

THE REPUBLIC OF BULGARIA
THE COUNCIL OF MINISTERS

Copy

DECREE No. 121
dated May 31st, 2007

RE: Lying down the provisions for awarding of grants under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, and under the PHARE Programme of the European Union

THE COUNCIL OF MINISTERS HAS DECREED:

Art.1.(1) The present decree shall regulate the grant award procedures under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, and under the PHARE Programme of the European Union, as long as there is no such procedure specified in normative acts of higher range, which govern the above mentioned financial sources of funding and their management.

(2) The Decree shall not apply to the awarding of grants under the operational programmes within the “European Territorial Cooperation” objective.

Art. 2 Contracting authorities within the meaning of the Decree shall be:

1. The managing authorities of the operational programmes – in case of awarding of a grant under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union.

2. The Implementing Agencies under the PHARE Programme;

3. The Intermediate Bodies of the operational programmes – in case of awarding of a grant under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union if the function on concluding contracts has been delegated to them by the Managing Authority.

Art.3. Grant within the meaning of the Decree shall be awarded on the grounds of a contract entered into between a contracting authority and a beneficiary, or on the grounds of an order of the head of the administrative structure in the cases, when a beneficiary and a contracting authority are within one and the same administration.

Art.4. Grant shall be awarded by a contracting authority in compliance with the objectives and priorities and under the conditions determined in the respective operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union or in the Financial agreement under the PHARE Programme of the European Union.

Art.5. A beneficiary may receive no more than one grant for one and the same activity.

Atr.6.(1) Grant shall be awarded through the conduction of:

1. Project selection procedure, or

2. Direct award procedure.

(2) The procedure under § 1, item 1 shall be conducted on the grounds of preliminary approved guidelines for applicants, application forms and other appendices.

Art.7. The project selection procedure shall be conducted in compliance with the principles of:

1. publicity and transparency;
2. free and fair competition;
3. equality and non-discrimination.

Art.8.(1) The project selection procedures can be:

1. under the application phases:
 - a) open procedure;
 - b) preliminary selection procedure;
2. under the method of selection of the projects:
 - a) competition-based selection procedure;
 - b) procedure for selection of projects covering certain quality criteria;
3. under the deadlines for application:
 - a) fixed deadline application procedure;
 - b) non-fixed deadline application procedure.

(2) Open procedure shall be a procedure, where:

1. each applicant presents a project proposal through an application form prepared in compliance with the guidelines for applicants;
2. evaluation of the received project proposals is made;
3. the project proposals awarded a grant are approved.

(3) Preliminary selection procedure shall be a procedure, where:

1. each applicant presents a project proposal through an application form prepared in compliance with the guidelines for applicants;
2. on the grounds of the criteria for evaluation of the preliminary selection form determined in advance in the guidelines for applicants evaluation of the project proposals is made;
3. the applicants who filed a preliminary selection form to whom an invitation for submission of a project proposal is sent are approved;
4. the approved applicants receive an invitation for submission of a project proposal through an application form prepared in accordance with the guidelines for applicants;
5. an evaluation is made of the received project proposals, as a result whereof these project proposals, which are awarded a grant, are approved.

(4) Preliminary selection procedure shall be the one, where the project proposals are evaluated and ranked in a descending order in accordance with the received evaluation, as financing is authorized for all or part of the projects in the order of the ranking up to the coverage of the total amount of the preliminary determined and announced cash under the respective procedure.

(5) A project selection procedure for projects covering certain quality criteria shall be the one, where the project proposals shall be evaluated, as financing shall be authorized for

those project proposals the evaluation whereof is equal to or exceeds the preliminary announced minimal acceptable evaluation under the respective procedure.

(6) A fixed deadline application procedure shall be the one, where one or more application deadlines are announced. The project proposals received after the application deadlines shall not be considered, as in the cases of preliminarily announced several deadlines these project proposals may be transferred for consideration after the expiry of the next deadline at the discretion of the contracting authority.

(7) A non-fixed deadline application shall be the one, where project proposals are filed, evaluated and approved for funding without time limits.

Art.9.(1) A direct grant award procedure shall be the one, where a project proposal may only be given by an applicant who is expressly specified in the respective operational programme as a specific beneficiary under the aid.

(2) The direct grant award procedure shall be conducted in the following stages:

1. submission of a project proposal in compliance with the requirements approved in advance by the contracting authority, which are presented to the applicant;

2. evaluation of the received project proposal for compliance with the approved requirements;

3. decision of the head of the contracting authority for provision of grant in case of compliance of the project proposal with the approved requirements;

4. entry into of a contract or order for grant awarding in compliance with art.3.

(3) The head of the contracting authority shall determine by internal rules the procedure for conduction of the proceedings under § 1.

Art.10.(1) Grant can be received by an applicant that at the moment of grant application does not fall within any of the categories determined in art.93, § 1, art.94 and art.96, letter "a" of Regulation (EO, Euratom) № 1605/2002 applicable to the general budget of the European Communities.

(2) The requirements of § 1 shall apply respectively to the managers or to the members of the management bodies of the applicants-legal entities, and in case that members of the management bodies are legal entities – for their representatives in the respective management body.

(3) The requirements of § 1 and 2 shall not refer to budgetary enterprises within the meaning of § 1, item 1 of the Supplemental Provisions of the Accounting Act.

(4) The contracting authority can specify and supplement the requirements for eligibility of the applicants in the guidelines for applicants

(5) The circumstances under § 1 and 4 are proved by the applicants:

1. during the application process – by declarations;

2. upon entry into of the contract or issue of the order under art.3 – by official documents issued by the respective competent bodies for the circumstances that these documents are issued for and by declarations for all other circumstances.

Art.11.(1) The contracting authority shall publish on its internet page an indicative annual working programme for the forthcoming procedures under art.6, § 1 not later than 31 January of the respective budget year.

(2) In the cases of awarding of a grant within the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, the contracting authority shall present to the Ministry of Finance an indicative annual working programme for

the forthcoming procedures under art.6, § 1 as a part of the procedure for preparation of the mid-term budget forecast.

(3) For each grant that the contracting authority intends to award, the indicative annual working programme shall contain, at least:

1. programme, within which the grant is awarded;
2. objectives and priorities of the specific grant or priority axes, operations or activities of the respective operational programme, within which the grant is awarded;
3. eligible beneficiaries;
4. maximal percentage of co-financing provided by the contracting authority;
5. month or a period of the year when the publication of the notice of opening of the selection procedure is intended or when the conduction of direct award procedure is intended;
6. maximal amount of the grant.

(4) Each amendment to the indicative annual working programme shall be published in compliance with § 1 and shall be submitted under the provisions of § 2.

Art.12.(1) The conduction of the project selection procedure shall be announced to the open public in an accessible way by the contracting authority in accordance with the provisions for information and publicity of Council Regulation (EC) № 1083/2006 and Commission Regulation (EC) № 1828/2006.

(2) The call for proposals of a project selection procedure shall be published on the internet page of the contracting authority, on the Uniform Informational Portal for general information for the management of the Structural Funds and the Cohesion Fund of the European Union in the Republic of Bulgaria, set up by Decree № 6 of the Council of Ministers of 2007 on the Establishment of Uniform Informational Portal for General Information for the Management of the Structural Funds and the Cohesion Fund of the European Union in the Republic of Bulgaria and in at least one national daily newspaper.

(3) After the announcement of the project selection procedure, the contracting authority may at its discretion organize an explanatory campaign designated for the potential beneficiaries.

Art.13.(1) The contracting authority shall prepare Guidelines for applicants, which shall include at least:

1. objectives of the specific grant;
2. amount of the grant and co-financing percentage;
3. criteria for eligibility of applicants and partners, as applicable;
4. project eligibility criteria;
5. expenditures eligible for funding;
6. guidelines to the applicants concerning the manner of application, the deadlines and the address, on which the project proposals are to be submitted;
7. maximal period for implementation of the project;
8. preliminary selection form and evaluation criteria, as applicable;
9. application form, instructions for its filling-up and lists of the appendices thereto;
10. budget form with instruction for its filling-up;
11. forms of other necessary appendices for participation in the procedure;

12. stages and manner of evaluation of the project proposals;
13. evaluation criteria for the project proposals and relative weigh thereof;
14. draft of the grant contract;
15. criteria for eligibility and compatibility of the aid to the rules in the field of state aids in respect of the specific grant, as applicable;
16. list of accompanying documents, which shall prove the established requirements for economic and financial condition of the applicants, qualifications and the like, at the discretion of the contracting authority.

(2) The guidelines for applicants shall be published on the internet page of the contracting authority simultaneously with the publication of the call for proposals of a project selection procedure.

(3) The term for receipt of the project proposals must be specified in the call for proposals and in the guidelines for applicants in the cases of conduction of a fixed deadlines application procedure.

Art.14.(1) Application forms shall be submitted in compliance with the conditions specified in the Guidelines for applicants.

(2) All application forms, except for those that are applicable to the projects within the meaning of art.39 of Council Regulation (EC) № 1083/2006, shall contain a model for submission of the project proposal, which shall compulsorily include:

1. general aim and specific objectives of project;
2. justification of compliance of the project with the objectives and priorities of the programme;
3. indicative plan-schedule of the project activities;
4. description of the anticipated results, anticipated effect and justification of the stability or project results;
5. project budget;
6. declaration of the presence of other financing under the project, which is the nature of a state aid, as well as received minimal aids, regardless of the source or form of the aid.

(3) The form must specify the legal status of the applicant, the presence of the necessary administrative, financial and technical capacity for implementation of the project and must declare the circumstances under art.10, § 1 and 4.

(4) The applicants shall submit as appendices to the application form all documents requested explicitly in the Guidelines for applicants. The applicants shall present originals of the documents specified in the Guidelines for applicants or certified copies thereof.

(5) In case of projects for which the requested grant exceeds 600 000 leva an audit report on a performed independent financial audit made by a registered auditor shall be compulsorily requested in addition to the application form. In the rest of the cases the contracting authority may at its discretion request the submission of such report.

(6) The requirements of § 4 shall not apply to the budgetary enterprises within the meaning of § 1, item 1 of the Supplemental Provisions of the Accounting Act.

Art.15.(1) Prior to the submission of the project proposals the applicants may request explanations in relation to the filling-up of the application form under the procedure set forth in the Guidelines for applicants, where deadline for raising of questions is to be specified, as well as deadline for answers to the raised questions by the contracting authority.

(2) The contracting authority shall specify in the Guidelines for applicants correspondence address, fax, email and/or internet page, to which the applicants may refer their inquiries. The contracting authority shall publish "questions and answers" on its internet page in such deadlines as specified in the Guidelines for applicants.

(3) Answers containing an opinion about the compliance of a project or applicant with the conditions for application cannot be given.

Art.16.(1) In the cases of conduction of a project selection procedure, the head of the contracting authority shall appoint by an order an evaluation committee, which shall prepare a report on the evaluation activity and the results thereof and shall propose to the head of the contracting authority a list of projects for financing.

(2) The evaluation committee shall consist of:

1. Chairperson and secretary (secretaries) without a voting right;
2. The necessary number of members entitled to vote, which shall be no less than three.

(3) The chairperson of the commission shall preside organizationally and methodically the work of the evaluation committee, coordinate the evaluation process in compliance with the procedures provided for in the decree and ensure impartiality and transparency of the process.

(4) The secretary shall assist the chairperson in the chairperson's activity, perform all administrative activities related to the evaluation process and ensure the technical backup of the commission's activity.

(5) The members shall be independent and impartial in their activity.

(6) At the discretion of the contracting authority external experts can also take part in the work of the committee with the status of members.

Art.17.(1) At the discretion of the contracting authority participation in the procedure for evaluation of the project proposals can also be taken by:

1. assistant-evaluators;
2. observers.

(2) The persons under § 1 shall be determined by an order of the head of the contracting authority, which shall regulate in details the activities assigned to them in the evaluation procedure.

(3) The persons under § 1 shall not be members of the evaluation committee and the activity of the assistant-evaluators shall be limited up to the stages and activities in the procedure for evaluation of the project proposals, which are specifically assigned to them by the order for their determination.

(4) The assistant-evaluators and the observers shall be independent and impartial in their activity.

(5) In the cases of awarding of a grant by the Structural Funds and the Cohesion Fund of the European Union, the contracting authority shall notify by a letter the Central Coordination Unit.

(6) In the cases, when a contracting authority is an interim unit, an observer from the managing body may join the evaluation procedure.

Art.18.(1) The members of the evaluation committee under art.16 cannot be:

1. persons involved in conflict of interests with any of the applicants in the grant award procedure within the meaning of art. 52, clause 2 of Council Regulation (EC, Euratom) № 1605/2002 applicable to the general budget of the European Communities;

2. related persons within the meaning of § 1 of the Supplemental Provisions of the Public Servant Act;

3. persons, who are in hierarchical dependence.

(2) Participants in the evaluation procedure as assistant-evaluators under art.17 cannot be persons, who:

1. are involved in conflict of interests with any of the applicants in the grant award procedure within the meaning of art.52, clause 2 of Council Regulation (EC, Euratom) № 1605/2002 applicable to the general budget of the European Communities;

2. are connected persons within the meaning of § 1 of the Supplemental Provisions of the Public Servant Act with a member of the evaluation committee or with any other assistant-evaluator;

3. are in hierarchical dependence on each other or on a member of the evaluation committee.

(3) Participants in the evaluation procedure as observers under art.17 cannot be persons, who are involved in conflict of interests with any of the applicants in the grant award procedure within the meaning of art.52, clause 2 of Council Regulation (EC, Euratom) № 1605/2002 applicable to the general budget of the European Communities.

(4) The persons under art.16 and 17 must have the required qualification and professional competence for provision of substantiated opinion on the project proposals.

(5) The persons under art.16 and 17 shall sign a declaration of impartiality and confidentiality, including about the circumstances under art.18, § 1 – 3, immediately after they learn the names of the applicants in the grant award procedures.

(6) In the occurrence of the circumstances under art.18, § 1, 2 or 3 in the course of conduction of the evaluation procedure, the persons under art.16 and 17 shall immediately declare this circumstance before the head of the contracting authority.

(7) In the cases of conflict of interests:

1. the members of the evaluation committee shall be dismissed;

2. the assistant-evaluators shall be completely dismissed from participation in the evaluation procedure or only from the evaluation of the project proposals in respect of which they are involved in such conflict;

3. the observers shall be dismissed from participation in the evaluation procedure.

(8) In the cases of connection or hierarchical dependence participation in the evaluation procedure shall be denied to as many persons as necessary to satisfy the respective requirements under § 1 and 2.

(9) Each change in the persons under art.16 and 17, regardless of the grounds, shall be carried out by an order of the head of the contracting authority, which is to be enclosed to the evaluation report. The change made must also be reflected in the evaluation report.

Art.19.(1) Upon receipt of the project proposals the contracting authority shall register them and for the proposals delivered by hand, the contracting authority shall issue receipts of their receipt.

(2) All project proposals shall be registered whether received prior to or after the expiry of the deadline for submission of the project proposals.

Art.20.(1) All admitted project proposals shall be evaluated in accordance with the criteria described in the guidelines for applicants. The criteria cannot be modified during the conduction of the procedure. The evaluation shall be documented by the filling-up of evaluation tables.

(2) The evaluation of the project proposals shall include:

1. Evaluation of the administrative compliance;
2. Evaluation of admissibility;
3. Technical and financial evaluation.

(3) The applicants shall submit originals of the documents specified in the Guidelines for applicants or certified copies thereof.

Art.21.(1) After completion of its work the evaluation committee shall prepare an evaluation report, to which the following documents shall be enclosed:

1. Copy of order for appointment of the evaluation committee and for modifications thereof, if any;
2. Declarations of impartiality and confidentiality;
3. Protocols from the separate stages of the evaluation, prepared by the persons involved in the evaluation, under a form approved by the head of the contracting authority;
4. list of the project proposals, for which proposal is made for financing, including the grant amount, which the commission proposes to be awarded to each proposal;
5. list of the project proposals, for which proposal is made not to be financed, specifying the reason for that.

(2) In the cases of preliminary selection, the evaluation committee shall prepare a report in compliance with § 1, as the list under item 4 shall include the applicants the invitation whereof to file an application form is proposed.

(3) The report shall be signed by the chairperson, secretary and by all members of the evaluation committee.

(4) The evaluation committee shall hand over the report and the accompanying documents to the head of the contracting authority. The head of the contracting authority shall sign a protocol, whereby he shall certify their receipt.

(5) The report shall be presented if necessary and upon request to the national and European judicial, audit and supervisory authorities, which are external for the organization, including to the Certifying Authority under the Structural Funds and the Cohesion Fund of the European Union, to the Bulgarian Council Coordinating the Fight against the Infringements Affecting the Financial Interests of the European Communities (AFCOS), to the European Commission, as well as to the European Anti-Fraud Office (OLAF), with a copy for the Central Unit Coordinating the Fight against the Infringements Affecting the Financial Interests of the European Communities Department of the Ministry of Interior.

Art.22.(1) In the cases, when the respective operational programme provides for the participation of a project coordination and prioritization committee or, at the discretion of the head of the managing body, the latter shall convene a session of this committee under such procedure and in such composition as determined in the operational programme or in the order for its creation.

(2) The members of the committee under § 1 must satisfy the requirements under art.18, § 1.

(3) The committee under § 1 shall perform territorial and sector coordination and prioritization of the projects that are to be financed by the respective operational programme on the grounds of the budget of the programme for the specific year.

(4) The committee under § 1 shall prepare and present a report on the project coordination and prioritization to the head of the managing authority, which shall include a list

of projects for financing within the respective operational programme. The head of the managing body shall sign a protocol, whereby he shall certify the receipt of the report.

(5) The report under § 4 shall be submitted when necessary and upon request of the bodies under art.21, § 5.

(6) In the cases, where the participation of a project coordination and prioritization committee is provided for and the head of the managing body is not head of the contracting authority within the meaning of the decree, the evaluation report under art.21, § 1 shall be presented to the head of the managing body, too.

Art.23.(1) Within up to 30 working days after the receipt of the report of the evaluation committee, the head of the contracting authority shall take a motivated decision for:

1. approval of the report and awarding of a grant under the proposed projects;
2. return of the report for review, specifying the reasons to do so;
3. rejection of the report and termination of the procedure, specifying the reasons to do so.

(2) In case of preliminary selection procedure within up to 30 working days after the receipt of the report of the evaluation committee under art.21, § 2, the head of the contracting authority shall take a motivated decision for:

1. approval of the report and admission of the approved applicants to submit an application form;
2. return of the report for review, specifying the reasons to do so;
3. rejection of the report and termination of the procedure, specifying the reasons to do so.

(3) In the cases, where the participation of a project coordination and prioritization committee is provided for, on the grounds of the reports under art.21, § 1 and art.22, § 4 the head of the managing body shall within up to 30 working take a motivated decision for:

1. approval of the report and awarding of a grant to the approved projects;
2. return of the report under art.21, § 1 and/or under art.22, § 4 for review, specifying the reasons to do so;
3. rejection of the report and termination of the procedure;
4. opinion, whereby he approves the projects within the meaning of art.39 of Council Regulation (EC) № 1083/2006 for sending to the European Commission, when the reports are approved by the head of the managing body.

Art.24.(1) The grant award decision under art.21, § 1, item 1 and § 3, item 1 shall contain:

1. total amount of the awarded grant;
2. list of the project proposals approved for financing, including the names of the projects and applicants, the evaluation given to each project, the total budget and the amount of the grant under each project;
3. list of the rejected project proposals and the reason for their rejection.

(2) the decision for termination of the preliminary selection procedure shall contain:

1. list of the approved applicants, who shall be invited to submit an application form and the evaluation given to each project proposal;
2. list of the rejected applicants and the reason for their being rejected.

Art.25.(1) The grant award decision shall take effect as from the moment of its issue.

(2) Within 15 working days as from the issue of the decision under § 1 the contracting authority shall notify in writing the approved applicants.

(3) In the case of preliminary selection procedure the contracting authority shall within 15 working days as from the taking of the decision for admission of the approved applications send a written invitation to the approved applicants to file an application form.

(4) The contracting authority shall notify in writing the failed applicants within 30 working days as from the taking of a grant award decision, respectively for non-admission of the applicants in case of preliminary selection procedure, specifying the reasons for their being rejected.

Art.26.(1) The head of the contracting authority shall at his own discretion or upon motivated proposal of the chairperson or of a member of the evaluation committee terminate the procedures under art.6 in the cases ,when:

1. no project proposals are received;
2. the financing under the respective programme is terminated or the financing shall be terminated prior to the completion of the evaluation process;
3. upon the opening and conduction of the procedure violations of the principles under art.7 are committed.

(2) In case of termination of the procedures under art.6 the applicants shall be notified of the termination by the head of the contracting authority, as the latter shall not be entitled to indemnifications.

Art.27. Within 30 working days after the entry into force of the grant award decision the contracting authority shall prepare at least in duplicate and offer to the beneficiaries under the projects approved for financing the signing of the grant award contracts.

Art.28. Within up to 30 working days as from the date of entry into of a grant award contract the head of the contracting authority shall publish on its internet page information, which shall include:

1. name and seat of the beneficiaries;
2. place of implementation of the projects;
3. name of the projects, for which the grant is awarded;
4. the total budget and the amount of the awarded grant under each of the projects;
5. duration of the implementation of the projects.

Art.29.(1) Any amendment to the grant award contract shall be made by the entry into of an annex to the contract by mutual agreement of both parties.

(2) In case of selection procedure the annex to the contract cannot violate the competition conditions existing as at the moment of entry into of the contract and the equal treatment of the beneficiaries.

Art.30.(1) The documentation for the procedures under art.6 shall compulsorily include:

1. the original of the call for proposals;
2. the officially approved guidelines for applicants;
3. the orders for determination of the evaluation committees by the contracting authority;
4. the originals of all submitted project proposals, whether they are approved or not;
5. the declarations and the documents under art.10, § 5, item 1 and 2;

6. the report of the evaluation committee and protocols from the separate evaluation stages;
7. the declarations of the persons under art.18, § 5;
8. the report of the project coordination and prioritization committee;
9. the complete correspondence with the applicants kept during the procedure;
10. all decisions, orders and other documents taken and issued by the head of the contracting authority in respect of the specific procedures and projects;
11. the concluded grant award contracts and the annexes thereto, and
12. other documents at the discretion of the contracting authority.

(2) The documentation under § 1 shall be kept by the contracting authority for a period of:

1. three years after the completion of the operational programme in respect of the grant award contracts under the Structural Funds and the Cohesion Fund of the European Union in compliance with the requirements of Council Regulation (EC) № 1083/2006;
2. seven years after the closing of the respective PHARE programme.

(3) Regardless of the terms under § 2, in case of established irregularities, the documentation under § 1 shall be stored until the completion of the respective following inspections on the part of the competent national and European authorities.

Art.31.(1) Every project financed by funds of the Structural Funds and the Cohesion Fund of the European Union, respectively under the PHARE programme of the European Union may be subject of audit at all stages of the grant award procedure.

(2) The documentation for the entire procedure shall be stored under the procedure of art.30, § 2 and 3 and shall be accessible for audit inspections by the competent national and European authorities.

Art.32. In case of non-performance of the official duties, delay in the performance of the official duties or non-observance of the range of the official powers the head of the contracting authority and the employees subordinated to him shall bear disciplinary liability.

SUPPLEMENTAL PROVISIONS

§ 1. Within the meaning of the Decree:

1. "Project Proposal" shall be a grant award proposal for the implementation of a certain project, including an application form and other accompanying documents.

2. "Grant", this being not in conflict art.108 of Commission Regulation (EO, Euratom) № 1605/2002 shall be funds granted under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, or under the PHARE Programme of the European Union, including the respective national co-financing, aimed at the implementation of an approved project intended to achieve certain results.

3. "Grant Beneficiaries" under PHARE programme shall be all natural persons and legal entities and their associations – receivers of grant for the implementation of an approved project financed by funds within the PHARE programme of the European Union, and "Grant Beneficiary" under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union shall be the persons specified in art.2, § 4 of the Regulation (EC) № 1083/2006.

4. "Contracting Authority" shall be the authority that conducts procedures for raising and evaluation of project proposals and enter into contracts for awarding of grant under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union and under the PHARE programme of the European Union.

5. "Grant Contract" shall be a contract entered into by and between head of a contracting authority and beneficiary for awarding and spending of a grant for the purpose of implementation of an approved project.

6. „Specific grant beneficiary" is an organization, institutions, administrative structure and the like, individually specified in the operational programme as the only subject that can prepare a project proposal and be awarded a grant for a definite activity;

7. "Eligibility criteria for the project activities" shall refer to the types of activities intended to be carried out within the project proposals, which correspond to the priorities and objectives of the specific grant as well as to the rules and legislation in the field of state aids.

8. "Applicants' eligibility criteria" shall be criteria about the applicants that can be a beneficiary under the specific grant.

9. "Project proposal evaluation criteria" shall be criteria prepared and approved by the managing authority, conformed to the project selection criteria on the level of operations approved by the Monitoring Committee under the respective operational programme, set up by Decree № 182 of the Council of Ministers of 2006 on the Establishment of Monitoring Committees of the National Strategic Reference Framework and the Operational Programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, in compliance with which the evaluation and selection are carried out in respect of projects, which can be co-financed by the Structural Funds and the Cohesion Fund of the European Union or criteria approved by the Head of the PHARE programme, in compliance with which the evaluation and selection are carried out in respect of projects, which are to be co-financed by the PHARE Programme of the European Union.

10. "Evaluation of the administrative compliance" shall be a stage of the evaluation of the project proposal, where an examination is made in respect of the formal submission of the project proposal.

11. "Eligibility evaluation" shall be a stage of the evaluation of the project proposal, where evaluation is made applying the eligibility criteria for the applicants and project activities.

12. "Head of Contracting Authority" shall be the head of the administration within the structure of which the contracting authority is situated or an officer authorized by him.

13. "Technical and Financial Evaluation" shall be an evaluation on the merits of the project proposals, which is to be carried out in compliance with the project evaluation criteria.

14. "Central Coordination Unit" is an administrative unit in the Ministry of Finance created by Resolution № 965 of the Council of Ministers of 2005 on the Determination of the Managing Authorities of the Operational Programmes and the Interim Units for Management of the Funds under the Structural Funds of the European Union in the Republic of Bulgaria.

§ 2. "The Project Coordination and Prioritization Committee" within the meaning of art.23, § 1 of the "Environment" Operational Programme for the period 2007-2013 shall be the project selection and coordination committee, as specified in the operational programme.

TRANSITIONAL AND FINAL PROVISIONS

§ 3. Simultaneously with the entry into force of the decree the Minister of Finance shall approve recommendable application forms.

§ 4. The application forms and the guidelines for applicants upon awarding of grant under the Structural Funds and the Cohesion Fund of the European Union shall be approved by the respective minister under § 9. For the cases of awarding of a grant under the PHARE programme of the European Union, the application forms and the guidelines for applicants shall be approved by the programme manager for the respective executive agency under the PHARE programme.

§ 5. Within three months as from the entry into force of the decree each of the ministers under § 9 shall approve detailed internal regulations on the work of the evaluation committee and on the work of the project coordination and prioritization committee, where the creation of such committee is set forth.

§ 6. For the budgetary 2007 no indicative working programme shall be published within the meaning of the decree for the forthcoming project selection procedures.

§ 7. The Decree is adopted on the grounds of art.105, § 1 of the Constitution of the Republic of Bulgaria and art.27 of the International Contracts of the Republic of Bulgaria Act in conjunction with the Treaty of Accession of the Republic of Bulgaria to the European Union.

§ 8. The Decree shall take effect as from the date of its promulgation in the State Gazette.

§ 9. Enforcement of the Decree shall be assigned to the Minister of Finance, the Minister of Economy and Energy, the Minister of Regional Development and Public Works, the Minister of Labour and Social Policy, the Minister of Transport, the Minister of Environment and Waters and the Minister of State Administration and Administrative Reform.

THE PRIME MINISTER: /sgd./ **Sergei Stanishev**

**CHIEF SECRETARY OF
THE COUNCIL OF MINISTERS:** /sgd./ **Sevdalin Mavrov**

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**DIRECTOR OF THE OFFICE OF THE
GOVERNMENT DIRECTORATE:** *sgd.ill.*
/Vesselin Dakov/

Round seal of the Council of Ministers of the Republic of Bulgaria