

BULGARIAN – SWISS COOPERATION PROGRAMME



***Annual Report
September 2010 – December
2011***

**National Coordination Unit
Sofia, Bulgaria, March 2012**

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Glossary and Acronyms

Audit Authority	AA
Balkan Institute for Labour and Social Policy	BILSP
Bulgarian Science Directorate at the Ministry of Education, Youth and Science	SD/MYES
Bulgarian-Swiss Cooperation Programme to reduce economic and social disparities within enlarged European Union	Bulgarian-Swiss Cooperation Programme
Bulgarian-Swiss Research Programme	BSRP
Bulgarian Small and Medium Enterprises Promotion Agency	BSMEPA
Enterprise for management of the environmental protection activities	EMEPA
Executing Agency	EA
European Union	EU
Framework Agreement	FA
Intermediate Body	IB
Joint Research Projects	JRPs
Ministry of Environment and Water	MoEW/MEW
Ministry of Interior	Moi
Ministry of Labour and Social Policy	MLSP
National Coordination Union	NCU
National Institute for Conciliation and Arbitration	NICA
Paying Authority	PA
Project Preparation Facility	PPF
Partnership and Expert Fund	PEF
Project Management System	PMS
Programme Document	PRODOC
Reform Fund for Civil Society Participation	CSP
Rectors' Conference of the Swiss Universities	CRUS
State Secretariat for Economic Affairs	SECO
Schengen Information System	SIS
Steering Committee	SC
Supplementary Information Request at the National Entry	SIRENE
Swiss National Science Foundation	SNSF
Swiss Agency for Development and Cooperation	SDC
Swiss Intermediate Body	SIB
Technical Assistance Fund	TAF
Terms of reference	ToR
Thematic Fund	TF
Value Added Tax	VAT

INTRODUCTION

The Annual Report overviews the progress of the implementation of the Bulgarian-Swiss Cooperation Programme to reduce economic and social disparities within the enlarged European Union for the period of 7th of September 2010 until 31st of December 2011.

The Annual Report is written according to the provisions of Article 8.2 and Annex 2 of the Framework agreement between the Government of the Republic of Bulgaria and the Swiss Federal Council, concerning the implementation of the Bulgarian- Swiss Cooperation Programme.

The reporting period was mostly a period of launching of the implementation of the Programme. Managerial set up in Bulgaria was established. The main actions taken by the Swiss and the Bulgarian institutions for the implementation of the Bulgarian-Swiss Cooperation Programme were focused on the elaboration and signing of the Implementation Agreements, namely for PPF, Technical Assistance and Thematic Funds, together with going in parallel discussions and elaboration of Projects Ideas and Project Outlines within the environmental and private sectors. A set up of the implementation Framework of the Programme was made with selection of the Intermediate Bodies and Executing Agencies. The first Project Outlines were submitted.

The Management and Control System regarding the operational and financial management, monitoring and implementation of the Programme was developed by NCU.

Several consultations with SECO, SDC and Swiss Embassy have helped the parties to establish the necessary ground for the successful implementation of the Swiss Contribution.

The main actions taken by SDC regarding the Thematic Funds were focused on the signing of five Thematic Funds agreements, the selection and appointment of the Swiss Intermediate Bodies, the signing of the Mandates with the SIB and the elaboration of the implementation procedures of the Thematic Funds.

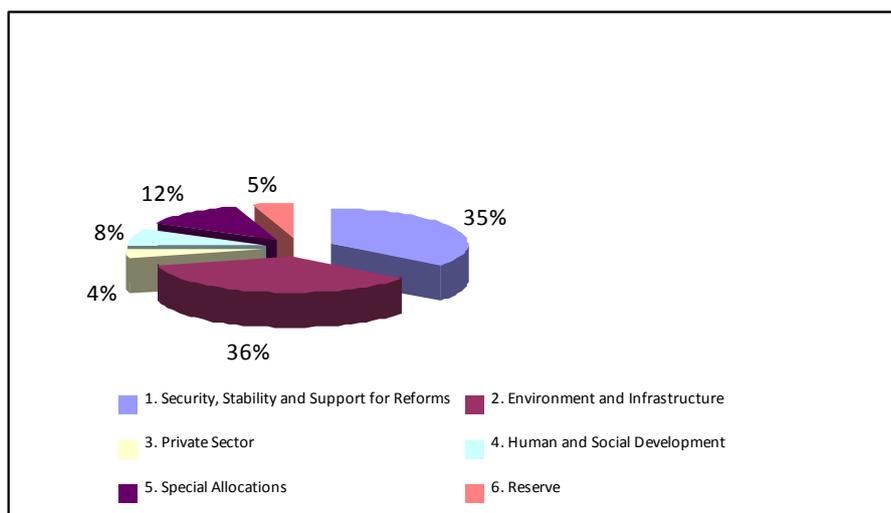
I. BRIEF PRESENTATION OF THE SWISS CONTRIBUTION IN BULGARIA

1. The Programme itself

The Bulgarian-Swiss Cooperation Programme pursues to contribute to the reduction of economic and social disparities between Bulgaria and the more advanced countries in the enlarged European Union. The Bulgarian-Swiss Cooperation Programme aims to enhance the bilateral relations between Bulgaria and Switzerland in many aspects, such as providing opportunities to assert Swiss solidarity, to establish Bulgarian-Swiss institutional partnerships, to promote Swiss presence and visibility as well as to make good use of Swiss knowledge and experience through supporting Measures which to pursue a sustainable, economically and socially balanced development. Switzerland is giving support in areas where Bulgaria have claimed great need for catching up, and in which Switzerland can offer know-how and expertise. The areas cover topics such as security and reforms, support of the civil society, integrating minorities, environment and infrastructure, promotion of the private sector, research and education as well as supporting institutional partnerships.

The Framework Agreement sets out the following areas for support:

Overview of the Indicative Allocations for the Thematic areas	
1. Security, Stability and Support for Reforms	26.75 million CHF
2. Thematic Environment and Infrastructure	27.4 million CHF
3. Private Sector	3 million CHF
4. Human and Social Development	6 million CHF
5. Special Allocations	9.35 million CHF
6. Reserve	3.5 million CHF
Total allocation	76 million CHF



Two approaches are used for the implementation of the Programme:

- Through Projects (applicable for Thematic areas 2 and 3);
- Through Thematic Funds (applicable for Thematic areas 1 and 4).

Projects

- Applied for individual (large) projects and programmes;
- Projects are managed by Bulgarian Intermediate Bodies.

Thematic Funds

- Applied if many (smaller) support measures in a thematic field is financed and/or transfer of knowledge and experience is to be supported;
- Thematic Funds are managed by Swiss Intermediate Bodies.

Project Preparation Facility

- Supports the preparation of Final Project Proposals;
- May be requested by Bulgaria or recommended by Switzerland.

Technical Assistance Fund covers the additional costs incurred by Bulgaria for the efficient implementation of the Swiss contribution.

While Programme implementation period lasts up until December 6, 2019, funds commitment deadline is December 6, 2014.

2. Legal Base



On 7th of September 2010 the Framework Agreement between the Government of the Republic of Bulgaria and the Federal Council of Switzerland on the implementation of the Bulgarian-Swiss Cooperation Programme to reduce economic and social disparities within the enlarged European Union was signed in Bern, Switzerland by the President of the Swiss Confederation, Mrs. Doris Leuthard, Federal Councillor, Mrs. Micheline Calmy-Rey and the Bulgarian Minister for EU Funds Management Mr. Tomislav Donchev.

The Framework Agreement is ratified by the Parliament of the Republic of Bulgaria and officially published in State Gazette №82 on 19th of October 2010.

In addition to the Framework Agreement the Bulgarian-Swiss cooperation programme is regulated by the following Acts:

- Council of Ministers Decision № 12/10.01.2009 for determining the National Coordination Unit, amended with Council of Ministers Decision №414/17.06.2010; CMD № 779/01.11.2010 and CMD № 319/19.05.2011); and
- Agreements for tasks delegation between the NCU and the Intermediate Bodies.

3. Monitoring Committee

The Monitoring Committee is an advisory body to the NCU regarding the implementation of the cooperation programme. Head of the Monitoring Committee is Minister of EU funds management and Head of National Coordination Unit.

The composition of the Monitoring Committee is set up by an Order № R-248/11.11.11. The members of the Monitoring Committee were appointed on the basis of proposals from the relevant institutions. It involves representatives of the Intermediate Bodies, local authorities and other institutions involved.

Monitoring Committee's main tasks include:

- Monitoring the implementation of the Programme, according to the Framework Agreement; and
- Monitoring the effectiveness and quality of Programme implementation in order to achieve the objectives set and provides guidance on strategic and operational issues

4. Managerial Setup

The institutional framework for management of the Programme includes Monitoring of EU Funds Directorate in the Council of Ministers as National Coordination Unit (NCU) in charge of the coordination of the Bulgarian-Swiss Cooperation Programme; National Fund Directorate in the Ministry of Finance acting as Paying Authority (PA) responsible for ensuring financial control over the use of the Swiss contribution; the Audit of EU Funds Executive Agency to the Minister of Finance acting as Audit Authority, ensuring the control of the use of financial resources of the Programme. The Swiss Embassy in Sofia acts as the contact point for the NCU with regard to official information referring to the Bulgarian-Swiss Cooperation Programme. Intermediate Bodies acting under the responsibility of the NCU and caring out duties on behalf of the NCU for Thematic areas 2 and 3 were divided between line ministries as Intermediate Bodies according to their field of policy.

As Intermediate Bodies the following institutions were defined:

- Ministry of Environment and Water (MEW) for Thematic Area 2 "Environment and infrastructure";
- Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA) for Thematic Area 3 "Private sector".

At present the following institutions are defined to be Executing Agencies:

- For Thematic Area 2 "Environment and Infrastructure" - Enterprise for management of the environmental protection activities (EMEPA) to the Ministry of Environment and Water;
- For Thematic Area 3 "Private sector" - the "Development and internationalization of SMEs" Directorate in the Bulgarian Small and Medium Enterprises Promotion Agency.

Compliance Assessment

NCU developed Management and Control System which includes:

- Overview of the management and control system of the Programme;

- Description of main institutions, responsible for the implementation of the Programme;
- Legal framework;
- Coordination mechanism;
- Rules and Procedures for Project Preparation Facility;
- Rules and Procedures for project preparation and implementation;
- Rules and Procedures for verification and certification of expenditures;
- Payment procedures;
- Responsibilities and functions of all institutions – NCU, Intermediate Bodies, Executing Agencies, Paying Authority and Audit Authority; as well as
- Rules and Procedures, concerning irregularities reporting and management, state aid, equal opportunities and environment protection.

The Management and Control System of the Bulgarian-Swiss Cooperation Programme was approved by the Head of the National Coordination Unit with an Order № R-226/10.10.2011. On November 10, 2011 the Audit Authority started compliance assessment audit of the Program's management and control systems.

Planned Activities for 2012

It is envisaged in February 2012 the Audit Authority to issue the Final Compliance Assessment Audit Report.

5. Overview of the results achieved

Up to 31st of December 2011 under the Programme are achieved the following results:

- Identified and developed four project ideas in the thematic areas "Environment and Infrastructure" and "Private Sector", which were discussed with SECO;
- Prepared and submitted by IB two Project Outlines in Thematic Area "Environment and Infrastructure";
- Established Monitoring Committee of the Programme;
- Developed and approved by the Head of the National Coordination Unit, Management and Control System of the Programme;
- Signed Agreements and started implementation of five thematic funds (Security Fund, Reform Fund linked to Civil Society Participation, Scholarship Fund, Research Fund, Partnership and Expert Fund, and Thematic Fund Agreement for the Reform Fund, linked to the inclusion of Roma and other vulnerable groups, concerning "Home Care" Activity).
- The terms of the Technical Assistance Fund and Project Preparation Facility are negotiated and respective Agreements constituting their implementation were signed.

II. PROGRESS IN IMPLEMENTATION OF BULGARIAN - SWISS COOPERATION PROGRAMME

1. Projects in Thematic Areas 2 "Environment and Infrastructure" and 3 "Private Sector"

Project Preparation Progress

The Programme is structured in a way which allows a thorough revision and elaboration of Project proposals. Each project proposal has to go through a two-loop approach – in the first loop Project Outline is submitted for a principle decision from Switzerland, and in the second loop Final Project Proposal is submitted for a final decision from Switzerland.

Commitment Progress

IB submitted 2 Project Outlines in Thematic Area 2 “Environment and Infrastructure” to the NCU on 29 December 2011. It is envisaged the NCU officially to submit the Project Outlines in January 2012.

Two Project Ideas in the Thematic Area 3 “Private Sector” are under discussion and Project Outlines will be submitted by mid 2012.

In the sections below the Project Outline in the area of Environment and Infrastructure and developed project ideas in the area of Private sector are described in more details.

Thematic Area 2 “Environment and infrastructure”

Focus area 3: Rehabilitation and modernization of basic infrastructure

Objective 1: To enhance municipal infrastructure services in order to increase living standards and promote economic development.

Types of eligible Projects

- Hazardous waste management and disposal, e.g. asbestos, hospital waste, e-waste, etc.
- Solid waste management: Recycling

Pre-defining of the Project Proposals

Based on a decision of the written procedure held in the period 30.11.2011 - 09.12.2011 of the Monitoring Committee of the Bulgarian-Swiss Cooperation Programme, the National Coordination Unit has announced Direct Invitation for Project Outlines in Thematic Area 2 "Environment and Infrastructure" to the Executive Agency “Enterprise for Management of Environmental Protection Activities” (EMEPA) through the Intermediate Body. The approach adopted by the MC for projects in Thematic Area "Environment and Infrastructure" was to make the project identification and management to be carried out by public institutions involved in the implementation of the state policy in the relevant area, in order to:

1. Ensure the pre-financing of the project activities following the provisions of the Framework Agreement of the Bulgarian-Swiss Cooperation Programme, Annex 3;
2. Ensure that the Projects are coming from approved programmes (national/sectoral) or strategies;
3. Ensure an option for selection from already identified projects in pre-accession programmes or EU Funds for the programming period 2007-2013, which have not received funding due to objective factors, but still meeting the criteria and requirements of the Bulgarian-Swiss Cooperation Programme;
4. Ensure a sustainability of the interventions in respective thematic areas.

The Direct Invitation for Project Outlines was in focus area "Rehabilitation and modernization of basic infrastructure and improvement of the environment" with priority aim "To enhance public infrastructure in order to increase the living standards and stimulate the economic development". The available financial resources for thematic area "Environment and Infrastructure" were 27,4 million CHF Swiss Contribution and 15% national co-financing. The final decision on the submitted Project Outlines (including, if applicable, a decision on the request for financial support from Project Preparation Facility for the preparation of the Final Project Proposal) will be taken by the Federal Department of Economic Affairs of Switzerland, acting through SECO.

The IB has officially submitted to NCU two Project Outlines together with the supporting documents and Assessment Reports, as follows:

- Project Outline: "Environmentally sound disposal of obsolete pesticides and other crop protection products";
- Project outline: "Study and development of pilot models for eco-friendly collection and temporary storage of hazardous household waste".

It is envisaged the Monitoring Committee to accept the two submitted Projects Outlines of the Bulgarian-Swiss Cooperation Programme to be further submitted to SECO in January.



1. Project Outline "Study and development of pilot models for eco-friendly collection and temporary storage of hazardous household waste"

The subject of the project is to find mechanisms for creation of a suitable model for overall solution of the problem with domestic hazardous waste because:

Household hazardous wastes in Bulgaria are mainly in the total volume of domestic wastes. According to the Environment Protection Act and the Wastes Management Act in Bulgaria, harmonized with the EU legislation, mayors of municipalities organize wastes management on the territory of the municipality and hence it is there responsibility to organize of household hazardous wastes management. Due to the legislative responsibility of the municipalities – 264 on the territory of the Republic of Bulgaria, so far common national approach for solution of the problem with household hazardous wastes has not been created.

The final result from the project is to provide substantial assistance to the municipalities on the entire country territory. The project shall also allow keeping of the commitments of the Republic of Bulgaria for European legislation application. Thus the risk from penal procedures and other sanctions, which would be born on the national budget, shall be minimized.



2. Project Outline: "Environmentally sound disposal of obsolete pesticides and other crop protection products"

The project aims to solve the pesticide disposal problem in Bulgaria and the hazard it poses to the health and safety of population all over the country. The problem requires an overarching solution to

be found with the proactive participation of the state institutions, instead of leaving the problem with the municipalities, many of whom lack resources and capacity to solve it.

Currently, there is no complete overview on obsolete pesticides on the territory of Bulgaria. Despite the constant monitoring of the competent authorities (the Regional Inspections on the Environment and Waters - RIEW and EMEPA), the problem is further complicated by the absence of a systematic and completed approach taking into account the types of existing pesticides and the methods needed for their treatment. Basically the beneficiaries of the final results of the project are the municipalities covered by the project activities and they could be spread on the territory of the whole country. The results from the feasibility studies and the other activities under the PPF project will determine the exact scope and the involved municipalities in the Final Project Proposal. The project expects as a result a disposal (final removal through incineration) of the aggregated quantities of obsolete pesticides, a huge part of whose are being stored in a way that creates risks for the population and environment. There also will be indirect effect on the agribusiness and the small private agricultural producers, who currently are the most endangered by the existence of useless plant protection chemicals. The elimination of this existing hazard could increase the attractiveness of the agricultural sector and give opportunities for economic activities in the relieved from pesticides regions of the country, which are mostly regions with lower rate of economic development.

Planned Activities for 2012

It is expected in January 2012 NCU to submit to SECO through the Swiss Embassy both Project Outlines. It is expected until the second quarter of 2012 SECO to have final decision for approval of submitted Project Outlines. According to this decision it is planned until the middle of 2012 to start the implementation of the approved activities, related to Project Preparation Facility.

Thematic Area 3 “Private sector”



Focus Area “Development of the private sector and promotion of exports of SMEs and/or promotion of standards”

Objective: To increase the market shares of Bulgarian exports of goods and services where possible, taking regional disparities into account.

Types of eligible Projects:

- Export promotion of goods and services and trade financing support.

Pre-defining of Project Proposals

The Project Idea in this Focus area was developed by BSMEPA. The first draft of the idea was developed in November 2010 with main focus on establishment of a “Bulgarian-Swiss Business Center” for promotion of business relations and bilateral trade, and also the development of branch export platforms.

The Project Idea was discussed with SECO during several technical meetings held in the period January – November 2011 and on the basis of the recommendations given in the end of December 2011 the project idea was further adjusted and sent to SECO for comments.

The last version of the idea with the project title “Development of instruments to support start-ups and existing export-oriented companies” includes three main activities, as follows:

- Research, analysis and evaluation of the exporters and export-oriented enterprises in Bulgaria and the degree of their internationalization;
- Establishment of advisory center (AC) to provide individual consulting services to export-oriented Bulgarian companies; and
- Creating a web platform "E-marketplace" for the development of innovative and export-oriented enterprises in industry, commerce and tourism.

Focus Area: “Improvement of the regulation of the financial sector and strengthening of financial markets and institutions”

Objective: To contribute to the reduction of corruption and related crimes through Projects in the areas of:

- Training in the field of public procurement

In this area was identified clear need for intervention in the field of **public procurement** and in this respect as potential Executing Agency was identified Public Procurement Agency.

The first draft of the Project Idea was presented and discussed during the technical meeting with SECO and Swiss Embassy with the main objective to support for the SMEs in the field of the implementation of public procurements with strong focus on support to Bulgarian enterprises facilitating their participation in public procurements through development of internet based web page of Public Procurement Register.

Due to raised opportunity for financing of the presented project idea by other financial sources Public Procurement Agency withdraw its Project Idea.

In November 2011 Public Procurement Agency presented new Project Idea, related to the “green public procurements”. The new idea was presented and discussed with SECO on technical mission held on 22nd of November 2011.

The new idea with the subject “Methodological support for the development of green public procurement in Bulgaria” is based on the implementation of National Action Plan for Promotion of Green Procurement for the Period 2012-2014 and includes the following main activities:

- Elaboration of practical manual for green public procurements;
- Trainings for promotion of procurements in this field and information and
- Information and promotion campaign.

Planned Activities for 2012

It is envisaged until the second quarter of 2012 NCU to submit officially Project Outlines in the field of export promotion of SMEs and green public procurements and until the end of 2012 to start the implementation of project activities, related to PPF.

2. Progress in implementation of the Thematic Funds¹

This part of the present Annual Report is provided by SDC and covers the progress towards the implementation of the Thematic Funds of the Bulgarian - Swiss Cooperation Programme in the period from the signing of the FA on the 7th September 2010 until 31st December 2011.

FA's Annex 4 defines the rules and procedures for Thematic Funds as well as the responsibilities and tasks of the actors involved.

A Thematic Fund (TF) is a grant-provision instrument for financing Activities (or projects) addressing specific thematic areas or targeting specific beneficiary groups. An Activity is a specific assistance for, inter alia, projects, scholarships, partnerships and knowledge transfer provided within a Thematic Fund. TFs are generally managed by a Swiss Intermediate Body and an Activity is implemented by an Executing Agency.

Thematic Funds are financed by Swiss Agency for Development and Cooperation (SDC) and cover the following themes defined in Annex 1 (section 6) and detailed in Annex 4 of the FA:

B.1	Security Fund	CHF	9'850'000
B.2	Reform Fund linked to Civil Society Participation	CHF	8'000'000
B.3	Reform Fund linked to the Inclusion of Roma and other vulnerable groups	CHF	8'900'000
B.4	Scholarship Fund	CHF	2'000'000
B.5	Research Fund	CHF	4'000'000
B.6	Partnership and Expert Fund	CHF	4'000'000
	TOTAL Thematic Funds	CHF	36'750'000

A co-financing of Activities by Bulgarian sources is requested; the co-financing amounts to 10% for NGOs and 15% for public institutions.

LAUNCHING OF THE THEMATIC FUNDS

During the reporting period the implementation procedures of the Thematic Funds of the Swiss Contribution to Bulgaria were constituted. Main aspects are described below while results achieved so far for each TF are further detailed in section 3.

B.1 Security Fund:	
Schengen Project	Given the importance and priority that the Bulgarian side attributed to the development of personnel capacities and awareness raising linked to Schengen accession issues, the start up and implementation of the "Schengen" project was processed on "fast track" mode. An exchange of letters between

¹ The information in this part of Annual Report is provided by SDC

	<p>the Swiss Embassy and the NCU, accomplished in September 2010 short after the signing of the FA, allowed for an immediate start of the project that is successfully implemented by the Swiss fedpol and the Bulgarian Ministry of Interior. Unfavourable context development related to Bulgaria and Romania Schengen accession did not allowed for executing the project in its entirety and hence continuation beyond agreed formal end (June 2012) is recently under discussion.</p>
Security Fund	<p>An open tender for the selection of the Swiss Intermediate Body (SIB) in charge of the management of the Security Fund for Bulgaria as well as for Romania was launched in September 2010, based on Terms of References elaborated by SDC and consulted with the NCUs of the two countries. In January 2011 the Consortium headed by Team Consult Ltd. was selected. The TF Security, being the first one to be institutionalised, needed long negotiation and intensive cooperation work between SDC and the NCU. The Thematic Fund Agreement (TFA) was signed on 27th of July, 2011 at an event attended by a number of high executive officials which raised Program’s visibility in Bulgaria. The Mandate between the SDC and the SIB covering the services for the management of TF Security in Bulgaria for the 1st three years was signed on the 9th of September 2011, exactly one year after the signing of the FA. The SIB firstly developed handbook for Head of projects and conducted its first visit to Bulgarian in October 2011 thus initiating contacts and design work for the Activities (8) retained in the FA.</p>
<p>B.2 Reform Fund linked to Civil Society Participation, and B.6 Partnership and Expert Fund</p>	
	<p>In order to simplify the implementation and reduce the number of actors involved in the management of the Swiss Contribution, the NCU together with SDC agreed to nominate one SIB for the two TFs. Terms of References for the management of the two Funds were elaborated by SDC and consulted with the NCU. The open tender was launched in December 2010, and the selection of the Consortium headed by Tulum Ltd (renamed later to Innova Bridge Foundation) was organised in March 2011 with the participation of one NCU representative in the process. The TFA on “Reform Fund linked to Civil Society Participation” was signed on 29 Sept 2011 whereas the TF Agreement on “Partnership and Expert Fund” was signed on 11th of November, 2011. The respective Mandates were signed in few days after the signature of each TFA. Meanwhile the potential Executing Agencies of the project “Linking nature protection and sustainable development” submitted their advanced project proposal for further consideration and processing.</p>
<p>B.3 Reform Fund linked to the Inclusion of Roma and other vulnerable groups</p>	
Home Care Services Project	<p>The Home Care Service Project was elaborated by the Bulgarian Red Cross and submitted to the Swiss Contribution. FA constitutes its implementation as part of the “Reform Fund linked to the Inclusion of Roma and other vulnerable groups” (Annex 4, B3). An up-date of the Project Document was submitted to</p>

	<p>SDC by the Bulgarian and the Swiss Red Cross in April 2011, taking into account the double role of the Swiss Red Cross as a SIB and know-how/expertise provider. After bilateral consultations it was agreed to implement the project based on a separate TF Agreement and such was signed on 9th of December 2011. The launching event at project implementation level was organised in early January 2012 and attracted expected attention from both officials and media.</p>
<p>Fund for Roma and other vulnerable groups</p>	<p>SDC and the NCU hold several meetings with the Ministry of Health, Ministry of Labour and Social Policy, Ministry of Education, Youth and Science, National Council for Cooperation on Ethnical Demographic Issues (former denomination) at the Council of Ministers in order to decide about the modalities of this TF and to agree upon most suitable hosting and structure of the Programme Management Unit. No consensus could be found by both parties. Meanwhile Bulgaria elaborated its National Strategy for Roma integration (end of 2011). Considering above contextual aspects at both National and EU level, SDC decided to elaborate and put forward for discussion with NCU a brief concept outlining baselines for advanced discussions and further agreement on implementation modalities for this instrument. The concept shall be presented in March 2012.</p>
<p>B.4 Scholarship Fund</p>	
	<p>The Bulgarian-Swiss Scholarship Programme is an extension of the Sciex programme that is carried out in 8 new EU member states since 2008 in the frame of the Swiss Enlargement Contribution. In line with the bilateral FA, the mandate to the Rectors' Conference of the Swiss Universities (CRUS) has been extended to cover in addition scholarship programmes with Bulgaria and Romania. The Science Directorate of the Bulgarian Ministry of Education, Youth and Science (SD/MEYS) is the local Coordinator of the programme. Finalisation of TF Agreement was possible only after the conclusion of the agreement for the Security Fund. It was signed on 19th of August, 2011, whereas the Mandate Agreement between SDC and CRUS was amended in few days later along with the launching of the first call for scholarship applications. Reactive attitude, unclear distribution of responsibilities, clumsy internal management and slow processing capacity on the side of SD/MEYS in its coordination role affected the operational start and implementation of the programme at the last quarter of 2011. Nevertheless the call for proposal for scholarships was launched with the support of the Swiss Embassy in Sofia on 1st of September, 2011, as planned.</p>
<p>B.5 Research Fund</p>	
<p>Bulgarian-Swiss Research Programme</p>	<p>The Swiss National Science Foundation (SNSF) is the designated SIB for the Bulgarian-Swiss Research Programme (BSRP) in charge of its management together with its partner the Science Directorate of the Bulgarian Ministry of Education, Youth and Science (SD/MEYS). Priorities for the programme were fixed in Autumn 2010 already along with drafting of the Programme Document. Negotiation and finalisation of the TFA however took more time</p>

	than initially expected. It was signed on 19th of August, 2011 and the Mandate Agreement between SDC and SNSF followed in a month later. The first call for proposals was launched on 15th of November, 2011. It is regrettable that the SD/MEYS is yet not able to fully assume its role of proactive counterpart to the SNSF in Bulgaria for the research programme. SD/MEYS regularly postponed delivery of information, arrangement for meetings, endorsement of decisions etc. Towards this end determination and lack of commitment in advertising on the call and the BSRP among potential Bulgarian candidates may jeopardize the success of the programme.
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PROGRESS ACHIEVED AND PLANNED ACTIVITIES

This section summarises progress achieved so far and outlines main steps for 2012 for each Thematic Fund. More details are to be found in respective Annual Reports.

Schengen Project (Part of the Security Fund)

Based on fedpol Annual Report

Introduction:

The Swiss support to the capacity building in view of the accession of Bulgaria to Schengen is based on a pledge for support by Federal Councillor Ms. Eveline Widmer- Schlumpf on the occasion of discussions held in November 2008 with her counterpart, Minister of Interior Mihail Mikov. This support continued throughout 2010, with the training of several groups of members of the SIRENE bureau and was then taken over as a DEZA project under the chapeau of the Swiss contribution to the new EU-member states in October 2010.

Activity Review

In 2011, due to the nature of the project, only one Steering Committee was held on 28 March 2011, in the premises of the Swiss Embassy in Sofia. Members of the NCU, the Swiss Embassy as well as the Ministry of Interior (SIRENE and Press Directorate) were present during the meeting in March 2011.

Progress of the Swiss support to Bulgaria in the framework of the Schengen-accession can be summarised as following:

Training: Assistance in training Bulgarian law enforcement personnel in the area of SIS/SIRENE.

In 2011, members of the Bulgarian SIRENE bureau came to Switzerland for a week to practise entries into and requests from the Schengen Information System (SIS). Altogether fedpol hosted six Bulgarian SIRENE officers in Switzerland in two groups. Moreover, at the end of March, the new head of the Schengen directorate and new head of project visited fedpol together with the head of SIRENE Bulgaria and received a thorough introduction into the functioning of the Swiss international police cooperation and in particular of the functioning of the SIRENE Bureau. Unless there are further requests by the Bulgarian partners under this header, the training part of the project is herewith concluded.

Flyer: Assistance in compiling and financing a second edition of a flyer for law enforcement agencies.

The flyers, which were created in cooperation with SIRENE Switzerland, had been distributed on time for the Schengen Evaluation and are regularly used. The Poster is already ready since October 2010. However, it has not been distributed yet since the borders control could not be lifted yet. Now that there is a timeline, the Bulgarian partners can start distributing and displaying the Poster.

Next steps: a second version of the Schengen flyer will be elaborated in the first half of 2012. This new version will contain the Schengen developments of 2011 and, if necessary, adaptation of the workflows and mechanisms.

Evaluation: Assistance in preparing for the Evaluation and in the implementation of eventual recommendations made by the expert group during the Evaluation.

The evaluation was successfully conducted and there was no need for further assistance of Bulgaria in the implementation of the recommendations. Therefore, this part of the project is completed.

Awareness-raising: Assistance and financing of awareness-raising measures for civil society. All the print materials are ready for distribution and were presented on the 15 March 2011 on the occasion of a DEZA-SECO event for the official launching of the programme in Sofia. Two seminars were conducted. The first one for representatives of the spokespersons of the Ministry of Interior (Moi) was held from January 28-30, 2011 in Chiflika resort area. The seminar for the media representatives was held from March 26-27, 2011 in the town of Veliko Tarnovo. The seminars were well organised but attended by much less persons than foreseen. Both seminars were conducted under the leadership of the Deputy Minister of Interior, Mr. Dimitar Georgiev. The TV spot has been created and is of a satisfying quality, containing all the necessary information as agreed.

Technical support: Procurement of material needed to enhance functionality of the SIRENE Bureau and training was conducted and equipment is in process of installation.

Planned activity for 2012

The second Steering Committee Meeting will be held on 20 January 2012. The issues of the currency differences as well as the modalities of the contribution of 15% are on the agenda. A second version of the Schengen flyer will be elaborated in the first half of 2012. This new version will contain the Schengen developments of 2011 and, if necessary, adaptation of the workflows and mechanisms. As soon as the date of the border lifting is known, the detailed planning of the distribution of material, broadcast of TV spot, press conferences, etc. will be elaborated.

The Security fund in Bulgaria (without Schengen Project)

Based on SIB Review 2011

Introduction:

The concrete implementation of the Security fund in Bulgaria has started in October 2011 upon signature of the Thematic fund agreement. The SIB signed its Mandate agreement with SDC and initiated its first visit to Sofia. The SIB has been introduced to the Swiss Embassy, the NCU and the Executing agencies (EA). It has also presented its mission, working structures and

agenda. The projects proposals preparation has been launched directly after this kick-off, in bilateral cooperation between the SIB experts (police/ justice / migration) and the EAs.

Activity Review

A project manual, as well as check lists for project proposal, logframe and budget have all been put at disposal of EAs via the virtual server "Dropbox". On the question of VAT, the EAs being state institutions and not able to recover VAT by any mean, VAT will hence be eligible, as provisioned in the FA.

At project level, some of the existing projects outlines, at a very preliminary stage, have required, and still do, an important implication of the SIB experts, also regarding thematic issues. A minority, were more mature and in need of a rather formal coaching (Stolen vehicles, environmental crime). All projects retained in FA's Annex 4 have been, or are being worked out.

An open, professional relationship has been established between SIB and EAs. In the Ministry of Justice, some instability was noted, probably due to the change of the Minister. The communication line is sometimes slow with the Ministry of Interior and in particular the police academy. A common feature of many projects is the very high number of Bulgarian staff involved (up to 9 for some small projects) and requesting a project-related honorarium.

In parallel, the SIB team leader has been busy establishing the Steering Committee (SC), its membership and its internal rules. The civil society representative has been selected (the Centre for the Study of Democracy in Sofia). The MoJ representative is still unidentified. The first SC is scheduled for February 29, 2012. The Management document for the "non-retained" projects will be explained and submitted for endorsement at the SC. A review of institutional and public-related demands in the broadly seen security and justice sector will be conducted (after SC approval) to be used as a screening matrix for next projects (due to start in 2013).

The current project status as of January 2012 is the following:

Forensic project: ready to be presented at first SC;

Tracing Stolen Vehicles project: ready to be presented at SC;

Capacity building for police officers: still in development, close to be ready for presentation at SC;

Juvenile crime prevention: still in development, proposal needs important adjustments, not ready for SC;

Environmental crime project: ready to be presented at SC;

Juvenile justice: still in development, no formal proposal ready, lack of capacities internally, not ready for SC;

Combating organized crime, trafficking in human being and money laundering: still in development, no formal proposal ready, lack of capacities internally, not ready for SC;

Exchange practice in migration, close to be ready for presentation at SC;

Three Swiss partners have at the moment been formally identified in two projects ("forensic project" - University of Lausanne, and "vehicle tracing" - Cantonal police of Neuchâtel and Swiss border guards).

Planned activity for 2012

Credit proposals will be drafted by the SIB once the first projects are endorsed by the SC, and sent to SDC. Activity agreements between the SIB and EAs will be negotiated after SDC

approval. SIB therefore plans to enter into the implementation phase of the first projects in April 2012. A second SC, for submission of the projects not presented in February, may well take place also in April.

Reform Fund linked to Civil Society Participation

Based on SIB Annual Report 2011

Introduction:

In May 2011, SDC and NCU selected through competitive bidding a Consortium consisting of the InnovaBridge Foundation (Switzerland) as lead institution, with Neosys Ltd. (Switzerland) and the Balkan Institute for Labour and Social Policy (BILSP, Bulgaria) as SIB to manage both the TF „Reform Fund for Civil Society Participation“ (CSP) and the TF „Partnership and Expert Fund“ (PEF). The intergovernmental FA assigns funds to projects retained in the FA as well as for projects to be selected through open call for proposals (Block Grant Schemes).

At the intergovernmental level, the Bulgarian competent authority and the Swiss government signed the TF CSP Agreement on 29 September 2011.

The Mandate Agreement between SDC and the mentioned Consortium concerning the TF CSP was signed on 30 September 2011. It covers a first implementation phase from 1st of October 2011 to 30 September 2014.

Activity Review

The Consortium started its activities with an inception mission to Bulgaria from October 3 to 6 2011, first dedicated to the TF CSP. It was presented to the National Coordination Unit (NCU), the competent Bulgarian authority for the implementation of this FA; established contact with the Swiss Embassy involved in Agreement negotiations; visited the Norwegian Embassy which will implement similar funds like the one Switzerland now offers; and conversed with the Bulgarian implementing agency of the former Norwegian NGOs fund programme.

It also met with a Consortium of six Bulgarian NGOs, which previously elaborated a programme proposal for the CSP FA project „Linking nature protection with sustainable rural development“. Subsequently, the SIB evaluated and commented this programme proposal, inviting the Bulgarian Consortium and its Swiss partner NGOs to write a Programme Document (PRODOC). It also provided templates for the elaboration of different aspects of the PRODOC.

During the first three months, the mandated Consortium established its internal organization and started working on the Management Document, which will specify how the calls for projects of both TFs will be implemented, from announcing publicly the call to the final accounting of implemented activities and funds spent. It also established its accounts structure and bank accounts in Switzerland and defined the flow of finances between the involved partner institutions. It evaluated Project Management System (PMS) software alternatives for planning the entire mandate. Furthermore, it contracted the elaboration of a logo which could serve for all TFs of the Bulgarian – Swiss Cooperation Programme. And it established a reporting template for progress reports to SDC.

In a second mission, conducted at the end of November, the Consortium met again with the Bulgarian NGOs to answer questions with a view to receive a PRODOC until December 9, a deadline which was kept. The SIB proceeded with the elaboration of a draft Credit Proposal for

SDC until the end of the year to check whether the presented PRODOC was up to the requirements. In the November mission, the SIB also consulted the Ministry of Environment and Water (MEW) about their interest and participation in the CSP FA project.

In December, the SIB sent formal invitations to the institutions stipulated in the TF Agreement to nominate their representatives in the Steering Committee.

Planned activity for 2012

The Consortium plans to support the finalisation of the PRODOC of the project “Linking Nature” and to provide the Management document on the NGO Block Grant until March 2012 with the objective to get approval by the Steering Committee in April 2012.

Scholarship Fund – Sciex NMSch

CRUS Brief report of the activities 2011

1. September 1st 2011: official participation of Bulgaria in the Sciex Programme

- Duration

The conclusion of the TF Agreement for the Scholarship Fund at the end of August 2011 marked officially the start of Bulgaria’s participation in the Sciex Programme. It will last until the official end of the Sciex Programme, which is foreseen in 2016.

- Budget

SDC allocation for Bulgaria totals 2 million CHF, which will allow to finance approximately 20 fellowships of 12 months (1’610’000 CHF) and 60 Short-term Visits (150’000 CHF).

Two remarks concerning the budget have to be added:

The experts of the Evaluation Committee receive an indemnity of 1’000 CHF per call. This budget is taken on the fellowships budget from each New Member States - proportionally to their respective budget.

For Bulgaria, it means a total budget of 6’671 CHF.

Gender specific allocations are foreseen within the Sciex Programme. They are covered by the social taxes paid for each fellowship; but if differences appear between the amount that the Host Institution has to pay to the Fellow and the amount received by the Host Institution from Sciex, Sciex will cover additionally the differences. The decision will be taken case by case by the Sciex Management Programme in agreement with the SDC and the amount will be taken from the fellowships budget.

The amount reserved for the management costs of the Sciex Programme corresponds to 154’000 CHF (7,7% of the total budget).

- First steps of the collaboration between the operative partners

According to the contractual agreements, two partners were identified for the implementation of the Sciex Programme:

Swiss Intermediate Body: Rectors’ Conference of the Swiss Universities (CRUS) and

Coordination Body: Bulgarian Science Directorate at the Ministry of Education, Youth and Science (SD/MYES)

The first e-mail contact between both partners was established in order to guarantee that the Bulgarian Coordination Body has all essential information for the implementation of the Sciex Programme (e.g. rules of application, eligibility criteria, operational implementation of a granted fellowship, role of the Coordination Body/role of CRUS etc.).

Unfortunately, no meeting could take place in 2011 and the representatives of the Coordination Body were prevented to attend the training-session for Coordination Bodies and Regional Offices and the first Sciex Fellows Event organized in Bern, on October 20-21,2011.

2. Participation to the first Sciex Call

Bulgaria has participated to its first Sciex call, which was launched on September 1st 2011 and was closed on November 1st 2011.

For this first call, 15 Bulgarian-Swiss proposals were submitted. At this time, only 14 proposals were declared eligible and are in the evaluation process, since one project team has withdrawn its application. Towards this end it has to be mentioned that the number of non-eligible proposals may still increased as end of February 2012 is the deadline for the candidates to submit copy of diplomas to Sciex. If the applicants are not able to fulfil this last requirement, their proposals will be considered non-eligible.

Knowing that little time was left for the promotion and the communication of the launch of the first call, the number of submitted proposals has to be seen as satisfactory.

Brief overview of the 14 eligible proposals in evaluation:

Status of the fellowship requested	3 as Doctoral Candidates 11 as PostDocs
Envisaged Host Institutions	8 cantonal universities 2 federal institutes of technology 4 research institutes from ETH-Domain
Sending Institutions	6 Bulgarian Academy of Sciences 3 Sofia University St. Kliment Ohridski 1 University of National and World Economy 1 Medical University of Sofia 1 Institute of Plant Physiology and Genetics 1 University of mining and geology "St. Ivan Rilski" 1 University of Forestry
Fields	2 Chemistry 1 Engineering Sciences 1 Physics 1 Environmental Sciences 1 Earth Sciences 2 Basic Biological Research 1 Basic Medical Research 3 Legal and Social sciences, Economics 1 Psychology, Educational science and Religious sciences 1 Linguistics and Literature

This first call will be a good indicator of the quality of the proposals submitted, whereas the second call should be more representative of the average number of proposals that will be submitted for Bulgaria (and thus of the interest of the Bulgarian researchers in the Sciex Programme).

3. Memorandum of Understanding yet under elaboration

According to article 521 from the Programme Document, CRUS and SD/MYES have to conclude a Memorandum of Understanding. This MoU shall detail the coordination arrangements of both partners.

The first discussions were initialized and led to an agreement on the following issues:

The calendar of the calls for Bulgaria was defined as follows:

2011: 1 call (start on September 1st 2011 with deadline on November 1st 2011)

2012: 2 calls (1st: start on January 1st 2012 with deadline on April 1st 2012 and 2nd: start on September 1st 2012 with deadline on November 1st 2012). The decision of having 2 calls in 2012 is related first to the fact that for the first call, the Bulgarian partners had very little time to promote the Sciex Programme and second to the relative short duration of the Sciex Programme until 2016 (with the aim to prevent any remaining funds at the end of the Programme).

2013: 1 call (start on September 1st 2013 with deadline on November 1st 2013)

2014: 1 call (start on September 1st 2014 with deadline on November 1st 2014) – For this call, only 6-months fellowships can be granted with regards to the end of the Sciex Programme.

Furthermore, the evaluation procedure of the proposals submitted for Bulgaria was specified and it was decided that a Home Scoring will be organized.

4. Perspectives 2012

- January 1st 2012: Start of the second call for Bulgaria;
- January 18th 2012: Visit from the Sciex Programme Manager, Mrs Pacton, in Sofia;
- March 29th 2012: Steering Committee Meeting (final decision on the call from November 1st 2011);
- April 1st 2012: Deadline for the submission of the proposals from the second call;
- End of August 2012: Steering Committee Meeting (final decision on the call from April 1st 2012);
- September 1st 2012: Start of the third call for Bulgaria;
- November 1st 2012: Deadline for the submission of the proposals from the third call;
- Autumn 2012: Annual training-session and Fellows Event in Bern (tbc).

5. Appreciation /General Comments

Since September 2011, the Sciex Programme could be implemented in Bulgaria and the first features of the participation - in only four months - are encouraging:

- a) The collaboration was established between the operational partners and will be strengthened in the coming years and
- b) The number of submitted proposals for the first call – with respect to the overall budget of Bulgaria – is satisfactory.

These features, plus the related necessary high scientific quality of the research projects, should be the guarantee of a smooth implementation of the Sciex Programme in Bulgaria.

Bulgarian-Swiss Research Programme (Research Fund)

SNSF Annual Report 2011

Introduction

One of the selected fields of cooperation with Bulgaria is scientific research and a specific Programme, the Bulgarian-Swiss Research Programme (BSRP), was therefore set up. The Swiss National Science Foundation (SNSF) and the Science Directorate of the Bulgarian Ministry of Education, Youth and Science (SD/MEYS) were chosen to manage and administrate the program.

BSRP will fund Joint Research Projects (JRPs) that enable scientists from Bulgaria, jointly with scientists from Switzerland, to undertake research activities for a period of maximum three years addressing specific problems in four thematic areas: (1) Ecology: forestry and agricultural sciences, land management, waste management; 2) Social sciences: socio-human inequalities and regional disparities; 3) Medicine: drug chemistry, drug design and simulation; 4) Engineering: innovative construction design and civil engineering, methods and materials.

Activity report

January to July: Negotiations between the involved partners concerning details of the Thematic, Mandate and Co-operation agreements;

19.08 Signature of the TF Agreement for the Research Fund;

20.09 Signature of the Mandate Agreement between SDC and SNSF;

September/October: Preparation of first call's documents, the Information Event and mySNF platform;

End of December: Signature of the Co-operation Agreement between SD/MEYS and SNSF;

26.10 First Steering Committee Meeting held in Sofia;

27.10 Information Event for Bulgarian Researchers;

15.11 Launching of the first call for proposal.

Planned activities for 2012

15.01 Opening of Xing platform;

13.03 Approval of the panel by the SNSF's Specialised Committee International Co-operation;

15.03 Closing of the call;

End of March Eligibility check of the proposals; Evaluations of the proposals;

End of August Meeting of the evaluation panel in Berne;

End of August Second Steering Committee Meeting in Berne => confirmation of evaluation by panel;

11.09 Approval of decision by SNSF's Specialised Committee International Co-operation;

18.09 Approval of decision by SNSF's Presidential Board;

End of September Sending of decision letters to the Swiss PIs;

October Signing of Grant Agreements;

01.11 Start of awarded JRP projects.

Partnership and Expert Fund (PEF)

Based on SIB Annual Report 2011

Introduction:

In May 2011, SDC and NCU selected through competitive bidding a Consortium consisting of the InnovaBridge Foundation (Switzerland) as lead institution, with Neosys Ltd. (Switzerland) and the Balkan Institute for Labour and Social Policy (BILSP, Bulgaria) as SIB to manage both the TF „Reform Fund for Civil Society Participation“ (CSP) and the TF „Partnership and Expert Fund“ (PEF). The intergovernmental FA assigns funds to projects retained in the FA as well as for projects to be selected through open call for proposals (Block Grant Schemes).

At the intergovernmental level, the Bulgarian competent authorities and the Swiss Government signed the TF PEF Agreement on 11 November 2011.

The Mandate Agreement between SDC and the mentioned Consortium concerning the TF PEF was signed on 14 November 2011, covering the period until the end of November 2014.

Activity Review

Already in the inception mission of October 2011, the SIB took contact, together with the NCU and SDC, with the principal partners, Ministry of Labour and Social Policy (MLSP) for the PEF Project activities retained in the FA, and the National Institute for Conciliation and Arbitration (NICA). This inception served to inform the MLSP and NICA about the imminent start of the PEF activities. Both were invited to present concept notes for each of the three activity lines retained in the FA.

After the signature of the PEF TF Agreement and Mandate agreement in November, work on the PEF FA project intensified both on the part of the Swiss partnering NGO “SOLIDAR Suisse”, the MLSP and NICA. Here too, the SIB provided orientation on how to elaborate the project and met with the Swiss partner NGO in Switzerland to coordinate its support. In Sofia, the Bulgarian Consortium partner BILSP, met twice with the drafting team of MLSP and NICA, providing methodological help.

Planned activity for 2012

The Consortium plans to support the finalisation of the Project Document of the project on Social Dialogue and to provide the management document of the Partnership Block Grant and the Expertise Block Grant until April 2012 with the objective to get approval by the Steering Committee in May 2012.

OVERALL CONCLUSIONS AND RECOMMENDATIONS

The experience drawn out from the first 16 months of TFs implementation can be summarised as follows:

Negotiation of the TF Agreements was initially cumbersome in many aspects. SDC’s expectation was to limit the scope of the Thematic Fund Agreement to a minimum, mainly a formal acceptance to proceed according to elaborated programme documents and financial frame or based on a working programme. NCU requested an elaborated legal document, with detailed description of responsibilities, roles, procedures. Thanks to the good will of each party and persons involved, the first TF agreement finalised in June 2011 paved the road for the elaboration and signature of the all other agreements.

The organizational set-up with many partners such as NCU, SDC, Swiss Embassy, line ministries signing the agreements, SIBs organised in consortia, Executing Agencies organised in

partnerships, etc. renders the development of the programme complex. The specific legal and administrative requirements of both countries and institutions, constituting several layers of contractual arrangements - agreements, mandates, memorandum of understanding, etc. contributes to this complexity. The whole package becomes more challenging if one considers that each institution would have very limited flexibility to accommodate the arrangement due also to the requirement to pass audits. At the end, the applause is for the brave people that took the risk to endeavour smooth and pragmatic solutions in this complex machinery. And these brave, determined people, both from Bulgarian and Swiss side, are those extremely needed for the success of the Programme.

The cooperation with the Science Directorate of the Bulgarian Ministry of Education, Youth and Science (SD/MEYS) was difficult all along the starting phase of both BSRP and Scholarship Program. The nomination of the person(s) in charge of the programmes and clear repartition of tasks by the Bulgarian Ministry was not optimal. The participation of the SD/MEYS in promotion, evaluation process, etc. is key for the success of both programmes. Therefore it is crucial that SD/MEYS takes its role of local coordinator seriously.

3. Project Preparation Facility Fund

Project Preparation Facility Fund (PPF) provides financial support for the preparation of the Final Project Proposal to the Executing Agencies. According to Article 3.4 of Project Preparation Facility Agreement the financing by the PPF shall not exceed 85 % of the total eligible actual costs for the preparation of a Final Project Proposal. The total budget of PPF is 575 000 CHF (the maximum amount provided by Switzerland is 500 000 CHF and 15% national co-financing).

The PPF Agreement between NCU and SECO was signed on 15th of March 2011.

In November 2011 on the basis of the Agreement NCU signed two agreements with two Intermediate Bodies in Thematic Areas "Environment and Infrastructure" and "Private Sector" for the implementation of PPF. Agreements outline delegated by NCU responsibilities, concerning PPF as ex ante control of the public procurements documentation, check for double financing, verification and certification of the expenditures and financial control over the implementation of PPF activities.

For the reporting period requests for PPF under the project outlines in Thematic Area 2 "Environment and Infrastructure" were submitted.

The PPF Proposal of **Project Outline "Environmentally sound disposal of obsolete pesticides and other crop protection products"** involves the following activities:

- Implementation of preliminary survey, which will serve the preparation of the Final Project Proposal;
- Design and testing of a new software for accounting and registering of data on national level for the existing quantities of pesticides;
- Update of the GIS (Geographic Information System);
- Preparation of a plan for the public procurements during the main project;
- Preparation of detailed BoQ for the repackaging, export, disposal of pesticides and all further activities for the remediation of terrains; and

- Preparation of technical specifications/ToR for the public procurement that should be conducted as foreseen in the course of the project.

The PPF Proposal of **Project Outline “Study and development of pilot models for eco-friendly collection and temporary storage of hazardous household waste”** involves two types of activities as follows:

- Activities of interested directorates and authorities within MOEW system for selection of appropriate model for application in Bulgaria and preparation for pilot municipalities selection, coordinated by EMEPA;
- Working out of preliminary study (by external consultants), which will be used for preparation of the Final Project Proposal and starting the implementation.

Planned Activities for 2012

It is envisaged in 2012 SECO to have final decision for the submitted two outlines in Thematic Area “Environment and Infrastructure” and the approval of respective PPF activities.

Due to the early stage of the design of project ideas in Thematic Area “Private sector” there is no clear identification about the planned activities under the PPF. It is expected PPF request and related activities to be described in the stage of project outlines elaboration.

4. Technical Assistance Fund

The negotiation process regarding the Technical Assistance Fund Agreement was finalized in 3rd quarter of 2011 and the Agreement was signed on 9th of December 2011. The Technical Assistance Fund will be used for financing some costs incurred by the Bulgarian authorities for tasks performed additionally and exclusively for the implementation of the Bulgarian- Swiss Cooperation Programme.

Rules and Procedures for the implementation of the Technical Assistance Fund were elaborated by NCU and approved by the Head of NCU on 19th of December 2011. The TA Fund is operational from the date of the signing of the TA Fund Agreement until 31st May, 2019. The total budget of the TA Fund amounts to CHF 1'235'294 (one million two hundred thirty five thousand and two hundred ninety four Swiss Francs) of which Switzerland shall provide a grant of maximum CHF 1'050'000 (one million and fifty thousand Swiss Francs).

III. FINANCIAL PROGRESS

The overall financial status of the Programme as per 31.12.2011, outlining allocated/pre-committed/committed/dispensed funds including Bulgarian co-financing share is extended in Annex 3.

Projects in Thematic Areas 2 and 3

For the reporting period there are no allocated funds and payments under the projects in thematic areas 2 and 3 managed by Bulgarian side.

The progress in this field was related to the preparation of the ground for effective and efficient financial implementation of the projects in this field in terms of design and approval of adequate and clear procedures and rules, concerning payments and financial management and control of the project implementation.

With this regard in order to receive the Swiss grant contribution the Paying Authority of Bulgarian – Swiss Cooperation Programme has opened a separate bank account in the Bulgarian National Bank in 2011. In addition, in accordance with p.6.5.9 of the approved Description of Management and Control System steps were undertaken to involve the IB and NCU in the SAP integrated accounting system which guarantees differentiated accounting of the funds from Swiss grant and the relevant co-financing.

The Paying Authority took participation in the process of elaboration of Programme's Description of Management and Control System by describing those parts related to PA's main functions and activities. Following the approval of the Description of management and control system under the Bulgarian – Swiss Cooperation Programme, the PA has elaborated internal rules and procedures with the aim to ensure adequate financial control during programme's implementation.

Thematic Funds²

All payments done are advance payments to start the implementation. The list of credits approved and amounts paid (Total Actual) by SDC for Thematic Funds are presented in Annex 1.

The total commitment of released budget, including precommitment for the TF “Social Inclusion of Roma” amounts 37 800 000 CHF.

The Total Actual ammount paid by SDC is 585 490.52 CHF.

The status of credit approval and legal documents for each Thematic Fund is correctly reflected in Annex 2.

IV. PUBLICITY

Publicity of the Bulgarian-Swiss Cooperation programme implemented by the NCU includes the following activities:

- Maintaining of the website of the Programme: www.swiss-contribution.bg and <http://www.eufunds.bg/bg/page/20>;
- Development and distribution of printed materials related to Programme implementation;
- Ensure the respect of information and publicity principles within the framework of initiatives, activities and projects, financed under the Programme as well as in the process of their planning and implementation.

Web based Publicity

Webpage of the Bulgarian –Swiss Cooperation Programme was created in 2010 (<http://www.eufunds.bg/en/page/20> or www.swiss_contribution.bg).



² The information and the annexes are provided by SDC

The information is updated on a regular basis with the perspective, following the progress in the implementation of the Programme to be added new functionalities and documents.

In the section "Contacts" on the website are given coordinates of the National Coordination Unit, which provides an opportunity to ask questions and receive answers.

Information Events



During the period several signing ceremonies of the Thematic fund agreements and information days were held and organized in order to promote the Bulgarian - Swiss Cooperation Programme.

On 15th of March 2011 the official launch of the Bulgarian-Swiss Cooperation Programme was organized by NCU. Minister of EU Funds Management, Mr. Tomislav Donchev opened the official launch which was held in Sofia, Granite Hall of the Council of Ministers.

Among the official guests of the Bulgarian side were deputy ministers, representatives of ministries, mayors, NGO representatives, as well as business associations. The Swiss side was presented by Ambassador Beatrice Maser Mallor, Head of Economic Cooperation and Development Ministry of Economy of the Swiss Confederation, Swiss Ambassador in Sofia, H.E. Regina Escher, representatives of the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO), representatives of the Swiss Federal Police and the Swiss Embassy in Bulgaria.

The event was widely covered by the Bulgarian media.

Annex 1 List of Credits approved and amounts paid (Total Actual) by SDC for Thematic Funds

Status 31 December, 2011

So far, all payments done are advance payments to start the implementation

WBS element	WBS element	Start date	End date	Syst. Status	Pre Commitment (1st	Commitment (2nd loop	Total Actuals
7F-07725.01.01	Schengen issues	07.09.2010	03.06.2012	Released Budgeted Availability control acti	0	197'000.00	59'940.22
7F-07902.01.01	Swiss-Bulgarian Research Programme	01.03.2011	31.12.2016	Released Budgeted Availability control acti	0	352'950.00	150'000.00
7F-07902.01.02	Swiss-Bulgarian Research Programme	01.03.2011	31.12.2016	Released Budgeted Availability control acti	0	3'647'050.00	0
7F-07927.01.01	Thematic Fund Security Bulgaria	01.04.2011	31.12.2019	Released Budgeted Availability control acti	0	1'450'000.00	151'836.50
7F-07927.01.99	Thematic Fund Security Bulgaria	01.04.2011	31.12.2019	Released Budgeted Availability control acti	0	8'203'000.00	0
7F-07935.01.01	Technical Assistance Fund - Bulgaria	11.03.2011	06.12.2019	Released Budgeted Availability control acti	0	1'050'000.00	0
7F-08057.01.01	Them. Fund Civil Society Participation	01.07.2011	30.11.2019	Released Budgeted Availability control acti	0	800'000.00	50'833.90
7F-08058.01.01	Them. Fund Partnership and Expert Fun	01.07.2011	30.11.2019	Released Budgeted Availability control acti	0	600'000.00	71'179.90
7F-08057.01.02	Them. Fund Civil Society Participation	01.07.2011	30.11.2019	Released Budgeted Availability control acti	0	7'200'000.00	0
7F-08058.01.02	Them. Fund Partnership and Expert Fun	01.07.2011	30.11.2019	Released Budgeted Availability control acti	0	3'400'000.00	0
7F-08085.01.01	Home Care Services	01.07.2011	31.12.2015	Released Budgeted Availability control acti	0	1'980'000.00	0
7F-08154.01.01	sciex NMS-Bulgaria Scientific-Exch.Prog	01.06.2011	31.12.2017	Released Budgeted Availability control acti	0	154'000.00	12'700.00
7F-08154.01.02	sciex NMS-Bulgaria Scientific-Exch.Prog	01.06.2011	31.12.2017	Released Budgeted Availability control acti	0	1'846'000.00	89'000.00
7F-08190.01.01	Social Inclusion of Roma	01.03.2012	31.12.2017	Created Budgeted Availability control active	6'300'000.00	0	0
7F-08190.01.02	Social Inclusion of Roma	01.03.2012	31.12.2017	Created Budgeted Availability control active	620'000.00	0	0
					6'920'000.00	30'880'000.00	585'490.52

Annex 2 Status of Credit approval, and legal documents for each Thematic Fund

Status 31 December 2011

Thematic Funds and "isolated" Projects	Swiss Intermediate Body		Credit Proposal at SDC			Thematic Fund Agreement		Mandate Agreement	
	art of selection opening - closing decision	Head & members of Consortium	n°	Amount	date approval	date signature	Amount	date sign.	Amount
B1 - Security Fund				9'850'000			10'047'000		6'540'530
Security Fund	Open tender 30 Sept - 23 Nov 2010 26. Jan 11	TC Team Consult SA Coginta and DCAF	7F-07927.01	9'653'000	21 June 2011	27 July 2011 Ministry of EU Fund MoJ, Prosecutor's Office	incl. 197'000 for pct Schengen	09. Sep 11	6'343'908
Schengen Issues	none	fedpol	7F-07725.01	197'000	09. Sep 10	03. Sept - 16 Sept 2010 Exchange of letter Ministry EU Fund	197'000	28 Oct 2010 Agreement	196'622
B2 - Reform Fund linked to Civil Society Participation				8'000'000			8'000'000		7'658'012
	Open tender 09 Dec 10 - 02 Feb 2011 21 Mars 2011	Innovabridge Ltd Neosys Ltd Balkan Institute for Labour and Social Policy	7F-08057.01	8'000'000	27. Sep 11	29. Sep 11 Ministry of EU Fund Ministry of Justice	8'000'000	30. Sep 11	7'658'012
B3 - Reform Fund linked to the Inclusion of Roma and other vulnerable groups				1'980'000			1'980'000		1'980'000
Home Care Services Project	none	Swiss Red Cross	7F-08085.01	1'980'000	21 June 2011	9 Dec 2011 Ministry of EU Fund MoH, MoL&SP	1'980'000	23. Jan 12	1'980'000
Fund for Roma and other vulnerable groups	none	none							
B4 - Scholarship Fund				2'000'000			2'000'000		2'000'000
Scholarship Programme	Appointment in the FA	Rectors' Conference of the Swiss Universities (CRUS) SD/MEYS	7F-08154.01	2'000'000	23. Aug 11	19. Aug 11 Ministry of EU Fund, MEYS	2'000'000	23. Aug 11	2'000'000
B5 - Research Fund				4'000'000			4'000'000		4'000'000
Bulgarian Swiss Research Programme	Appointment in the FA	Swiss National Science Foundation (SNSF) BG SD/MEYS	7F-07902.01	4'000'000	03 March 2011	19. Aug 11 Ministry of EU Fund MEYS	4'000'000	20. Sep 11	4'000'000
B6 - Partnership and Expert Fund				4'000'000			4'000'000		3'586'066
	Same tender as for Fund for Civil Society		7F-08058.01	4'000'000	20 June 2011	11. Nov 11 Ministry of EU Fund MoL&SP	4'000'000	14. Nov 11	3'586'066

Annex 3 Overall Financial Status of the Programme (allocated/pre-committed/committed/disbursed funds and Bulgarian co-financing) Status 31.12.2011

Swiss Contribution (CHF)					Bulgarian Contribution (CHF)			
Funding lines (CHF)	Indicative financial allocation (million CHF)	Pre-committed funds-1st loop	Committed funds-2nd loop	Disbursed funds	Co-financing as per FA/TFAs		Co-financing disbursed/accounted	
					%	amount*	%	amount
1. Security, Stability and Support for Reforms	26,75	6 920 000	19 830 000	262 610		367 735		0
Schengen issues		0	197 000	59 940,22	15	34 698	0	0
TF Security for Management		0	1 450 000	151 836,50	0	0	0	0
TF Security for Projects		0	8 203 000	0,00	15	0	0	0
TF CSP for Management		0	800 000	50 833,00	0	0	0	0
TF CSP for Projects		0	7 200 000	0,00	10	0	0	0
TF Home Care		0	1 980 000	0,00	14,4	333 037	0	0
TF Roma		6 920 000	0	0,00	15	0	0	0
2. Environment and Infrastructure	27,4	0	0	0,00	15	*	0,00	0,00
Project 1		0	0	0,00		0	0	0
Project 2		0	0	0,00		0	0	0
3. Private Sector	3	0	0	0,00	15	*		0,00
Project 1		0	0	0,00		0	0	0
Project 2		0	0	0,00		0	0	0
4. Human and Social Development	6	0	6 000 000	251 700,00		706 000		0,00
TF Research for Management		0	352 950	150 000,00		117 650	0	0
TF Research for Projects		0	3 647 050	0,00		588 350	0	0
TF Scholarship for Management		0	154 000	12 700,00	0	0	0	0
TF Scholarship for Projects		0	1 846 000	89 000,00	0	0	0	0
5. Special Allocations	9,35	0	9 350 000	71 179,90		185 294	0	0
TF PEF for management		0	600 000	71 179,90	0	0	0	0
TF PEF for projects		0	3 400 000	0,00	10	0	0	0
TAF		0	1 050 000	0,00	15	185 294	0	0
PPF		0	500 000	0,00	15	0	0	0
Swiss Management		0	3 800 000	0,00	0	0	0	0
6. Reserve	3,5	0	0	0,00	15	*	0	0
Total indicative allocations	76	6 920 000	35 180 000	585 490		1 259 029	0	0
	%	100%	9%	46%	1%			

* These amounts will be decided with the particular Project Agreements