

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

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

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

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

1. Monitoring and Supervision

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

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

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

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

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

2. Reporting and Steering

In order to ensure the efficient steering of the Swiss-Bulgarian Cooperation Programme, the Parties shall meet regularly. Meetings may be requested by

Switzerland or Bulgaria. Meetings shall take place within 4 weeks of the date of the respective written request.

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

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

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

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

The annual report shall inter alia address:

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

In a separate document, the NCU shall prepare:

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

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

3. Compliance Assessment and System Audits

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

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

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

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

4. Review and Evaluation

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

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

5. Responsibilities and Tasks

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

5.1 The National Coordination Unit

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

The main tasks of the NCU include:

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

5.2 Audit Authority

The Audit of EU Funds Executive Agency to the Minister of Finance is the Audit Authority, responsible for the compliance assessments, system audits and financial audits of the approved Supporting Measures. Its purpose is to assess the efficient and effective functioning of managerial and control systems for the implementation

of the Swiss-Bulgarian Cooperation Programme, including a system for preventing fraud and irregularities in accordance with national law.

The main tasks of the Audit Authority include:

- Ensuring an adequate regulatory framework for auditing that guarantees the required audit coverage and reporting to the Swiss authorities;
- Performing a compliance audit at the beginning of the implementation of the Swiss-Bulgarian Cooperation Programme;
- Establishing an annual audit plan, based on the risk assessment and on Switzerland's recommendations;
- Providing information about all audits related to the implementation system of the Swiss-Bulgarian Cooperation Programme as part of the yearly summary of audit reports provided by the NCU;
- Auditing the regularity of eligible expenditures based on a 5% representative sample of the operations approved;
- Ensuring efficient and prompt investigation and reporting to the NCU of any suspected and actual cases of fraud and irregularity detected during fiscal control;
- Providing assistance to auditors mandated by Switzerland;
- Verifying the periodic reports on irregularities in Supporting Measures financed by sources other than the Swiss Contribution with a view to identifying risk areas; if applicable, include measures in the audit plans for the Swiss Contribution.

5.3 Monitoring Committee

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

The main tasks of the Monitoring Committee include:

- Approving the selection criteria of Projects taking into account Switzerland's comments;
- Commenting on the selection criteria for Activities applied in the Thematic Funds;
- Commenting on the documentation for calls for proposals;
- Reviewing the selection processes for Supporting Measures;
- Monitoring compliance with regulations and procedures;
- Periodically reviewing the progress in the implementation of the Supporting Measures and the achievement of their objectives;
- Monitoring the achievement of the objectives at the level of the overall Swiss-Bulgarian Cooperation Programme;

- Examining and commenting on the annual report on the implementation of the Swiss Contribution prepared by the NCU;
- Commenting on the efficiency and effectiveness of the use of the financial resources available in the framework of the Swiss Contribution.

5.4 Swiss Embassy

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

The main tasks of the Swiss Embassy include:

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

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

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

The main tasks of SDC and SECO include:

- Ensuring the strategic and operational steering of the overall Swiss-Bulgarian Cooperation Programme;
- Participating in the annual meetings organised by the NCU;
- Engaging in a regular dialogue with the NCU and other partners involved on the identification and implementation of Supporting Measures as well as on the progress of the overall Swiss-Bulgarian Cooperation Programme;

- Deciding on overall Swiss-Bulgarian Cooperation Programme issues;
- Commenting on the selection criteria for Projects;
- Deciding on selection criteria for Thematic Funds;
- Exercising the right of non-objection on the documentation for calls for proposals;
- Supervising the overall development of the Swiss-Bulgarian Cooperation Programme through field visits and reviews;
- Networking with the national and international actors relevant to the implementation of the Swiss-Bulgarian Cooperation Programme;
- Administrating the Swiss-Bulgarian Cooperation Programme on the Swiss side.

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

6. Liability Clause^{*}

Switzerland does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the activities under the Swiss-Bulgarian Cooperation Programme on Bulgarian territory.

^{*} Modified on 21 December 2013