational training and employment opportunities in the area of integrated community-based health and social services;

Setting up volunteer teams in support of the homecare centres and tele-assistance services through provision of adequate training and design of a communication and coordination system;

Developing a platform bringing together service providers and other stakeholders for joint work on the design of quality and sustainable integrated medical and social services for different target groups.

**5.3. Target groups:**

People with chronic diseases or disabilities (aged 50+) living in remote or rural areas

**6. Demarcation with similar projects/programmes:**

The system of social services for elderly people and people with disabilities in Bulgaria has considerably extended its coverage recently thanks to reforms towards deinstitutionalisation and greater availability of community-based services and homecare. Such services include: social assistants, domestic helpers, home social patronage, other homecare services. In the health care system, however, care is concentrated exclusively in the hospital sector and the transition to greater availability of outpatient medical services is long and difficult. The implementation of information and communication technologies in the health care and the social sector is underdeveloped and the tele-assistance model is underestimated.

The project should complete the results achieved through other projects, programmes and measures, financed by the national budget, the EU funds orby other sources, thus remaining in line with the changes of the sectorial policies.

It is mandatory to draw a clear demarcation line between the current project proposal and the similar procedure to be financed by the Operational Programme “Human Resources Development” 2014-2020, and also with „Home Care for Independent and Decent Living“ Project financed under the Bulgarian-Swiss Cooperation Programme.

The present component aims at the implementation of an innovative model of telecare and support for people with chronic diseases and disabilities in their homes.

**7. Expected results and indicators:**

**7.1. Expected results:**

**Overall results:**

Increased social and economic development in disadvantaged municipalities

 Enhanced collaboration between Beneficiary and Donor State entities involved in the Programme

**Specific results:**

Three new home care centres fully operational - in **Vidin and Montana districts;**

Mobile units at the existing Home Care Centres in **Vratsa District** set up and operational;

Multidisciplinary teams of health-care and social-service experts trained for the needs of teleassistance set up and operational;

Innovative and flexible training programmes awarding qualification in the provision of integrated medical and social services to healthcare and social-service experts designed and approved;

Effective model for social inclusion of Roma and other ethnic minorities through provision of quality vocational training and employment opportunities in the area of integrated community-based health and social services designed and approved.

**7.2. Indicators**

Elderly individuals with chronic diseases and permanent disabilities benefiting from the home care – 750;

Elderly individuals benefiting from the telecare or tele-assistance service (gender disaggregated data, Roma) – 500

Percentage of elderly individuals – beneficiaries of tele-assistance, satisfied with the services provided – 85%

Number of jobs created in disadvantaged municipalities for the needs of the home care / tele-assistance services (Number of nurses, domestic helpers and tele-assistance staff trained and recruited) – 45

Number of Home Care Centres for elderly people supported **-** 7

Level of satisfaction with the partnership relations with the donor programme partners

Level of trust between the partner organisations

Number of beneficiary-state participants taking part in exchange of experience with donor programme partners - 5

Number of donor state participants taking part in exchange with Bulgarian partners - 5

Partnership agreement between the project promoter and donor-state organisations signed and implemented - 1

**8. Total cost of the component:**

 Total cost of the component - EUR 3 333 333

**9. Minimum and maximum amount of the project grant:**

The maximum grant amount **is EUR 3 000 000** (i.e. 90% of the total project cost).

**10. Co-financing rate:**

10% of total project cost (i.e. EUR 333 333)

**11. Eligible applicants / project promoters:**

Project promoter / beneficiary pre-defined in the Programme Agreement: **Bulgarian Red Cross.**

The applicant is directly responsible for the project implementation.

For this purpose, the applicant should prove:

* **Administrative capacity:**

The project organisation and management team must correspond (in terms of number and professional experience of team members) to the nature and volume of the activities set out. The team leader should have at least 3 years of experience in the management of projects of similar nature and budget and the team members should have participated in at least one project financed under European union funds and other international sources.

The applicant should present the CVs of the team members in evidence of availability of administrative capacity.

* **Financial capacity:**

The applicant must be financially sound and able to provide the respective project co-financing.

For this purpose, the applicant should present the Annual Financial Statement for the most recent financial year for which the accounts have been closed. The applicant should also declare the origine of the co-financing funds.

* **Operational capacity:**

The applicant must have successfully implemented at least one project of a similar nature and/or budget in the past three years.

This information should be given in the description of applicant section in the Application Form. Copies of relevant contracts concluded for the implementation of similar activities in the past three years shall be presented in evidence of the provided information.

**12. Eligible partners:**

**12.1.** From Bulgaria: The Ministry of Health and the Ministry of Labour and Social Policy.

**12.2**. From the donor states: the Norwegian Association of Local and Regional Authorities (KS)

When submitting the project proposal, the applicant shall present a Partnership Agreement signed by the authorised representatives of the relevant organisations **or** a letter of intent (for foreign partners) and before the conclusion of the project contract the applicant shall present the Partnership Agreement **signed by all partners** (Annex No. 1 hereto).

The **Partnership Agreement** shall contain the following:

а) provisions on the roles and responsibilities of the parties;

b) provisions on the financial arrangements between the parties, including but not limited to which expenditures the project partners can get reimbursed from the project budget;

c) provisions on the method of calculating indirect costs and their maximum amount;

d) currency exchange rules for such expenditure and its reimbursement;

e) provisions on audits on the project partners;

f) a detailed budget;

g) provisions on dispute resolution.

The partnership agreement shall be in **English – according to the model enclosed herein.**

The eligibility of the expenditures incurred by the project partners shall be governed by the same limitations which would apply if the expenditure was incurred by the project promoter.

The establishment and actualisation of relations between the beneficiary and the project partners shall comply with the applicable national and European procurement legislation and with Article 8.15 of the Regulation.

The partnership agreement signed by the authorised representatives of the relevant organisations, or the letter of intent (for foreign partners) shall be submitted to the Programme Operator together with the application documents. Before the project contract is concluded, the applicant shall submit the Partnership Agreement signed by all partners.

**13. Eligible activities:**

**13.1. General requirements:**

All activities financed by EEA FM 2014-2021 shall have the following characteristics:

* They shall be based on the common values of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights, including the rights of persons belonging to minorities;
* They shall follow the principles of good governance; they shall be participatory and inclusive, accountable, transparent, responsive, effective and efficient. There shall be zero tolerance towards corruption;
* They shall be consistent with sustainable development, long-term economic growth, social cohesion and environmental protection;
* They shall follow a risk management approach.

**13.2. Eligible activities in the specific pre-defined project:**

- management activities – up to 7 % of total project costs;

- communication and publicity activities;

- audit activities;

- social inclusion activities;

- poverty reduction activities;

- educational activities;

- recruiting and training volunteers for home care provision;

- construction and repair activities and supplies of equipment/furniture – up to 15 % of total project costs;

- activities for sharing of good practices;

- activities for strengthening bilateral relations.

**13.3. Mandatory project activities:**

* Establishing three new home care centres in Vidin District and Montana District and mobile teams thereto;
* Restoring the operation of the mobile teams at the four home care centres functional in Vratsa District;
* Provision of home care to total 750 elderly individuals with chronic diseases and permanent disabilities in the regions of Vidin, Vratsa and Montana;
* Establishing and equipping a pilot tele-assistance call centre;
* Provision of telecare / tele-assistance services to 500 individuals in the districts of Vidin, Vratsa and Montana;
* Improving the qualification of the home care providers (incl.: according the forthcoming Methodology of the Ministry of Health for providing home care to elderly people and people with diseases);
* Review of the relevant legislation and development of legislative proposals and quality standards for telecare / tele-assistance services;
* Information and publicity activities, including a Communication Plan;
* Activities in cooperation with donor programme partners.

**13.4. Territorial coverage**

Vratsa, Vidin and Montanadistricts

1. **Risk analysis**

In the description of the project implementation modalities in the Application Form the applicant shall describe possible risks, the likelihood of occurrence thereof and the effect they would have on the achievement of the project results, as well as the measures envisaged to prevent or address such risks.

1. **Eligible expenditures:**

**15.1. General principles on the eligibility of expenditures**

Only eligible expenditures will be considered to be funded.

They are determined on the basis of the following requirements of the Regulation on the implementation of the EEA Financial Mechanism 2014 – 2021, Article 8.2 “General principles on the eligibility of expenditures”:

- the expenditures are incurred between the first and the final dates of eligibility of a project, as specified in the project contract;

- they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;

- they are proportionate and necessary for the implementation of the project;

- they must be used for the sole purpose of achieving the objective(s) of the project and its expected outcomes, in a manner consistent with the principles of economy, efficiency and effectiveness;

- they are identifiable and verifiable in particular through being recorded in the accounting records of the Project promoter and/or project partner is established and according to generally accepted accounting principles in the accounting records of the project beneficiary and/or partner and determined according to the applicable accounting standards of the country where the beneficiary and/or partner is established;

- they comply with the requirements of applicable tax, any social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services or works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility of project expenditures. Indirect costs (overheads) and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the Project Promoter and/or Project partner.

Where equipment/furniture is purchased, only the portion of depreciation corresponding to the duration of the period of eligibility of project expenditures or, in special cases, the rate of actual use of the asset may be considered eligible expenditure.

The project promoter’s accounting principles and auditing procedures must permit cost accounting of expenditures and revenue declared in respect of the project and easy access to the basic accounting records and secondary accounting documents.

**15.2. Eligible expenditures of the specific pre-defined project**

**According to Article** **8.3 of the Regulation,** the eligible direct expenditures for the project are those expenditures which are identified by the project promoter and/or the project partner, in accordance with their usual accounting principles and internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly.

The following direct expenditures are eligible providing that they satisfy the criteria set out in Article 8.2 of the Regulation:

 - The cost of staff assigned to the project, comprising actual salaries and plus social security charges and other statutory costs included in the remuneration, provided that this corresponding to the project promoter’s and project partner’s usual policy on remuneration. The corresponding salary costs of staff of national administration are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project were not undertaken. Total project management costs shall not exceed 7 % of the total eligible expenditure of the project.

- Travel and subsistence allowances for staff taking part in the project. Following the principle of proportionality, travel costs, including subsistence allowance, may be calculated as a lump sum, on the basis of defined rules approved by the Programme Operator. Planned expenditures should be budgeted according to the Ordinance on business trips in Bulgaria and the Ordinance on business trips and specialisations abroad, as well as selecting the most economical route and mode of transport;

- Cost of equipment and furniture. In case the Programme Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may, by way of exception from the rule contained in paragraph 4 of Article 8.2 of the Regulation, be eligible;

- Purchase of land and real estate under the conditions set in Article 8.6 of the Regulation;

- Costs of consumables and supplies, provided that they are identifiable and assigned to the project;

- Costs entailed by other contracts awarded by a Project Promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement and this Regulation. When expenditures are incurred for external contractors, the national procurement legislation shall apply;

- Costs arising directly from requirements imposed by the project contract for each project, including but not limited to costs of information and publicity, audit, etc.

Where the entire purchase price of equipment/asset is eligible, PO shall impose specific requirements to the Project Promoter:

- The Project Promoter undertakes to keep the equipment/asset in its ownership and not change its intended purpose for a period of at least 5 years following the approval of the final project report and to ensure that the equipment/asset will be used for the benefit of the objectives of the project for the same period;

- The Project Promoter undertakes to keep the equipment/asset property insured in a licensed in Bulgaria company against normally insurable incidents (such as theft, fire, etc.) both during project implementation and for at least 5 years following the approval of the final project report (Art. 8.3.2, (b) of the Regulation);

- The beneficiary undertakes to ensure appropriate resources for the maintenance of the equipment/asset for at least five years following the approval of the final project report.

The specific requirements for the implementation of the above obligations shall be specified in the project contract.

According to **Article 8.5 of the Regulation, eligible indirect costs** are eligible costs that cannot be identified by the Project Promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall indirect costs (overheads) of the Project Promoter or the project partner. Indirect costs may be identified according to one of the following methods:

- based on actual indirect costs for those Project promoters and project partners that have an analytical accounting system to identify their indirect costs as indicated above;

- a flat rate of up to 25% of total direct eligible expenditures, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or the project partner. When this method is applied, the rate shall be calculated on the basis of a fair, equitable and verifiable method or a method applied under schemes for grants funded by the State for similar types of projects and project promoters;

- a flat rate of up to 15% of direct eligible staff costs without there being a requirement for the PO to perform a calculation to determine the applicable rate;

- a flat rate applied to direct eligible costs based on existing methods and corresponding rates applicable in EU policies for similar type of projects and Project Promoters;

- in the case of Project Promoter or project partner that are international organisation or bodies or agencies thereof, indirect costs may, in line with specific provisions in the programme agreement, be identified in accordance with the relevant rules established by such organisations.

The method of calculating the indirect costs and their maximum amount shall be determined in the project contract. The method of calculation of indirect costs of a project partner shall be stipulated in the partnership agreement.

1. **Excluded costs**

According to Article 8.7 of the Regulation, the following costs shall not be considered eligible:

* Interest on credits, debt service charges and the late payment fees;
* Charges for financial transactions and other purely financial costs;
* Provisions for losses or potential future liabilities;
* Exchange losses;
* Recoverable VAT;
* Costs that are covered by other sources;
* Fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project;
* Excessive or reckless expenditure.

According to Article 9.3.5 of the Regulation on the implementation of EEA FM, expenditure that are not reported in two consecutive reporting periods shall be considered ineligible. For the purposes of this requirement, two consecutive reporting periods shall be: the period in which the expenditure are due to be reported and the second period following the first one.

1. **Instructions on completing the budget:**

**17.1. The budget is an element of the Application Form in UMIS 2020 and includes a Budget section and a Financial Planning section.**

* The budget (provided in the Application Form)should cover all eligible expenditures for the implementation of the project, not only the grant. If co-financing by the applicant is envisaged for the project, it should be included in the budget description. Expenditures incurred by partners are governed by the same rules and requirements as those for the Beneficiary. Therefore, they shall be described in the budget. Furthermore, the financial commitments between the partners should be detailed in the Partnership Agreement.
* The budget shall be presented in 2 versions: (1) in euro & (2) in Bulgarian leva. Values shall be rounded up to the second decimal point. For expenditure planning purposes, a rate of **1 euro = 1,9558 leva** shall be applied.
* When completing the Budget, the applicant shall plan all expenditures. When completing Indirect costs, the reporting method thereof should be described. Beneficiaries are not required to complete the Indirect Costs line if they have not envisaged spending under this method.
* The total value of the expenditure necessary for the implementation of an activity should be given in the Application Form, Implementation Plan/Project Activities section, Value box. The total amount of the planned expenditures broken down by activity should correspond to the values planned in the budget.
* When completing the budget, the applicant should follow the budgetary framework, however **new types of expenditure** other than the indicated ones **may be added**.

**All costs shall be completed in the relevant lines with VAT included for the budget items where it is unrecoverable in the meaning of** Minister of Finance Instructions NFD No. 3/23.12.2016 regarding the treatment of VAT as eligible expenditure in the implementation of projects under the operational programmes co-financed from the European Regional Development Fund (RDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF) of the EU in the 2014-2020 programming period and a declaration to that effect is enclosed by the applicant.

**17.2. Financial information – sources of finance / Financial plan**

The system carries forward automatically the total budget amount from the Budget section to section Financial information – sources of finance in the Application Form.

The applicant should complete the following boxes in the table:

* Co-finance by the beneficiary/partners **(funds from budget organisations)** – if own contribution is envisaged in the project budget. If own contribution is not envisaged, the box shall not be completed.
* Co-finance by the beneficiary/partners (funds from **beneficiaries that are not budget organisations**) – if own contribution is envisaged in the project budget. If own contribution is not envisaged, the box shall not be completed.

Both parts of the Application Form referring to the project budget (Budget section and Financial information – sources of finance section) must be completed!

The Budget must not include expenditures which are not justified and linked to a specific activity in the project proposal.

All costs covered by the project budget should correspond to the description of the activities in the Application form. Activities should identify objectives that are specific, measurable, achievable, relevant and timed. The achievement of those objectives is monitored through performance and result indicators for each activity.

The planned expendirutes should correspond to the project activities and their implementation phases. The resources for the implementation of the activities should be planned in the appropriate quantity and quality and at the best price and shall be specified in the description of the relevant activity.

When budgeting for expenditures, there should be optimal balance between the resources used to reach the specific targets identified and the achievement of the results planned.

1. **Applicability of de minimis/state aid rules (if relevant)**

 The financing ensured by the programme for the project **“Innovative Community Care Models in Favour of People with Chronic Diseases and Permanent Disabilities”** is not considered as state aid.

Therefore, the project proposal should matchthe following requirements as determined by the Ministry of Finance:

* The information should be structured and supplemented so that it is clear that, for the purpose of implementing the project activities, BRC does not act as an enterprise and the activities are not market oriented;
* The project activities should be implemented by BRC in cooperation with the Ministry of Health and the Ministry of Labour and Social Policy (or on their initiative) acting by executing public power and the project activity should relate to / constitutes a task that forms part of the essential functions of the State;
* The project should have a pilot character: the project activities should not have comparable market analogue and no other entity should be interested in or capable of implementing them. Therefore, the project implementation should have no effect on the market and on the existence of such an activity in general and it should only serve the pilot approval of the model so as to test it and to create the future regulation of the implementation of integrated health and social services.

In order to exclude the applicability to the state aid regime at a later stage, there is a need to clearly define the regulation of the new activity as non-economic after the completion of the project activities.

 If the implementation of the project requires some economic activities which are not under the legal monopol of the applicant, the above mentioned activities should be executed by organizations selected under an open, transparent and nondiscriminatory public procedure in accordance with points 89-96 of the Commission Notice on the Notion of State Aid, according to the art.107, § 1 of the Treaty of the Functioning of the European Union.

1. **Principles of implementation of the pre-defined project**

This component is implemented pursuant to the horizontal principles laid down in the Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups Programme.

According to the Regulation on the implementation of EEA FM 2014 – 2021, all programmes and activities funded by the EEA FM 2014 – 2021 shall be based on the common values of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights, including the rights of persons belonging to minorities.

All programmes and activities funded by the EEA FM 2014 – 2021 shall follow the principles of good governance: they shall be participatory, inclusive, accountable, transparent, responsive, effective and efficient. There shall be zero-tolerance towards corruption.

All programmes and activities funded by the EEA FM 2014 – 2021 shall be consistent with sustainable development, long-term economic growth, social cohesion and environmental protection.

All programmes and activities funded by the EEA FM 2014 – 2021 shall follow a results based and risk management approach.

**All horizontal principles shall be observed and applied in the design and implementation of the activities of each project proposal.**

**Equal opportunities and non-discrimination**

The project shall ensure equal opportunities and non-discrimination on grounds or gender, race, skin colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, property status, origin, disability, age or sexual orientation, taking account of the needs of the different target groups at risk of such discrimination.

**Gender equality**

Respect for the principle of equality between women and men shall be ensured throughout the design and implementation of the project.

 **Sustainable development**

The beneficiary/project promoter shall envisage specific measures and allocate resources for ensuring sustainability of project outcomes.

1. **Minimum and maximum project duration:**

**The implementation of the project activities should be completed within 48 months. Prolongation is possible only after the FMO approval, but not later than 30.04.2024.**

1. **Submission of the pre-defined project**

 The project shall be submitted via the Unified Management Information System UMIS 2020.

The project proposal shall be designed, submitted and registered in UMIS 2020 as follows:

The applicant shall log into UMIS via the e-service module at:  [**https://eumis2020.government.bg**](https://eumis2020.government.bg/)**/**

The applicant shall register in the system as a new user (if applicable) whereupon it shall have access to the system with a user name (e-mail) and a password.

The applicant should bear in mind that the e-mail with which it registers as a user in UMIS 2020 is associated with applicant’s profile. The communication (correspondence) with the applicant during the evaluation of the project proposal shall be effected electronically, via applicant’s profile in UMIS 2020 from which the relevant project is submitted and changes to the profile specified are not possible.

The applicant shall select programme BGLD Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups Programme, from the menu of available open submission procedures. Then the applicant shall download a new project proposal for the relevant application procedure.

The applicant shall complete the application form following the Guidelines on submitting project proposals (<https://eumis2020.government.bg/bg/s/Home/Manual>). The system offers an option for correcting, saving and supplementing the form while it is in editing mode (draft). Each form can be saved locally, in a special format file which can only be opened by UMIS 2020. The system permits a locally saved application form file to be downloaded and edited by another user registered in the system, when necessary.

The applicant shall attach the additional documents required by PO (as specified in clause 24 of the Application Guidelines) in a special section in the Application form. There is no need for these documents to be signed with electronic signature if they are scanned copies of the originals (already signed on paper).

The applicant shall indicate in the system when it finalises the Application form. Before finalising the Application form, the applicant can check it for errors using the button “Check form for errors” from the menu at the bottom of the screen.

The system permits saving of the created Application form on applicant’s work computer, having it signed with QES by one or several representatives of the applicant and attaching the generated files.

If the steps described above are correctly fulfilled, the applicant shall send the Application form and the documents thereto via the system.

The system will register the submitted project proposal and will generate a registration number.

The system will send notification that the project proposal is registered with the relevant registration number to the specified e-mail address of the user.

Videos showing in detail the process of registration of an applicant in UMIS 2020, the process of creation of a project proposal and the process of signing with QES and submitting the project proposal are available at:

 https://www.youtube.com/watch?v=-yFYWpsnT54

<https://www.youtube.com/watch?v=pX7nhlxmJAI>

<https://www.youtube.com/watch?v=__rq_vJCi7>A

Pending completion of the work of the evaluation commission, the applicant may withdraw its project proposal by submitting to PO a request in writing on paper carrier signed by at least one representatives of the applicant and stamped and this shall be recorded in UMIS 2020 by a system user having the relevant access rights. The proposal withdrawn shall not be examined by the Evaluation committee.

The Application form - in both **English and Bulgarin -** must be completed carefully and as clearly as possible so that it can be properly evaluated. Any errors or non-conformities made during the completion of the Application Form may result in rejection of the project proposal.

When evaluating the project proposals, the evaluation committee may request the applicants to submit additional information or document (only the Application Form may not be additionally requested because it must be completed and presented at the submission of documents). Communication with applicants shall be effected through the Unified management information system - UMIS 2020, via applicant’s profile and its associated user e-mail address.

1. **Deadline for submission of the pre-defined project**

The deadline for submission of the project proposal is February 18, 2019, 18 h.

1. **Procedure for evaluation of the pre-defined project:**

 While the pre-defined project concept note is approved by the donors in advance and included in the Programme Agreement, when the final (detailed) project version is submitted, the Programme Operator should verify that the project meets the general requirements of Article 7.4. of the Regulation, as well as the specific requirements identified in the Application Guidelines for the corresponding pre-defined project.

The head of PO shall designate a committee to make the quality evaluation of the pre-defined project, identifying the specific tasks and responsibilities of each committee member and the deadline by which the committee is to complete its work. Representatives of NFP and FMO shall be invited to take part in the evaluation process as observers.

 The project shall be evaluated in accordance with the criteria and the methodology in the evaluation grid hereto attached. The criteria shall be coordinated with the Programme Operator’s partners and shall not be changed during the procedure. The evaluation shall be made in UMIS 2020 and shall be documented by completion of evaluation tables.

The evaluation of the pre-defined projects shall include the following two phases:

* According to Article 6.5.3 of the Regulation, PO shall examine all documents submitted for the project to verify that they comply with EU and national legislation. If any document is missing or is not submitted in the required form, the applicant shall be granted reasonable time (not less than a week) to submit it.
* The quality of the pre-defined project shall be evaluated by two independent evaluators (at least one of whom shall be an external expert to the Programme Operator). Each evaluator shall verify project’s compliance with the criteria published in the Application Guidelines and shall reflect his/her judgement in the relevant evaluation sheet. If any explanations are required from the beneficiary, the evaluators may request them in writing. The beneficiary shall also submit the explanations in writing (not later than one week after being requested to do so). All of the correspondence exchange shall be in UMIS 2020.

Evaluators may at any time examine the information declared by the applicants/the Bulgarian partners and request explanations about the documents submitted in accordance with the List of documents submitted at each application phase included herein.

The date specified in UMIS 2020 shall be considered to be the date of receipt of the requests for documents. The requests for submission of additional documents and explanations shall be sent via UMIS 2020. **Applicants should therefore regularly check their UMIS 2020 profile**.The applicant shall provide additional explanations and/or documents via UMIS as a reply to a question of the evaluation committee. The reply shall be signed with a qualified electronic signature (QES) via UMIS. The date of arrival in UMIS shall be considered to be the date of presentation of the documents/information.

**NB**! **After the deadline for reply to a question of the evaluation committee or for provision of additional explanations and documents, UMIS 2020 does not permit the sending of a reply.**

A video showing the whole process of giving a reply on a question of the Evaluation committee is presented at the web address hereunder. The video also shows the options of signing the reply with QES, depending on the electronic signature provider.

 [https://www.youtube.com/watch?v=x6T0AavwC6](https://www.youtube.com/watch?v=x6T0AavwC68)8

The technical process of submission of additional information/documents is detailed in the System Operation Manual available at:

 [https://eumis2020.government.bg/bg/s/Home/Manua](https://eumis2020.government.bg/bg/s/Home/Manual)l

On the basis of the project evaluation, the Head of PO shall prepare a decision for funding of the pre-defined project, containing information about the total amount of the awarded grant, the corresponding co-financing by the beneficiary, as well as recommendations (if any) by the evaluating experts to be included in the project contract.

PO shall notify the applicant about the approval decision in writing, whereupon the procedures for conclusion of a Project Contract.

The project implementation conditions are described in the **Guidelines** for Beneficiaries for the implementation of projects under “Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups” Programme, financed by the EEA FM 2014 – 2021.

During the implementation of the project activities, the beneficiary shall comply with all requirements in the Guidelines for Beneficiaries, the contractual obligations and the terms of the Regulation on the implementation of EEA FM.

Sums unduly paid and over-paid shall be reimbursed and amounts wrongly received or badly used shall be recovered pursuant to Article 3 (1) 3) of the National Revenue Agency Act and Section II of Minister of Finance Ordinance No. Н-3/22.05.2018 laying down rules for payment, verification and certification of expenditures, recovery and writing off of irregular expenditures and for accounting, as well as the deadlines and rules for closing the financial year under the operational programmes and the European territorial cooperation programmes.

1. **List of the documents required at the application stage:**

In addition to the completed Application Form, applicants shall present the following documents which shall be uploaded in the project proposal section of UMIS 2020.

1. **Notarised power of attorney** (for the state and municipal authorities – a certified copy of an order) authorising a person representing the applicant (if relevant) with regard to the submission of the project proposal and signing of the form with QES – scanned and uploaded in UMIS 2020. Where an organisation is jointly represented by several persons, the declarations shall be signed by all of them.
2. **CVs** of the project management team – according to a model form downloadable from <http://europass.cedefop.europa.eu/bg/documents/curriculum-vitae>, signed, scanned and uploaded in the system.
3. **Declaration of compliance of the applicant/partner No. 1 (for public bodies)** – It shallbe completed by all persons empowered to represent the applicant/partner, whether jointly or severally, and designated as such in a constituent instrument, where such circumstances are not registrable. The declaration shall be signed by each person on paper carrier, scanned and uploaded in UMIS 2020. A declaration on behalf of the legal representative may not be signed by the authorised persons because it is used to declare data in a personal capacity or data for the relevant legal person, misrepresentation whereof is punishable as a criminal offence and the liability for that is also personal.
4. **Declaration of compliance of the applicant/partner No. 2 (for NGOs/legal persons)** – It shallbe completed by all persons empowered to represent the NGО/legal person, whether jointly or severally, and are registered in the commercial register or the register of non-profit legal persons, or are designated as such in a constituent instrument, where such circumstances are not registrable. The declaration shall be signed by each person on paper carrier, scanned and uploaded in UMIS 2020. A declaration on behalf of the legal representative may not be signed by the authorised persons because it is used to declare data in a personal capacity or data for the relevant legal person, misrepresentation whereof is punishable as a criminal offence and the liability for that is also personal.
5. **Declaration No. 4 on the participation of consultants** in the project proposal design. It shall be completed by the beneficiary using an attached form.
6. **Declaration No. 5 on VAT treatment.** It shall be signed by all organisations – applicant and partners that will use project funds.
7. **Declaration No. 6 on the origin of the financial contribution –** It shall be completed if project co-financing is envisaged.
8. **Partnership Agreement**, according to Annex No. 1 hereof **or a letter of intent** if the partner is from a Donor State. The partnership agreement or the letter of intent shall be drafted in English if the partner is from a Donor State.
9. **Balance sheet for the preceding year** (for candidates and partners from Bulgaria) – It shall be scanned and uploaded in UMIS 2020. The financial statements shall comply with Article 25 of the Accounting Act. The financial statements shall be signed by the manager of the undertaking and by the individual who has drawn it up, or by the representative and/or manager of the accounting firm, when the financial statement is drawn up by such firm. The financial statements shall specify the name of the person and shall bear the stamp of the undertaking and the stamp of the accounting firm. *Not applicable for primary budget spender.* Where the applicant is a secondary budget spender, a letter of support by the relevant primary budget spender or another document confirming/evidencing that their approved expenditure shown in the budget for the current year are higher than the funding requested.
10. **Certificate of registration of the organisation** (for donor project partners) in the relevant organisation registers (if applicable), mandate of the person representing the organisation in the collaboration.
11. **Documents evidencing the level of project preparation (for construction works):**

Where some of the documents cannot be uploaded to the project proposal in UMIS 2020, the applicant shall, before the deadline of the procedure, send them with a cover letter to the following address: Sofia, 2A, Kniaz Al. Dondukov, for registration in the records management system of MES;

Where technical/detailed design under the Spatial Development Act is required for the construction works and the applicant has it available in the application phase, the activities identified in the project proposal shall be based on:

* A notary deed for immovable property or another applicable document evidencing the title on the property at the time of applying.
* A municipal council decision (where the object of intervention is municipal property) or a declaration/decision by the owner of the building/property declaring that the use of the building/premises object of intervention under the project will not be changed for a period of not less than 5 years after completion of the project activities; a consent and commitment for implementation of the project.
* Energy audit and a valid energy performance certificate of a building in use, prepared pursuant to Article 48 of the Energy Efficiency Act, for each building – object of intervention.
* Technical or working design under the Spatial Development Act (SDA) and Ordinance No. 4 on the scope and content of investment projects, accompanied by detailed bills of quantities for the relevant parts by type of construction works, and bill of quantity in full conformity with the bill of quantities of the designers.

The technical/working design should be duly cleared with all operating companies and other coordination bodies under the existing regulations and shall be approved by the chief architect of the municipality or the chief architect of the regional administration, depending on the category of the building, where that us required under SDA.

* Assessment of investment project’s compliance with the essential requirements to construction jobs, prepared as a synthesis report by a licenced consulting company (independent construction supervision) for 1-st and 2-nd category construction works or a Decision of the expert council of the approving administration for 3-rd and 4-th category construction works, pursuant to Article 142 (6) of SDA.
* A building permit pursuant to Articles 148-156 of SDA, if applicable.
* Positive environmental impact assessment (if such is required under Article 81 of the Environment Protection Act and the existing subordinate legislation) for each object of intervention included in the project proposal.
* Assessment under Article 31 of the Biological Diversity Act of project’s conformity with the scope and objectives of protection of special areas of conservation, if such is required, for each object of intervention included in the project proposal – a copy certified and stamped by the applicant and marked “True copy”;
* Environmental impact assessment decision pursuant to Article 8 of the Ordinance laying down the terms and procedure for conducting environmental impact assessment, specifying that “EIA is not required” or EIA Decision for approval under Article 18 of the same ordinance. The applicant should check with the relevant competent institution the need to conduct EIA for each object of intervention.
* Approval decision under Article 18 or Article 28 of the Ordinance laying down the terms and procedure for conducting an assessment for conformity of plans, programmes, projects and investment proposals with the scope and objectives of protection of special areas of conservation (if applicable).
* Other authorisations and/or coordination documents issued by the relevant institutions (if such are required under the existing Bulgarian law).
* Technical specifications of the equipment and/or supplies to be purchased under the project, if applicable.

Where a fully prepared investment project (including a building permit) is not available for the object of intervention in the applying phase, the activities set out in the project proposal, as well as the cost estimates shall be based on:

* Preliminary design and summary bill of quantities by aggregated indicator;
* General project situation (sketch, drawing) with an explanatory note, certified by a qualified designer and summary bill of quantities by aggregated indicator (if engineering is envisaged for the objects of intervention);
* Positive environmental impact assessment (if such is required under Article 81 of the Environment Protection Act and the existing subordinate legislation) for each object of intervention included in the project proposal; or
* Environmental impact assessment decision pursuant to Article 8 of the Ordinance laying down the terms and procedure for conducting environmental impact assessment, specifying that “EIA is not required” or EIA Decision for approval under Article 18 of the same ordinance.
* Approval decision under Article 18 or Article 28 of the Ordinance laying down the terms and procedure for conducting an assessment for conformity of plans, programmes, projects and investment proposals with the scope and objectives of protection of special areas of conservation (if applicable).

Where technical/detailed design under SDA is not required for the construction works, the activities identified in the project proposal shall be based on:

* Up-to-date sketch of the property for construction purposes and survey (including of the yard, if applicable), certified by the chief architect of the municipality or the chief architect of the regional administration, depending on the category of the building, together with an explanatory note and detailed bill of quantities.

The technical documents shall include all measures required to ensure accessible built environments under the existing regulations, including Ordinance No. 4 / 01.07.2009 on the design, implementation and maintenance of construction jobs pursuant to the requirements for ensuring accessible environments for the population, including for people with disabilities.

1. **Documents submitted before the signing of the contract:**

***NB****!* ***Upon any change in the circumstances declared in the applying phase, the beneficiary and its partners shall present updates of all documents submitted in the applying phase****.*

**25.1. Documents submitted by the applicant:**

1. **Irregularities Declaration No. 7.** The declaration may ONLY be signed by the legal representatives of the project promoter, not by authorised persons. Where an organisation is represented jointly by several persons, the declaration shall be signed by all of them.
2. **Financial identification form** – using the template of the servicing bank
3. **Partnership Agreement** – an update in the event of changes in the initial parameters of the Partnership Agreement as a result of the evaluation of the project proposals of the Bulgarian and the international partner. A copy of the Partnership Agreement signed in English, authenticated by signatures and marked “True copy”, as well as a translation into Bulgarian shall be submitted.

***NB! The Partnership Agreement must be presented before the signature of the contract if the beneficiary has submitted a Letter of Intent at the phase of application. Failure to present the Partnership Agreement shall be considered sufficient reason for changing the decision to finance a project.***

**25.2. Documents submitted by the Bulgarian partners:**

 The Bulgarian project partners shall submit **Irregularities Declaration No. 7**

**25.3. Documents submitted by the Donor Programme Partner:**

The Donor Programme Partner shall submit **Irregularities Declaration No. 7**

Pursuant to the existing legislation and/or if necessary, PO shall also conduct official checks in relation to the current legal and financial status of the applicant and its partners.

**26 . Annexes to the Application Guidelines**

**26.1. Annexes to be completed at the time of applying:**

1. Application Form (in UMIS 2020)
2. CVs of the project management team
3. Declaration of compliance of the applicant/partner No. 1 (for public bodies).
4. Declaration of compliance of the applicant/partner No. 2 (for NGOs/legal persons)
5. Declaration No. 4 on the participation of consultantsin the project proposal design.
6. Declaration No. 5 on VAT treatment.
7. Declaration No. 6 on the origin of the financial contribution
8. Partnership Agreement (Annex No. 1 hereof) or a letter of intent if the partner is from a Donor State
9. Detailed budget in BGN and EUR.

**26.2. Documents required at the time of signing of the agreement:**

1. Project contract
2. Financial identification form – using the template of the servicing bank
3. Irregularities Declaration (by the applicant and the partner/s)
4. Additional supporting documents at the time of signing of the contract (if necessary, at PO's request)

**26.3. Reference documents:**

1. Regulation on the implementation of EEA FM 2014 – 2021.
2. Guidelines for Beneficiaries for the implementation of projects under Programme “Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups” financed by the European Economic Area Financial Mechanism 2014 – 2021.
3. UMIS 2020 Operation Manuals: <https://eumis2020.government.bg/bg/s/Home/Manual>
4. Communication and design Manual.
5. Pre-defined project evaluation table.