

Annex 1: Conceptual Framework of the Swiss-Bulgarian Cooperation Programme

Annex 1 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 1 defines: objectives; principles; strategic direction; approaches; geographic focus; and thematic focus including indicative portfolio of Supporting Measures and indicative financial allocations.

The rules and procedures are defined: in Annex 2 for the overall Swiss-Bulgarian Cooperation Programme; in Annex 3 for Projects; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

1. Objectives

The Swiss-Bulgarian Cooperation Programme pursues two main objectives:

- To contribute to the reduction of economic and social disparities between Bulgaria and the more advanced countries of the enlarged European Union (EU); and/or
- To contribute within Bulgaria to the reduction of economic and social disparities between the dynamic urban centres and the structurally weak peripheral regions.

Furthermore:

- The Swiss Contribution is an important element of the bilateral relations between Switzerland and Bulgaria. The Swiss-Bulgarian Cooperation Programme shall enhance the bilateral relations in many aspects, such as providing opportunities to assert Swiss solidarity, to establish Swiss-Bulgarian institutional partnerships, to promote Swiss presence and visibility as well as to make good use of Swiss knowledge and experience.
- Supporting Measures in the Swiss-Bulgarian Cooperation Programme shall pursue a sustainable, economically and socially balanced development.

2. Principles

The Swiss-Bulgarian Cooperation Programme is guided by the following principles:

Transparency. Transparency and openness are key to all cooperation activities and are binding at all levels. Special emphasis on transparency shall be given in project and activity selection, contract awarding and financial management.

Social inclusion. Cooperation activities shall respect the need for including socially and economically disadvantaged groups in the opportunities and benefits of development.

Equal opportunities and rights. Cooperation activities shall increase women's and men's opportunities to exercise their rights equally through an age and gender-based approach.

Environmental sustainability. Cooperation activities shall respect the need to incorporate requirements of environmental sustainability.

Commitment by all actors involved. All decision-makers and entities involved in the Swiss-Bulgarian Cooperation Programme shall be committed to the efficient and effective implementation of the agreed Supporting Measures.

Subsidiarity and decentralisation. Cooperation activities shall respect the need to include considerations of subsidiarity and decentralisation primarily in Supporting Measures at the municipal and regional levels.

3. Strategic Direction

The strategic direction of the Swiss-Bulgarian Cooperation Programme is defined by two strategic lines:

- **Emphasising Swiss experience.** Switzerland gives priority to the following thematic areas: security; reforms and inclusion of vulnerable groups; environment and infrastructure; promotion of the private sector; research and scholarships. In these areas, Switzerland has extensive cooperation experience and can provide widely recognised specific knowledge and methodology.
- **Combining Bulgarian needs with specific value added by Switzerland.** Swiss support targets the specific needs of Bulgaria (demand-driven approach). Swiss support is provided in areas in which Switzerland can offer specific value added.

The strategic direction includes:

Partners and beneficiaries. The Swiss-Bulgarian Cooperation Programme shall include partners and beneficiaries, inter alia the public and private sectors, non-governmental organisations and civil society organisations.

Partnerships. Partnerships between Swiss and Bulgarian partners are an enriching element of the Swiss-Bulgarian Cooperation Programme. Cooperation and institutional partnerships are strongly encouraged, especially in focus areas in which Switzerland contributes particular experience, know-how and technologies.

Visibility. Visibility of the Swiss-Bulgarian Cooperation Programme for the Bulgarian and Swiss public is an important aspect that shall be taken into account when selecting and implementing Supporting Measures. Both Parties shall proactively inform about their cooperation.

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

Transnational Cooperation. The Contribution may be used to finance transnational Supporting Measures. Transnational Supporting Measures are measures which are implemented in more than one country.

4. Approaches

The Swiss-Bulgarian Cooperation Programme is based on the following approaches:

Projects. Project means an individual project or programme. An important part of the Swiss Contribution is provided in the form of project and programme financing. The respective rules and procedures are laid down in Annex 3.

- An **individual project** approach shall be applied in a focus area in which stand-alone projects shall be implemented. To assure efficiency and effectiveness, the contribution for each project under the individual project approach shall represent in general a minimum amount of CHF 1 million. Higher minimal financial volumes may be agreed upon (see Chapter 6 of this Annex). In exceptional cases, the competent authorities mentioned in Article 9 of this Framework Agreement may agree on lower minimum financial volumes.
- A **programme** consists of component projects linked by a common theme or shared objectives. A programme approach shall be applied in focus areas which have several of the following characteristics: large financial commitments; linking of different levels (national, regional, local); variety of actors; contribution to policy development; significant contributions to capacity building; and application of a common set of rules and procedures. A programme approach implies a delegated authority for decision-making on component projects. A programme approach includes: an initial assessment of the focus area; the definition of objectives, guidelines and budgets; a programme implementation plan; and a monitoring, steering and evaluation concept. To assure efficiency and effectiveness, the contribution to a specific programme shall amount to a minimum of CHF 4 million.

Thematic Funds. Thematic Funds target a specific theme or a specific beneficiary group. Thematic Funds are set up to efficiently implement Activities. In general, financial volumes for each Activity are small. However, in exceptional cases, financial volumes may reach those of individual projects. A Thematic Fund is managed by a Swiss Intermediate Body and an Activity is implemented by an Executing Agency. The rules and procedures for Thematic Funds are provided in Annex 4.

Project Preparation Facility Fund. Project preparation and detailed Project planning are of paramount importance for efficiency and effectiveness in Project implementation. Preparation support may be requested by Bulgaria or recommended by Switzerland and shall be financed through the Project Preparation Facility (see Annex 5).

Technical Assistance Fund. A Technical Assistance Fund shall be established to contribute to some additional costs incurred by Bulgaria for the efficient and effective implementation of the Contribution (see Annex 5).

5. Geographical Focus

An important part of the financial resources of the Swiss-Bulgarian Cooperation Programme shall be spent in the areas with low economic and social indicators.

6. Thematic Focus, Indicative Portfolio of Supporting Measures and Indicative Financial Allocations

The following thematic focus, indicative portfolio of support measures and indicative financial allocations shall apply to the Swiss-Bulgarian Cooperation Programme:

| 1. Security, Stability and Support for Reforms | | | |
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| N° | Focus areas | Indicative Portfolio of Supporting Measures | Indicative financial allocation |
| 1 | Security | <p>Approach: Thematic Fund</p> <p>Objective:. The fund shall address Schengen related issues and contribute to enhance socially related security as well as to fight corruption and organised crime.</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Schengen Issues: Development of personnel capacities and awareness raising - Tracing of stolen vehicles according to article 100 of the Schengen Convention - Exchange practice in the field of migration - Juvenile Justice / Prevention of crimes against and by children - Prevention of juvenile delinquency - Capacity building for police officers in human rights - Capacity building of forensic experts - Environmental security: capacity building of the Association of Prosecutors - Combating organized crime, trafficking of human beings and money laundering: enhance the capacity of the public prosecutors <p>Other Activities in the form of projects may be proposed by Bulgaria or by Switzerland.</p> <p>Additional information is provided in Annex 4.</p> | Up to CHF 9.850 million |

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| 2 | Reforms linked to civil society and the inclusion of Roma and other vulnerable groups | <p>Approach: Thematic Funds</p> <p>Objective1: To promote civil society's contribution as important actors of development and participation. Priority shall be given to Activities of civil society/NGOs contributing primarily to the provision of social services as well as tackling environmental issues, allowing for strengthening organisational capacities (CHF 8.0 million).</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Linking nature protection and sustainable rural development. <p>Activities in the form of small projects financed through a Block Grant:</p> <ul style="list-style-type: none"> - NGO Block Grant for small projects. <p>Objective 2: To promote the social inclusion of the Roma and other vulnerable groups (CHF 8.9 million).</p> <p>Activities in the form of a programme or projects already identified:</p> <ul style="list-style-type: none"> - Support the social inclusion and the effective integration of Roma and other vulnerable groups in Bulgarian society through: - Introduction of home care services in Bulgaria as a form of long-term care for older people, people with chronic diseases and people with disabilities, taking also into consideration the special needs of those from the Roma community and from other vulnerable groups. <p>Additional information is provided in Annex 4.</p> | <p>Up to CHF 16.9 million</p> |
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| 2. Environment and Infrastructure | | | |
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| N° | Focus areas | Indicative Portfolio of Supporting Measures | Indicative financial allocation |
| 3 | Rehabilitation and modernisation of basic infrastructure and Improvement of the environment | <p>Approach: Projects</p> <p>Objective 1 (first priority): To enhance public infrastructure in order to increase living standards and promote economic development.</p> <p>Types of eligible projects:</p> <p>Projects of a minimum value of CHF 5 million each in the fields of:</p> <ul style="list-style-type: none"> - Hazardous waste management and disposal (e.g. contaminated sites, asbestos, e-waste, chemical waste). Special consideration is given | <p>Up to CHF 27.4 million</p> |

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| | | <p>to the rehabilitation of contaminated sites.</p> <ul style="list-style-type: none"> - Solid waste management: Recycling <p>Objective 2 (second priority): To improve energy efficiency and to introduce renewable energy systems.</p> <p>Types of eligible projects:</p> <p>Projects of a minimum value of CHF 3 million each in the fields of:</p> <ul style="list-style-type: none"> - Improvement of energy efficiency in public infrastructure. - Introduction of renewable energy systems (e.g. biomass, solar, geothermal) as well as related grid devices (e.g. smart grids, etc.). | |
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| 3. Private Sector | | | |
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| N° | Focus areas | Indicative Portfolio of Supporting Measures | Indicative financial allocation |
| 4 | Improvement of the regulation of the financial sector and strengthening of financial markets and institutions | <p>Approach: Projects</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Corporate Financial Reporting (World Bank as Executing Agency): Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level | |
| | | <p>Approach: Projects</p> <p>Types of eligible Projects: To contribute to the reduction of corruption and related crimes through Projects with a minimum amount of CHF 100'000 in the areas of:</p> <ul style="list-style-type: none"> - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) - Prevention and detection of corruption (e.g. whistle-blowing systems) - Training in the field of public procurement | Up to CHF 1.5 million |
| 5 | Development of the private sector and promotion of exports of SMEs and / or promotion of standards | <p>Approach: Projects To increase the market shares of Bulgarian exports of goods and services where possible, taking regional disparities into account.</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Export promotion of goods and services and trade financing support <p>Cooperation Partners: ITC, UNIDO, EBRD, etc.</p> <ul style="list-style-type: none"> - Promotion of standards, norms, conformity | Up to CHF 1.5 million |

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| | | assessments Cooperation Partners: UNIDO | |
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| 4. Human and Social Development | | | |
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| N° | Focus areas | Indicative Portfolio of Supporting Measures | Indicative financial allocation |
| 6 | Scholarships and Research | <p>Approach: Thematic Funds</p> <p>Objective 1: To enhance the academic exchange between Switzerland and Bulgaria (CHF 2 million).</p> <p>Activity: Scholarships.</p> <p>Objective 2: To promote joint Swiss Bulgarian research activities (CHF 4 million).</p> <p>Activities in the form of projects: Joint research projects.</p> <p>Additional information is provided in Annex 4.</p> | Up to CHF 6 million |

| 5. Special Allocations | | |
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| Item | Indicative Portfolio of Supporting Measures | Indicative financial allocation |
| Partnership Enhancement and Expert Support | <p>Approach: Thematic Fund</p> <p>Objective 1: To promote and/or enhance institutional partnerships between Bulgarian and Swiss partners to: contribute to the solution of specific development challenges; strengthen capacities and structures of the Bulgarian institutional partners; allow to mobilise Swiss added value; contribute to the strengthening of the partnerships.</p> <p>Activities in the form of institutional partnerships already identified:</p> <ul style="list-style-type: none"> - Promotion of social dialogue and encouraging working conditions for employees. <p>Other Activities in the form of institutional partnerships may be proposed by Bulgaria or by Switzerland.</p> | Up to CHF 4 million |

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| | <p>Activities in the form of partnerships financed through a Block Grant:</p> <ul style="list-style-type: none"> - Block Grant for small joint Activities of institutional partners. Activities shall range from CHF 10,000 to CHF 100,000 and shall be identified on the basis of a rolling call for proposals. <p>Objective 2: To mobilise Swiss expertise.</p> <p>Activities in the form of short term inputs financed through a Block Grant:</p> <ul style="list-style-type: none"> - Block Grant for short term inputs of Swiss experts. Activities shall range from a few thousand Swiss Francs up to CHF 35,000 and shall be identified on the basis of a rolling call for proposals. <p>Additional information is provided in Annex 4.</p> | |
| Project Preparation Facility | <p>Approach: Project Preparation Facility</p> <p>Objective: To support the preparation of Final Project Proposals.</p> | Up to CHF 0.5 million |
| Bulgarian Technical Assistance | <p>Approach: Technical Assistance Fund</p> <p>Objective: To mobilise additional capacity for the management of the Swiss-Bulgarian Cooperation Programme including preparation, implementation, monitoring, evaluation.</p> | Up to CHF 1.05 million |
| Swiss Programme Management | Swiss administration of the Swiss-Bulgarian Cooperation Programme. | CHF 3.8 million |
| Overview of the Indicative Allocations | | |
| Funding lines | Indicative financial allocation (million CHF) | |
| 1. Security, Stability and Support for Reforms | 26.75 | |
| 2. Environment and Infrastructure | 27.4 | |
| 3. Private Sector | 3 | |
| 4. Human and Social Development | 6 | |
| 5. Special Allocations | 9.35 | |
| 6. Reserve | 3.5 | |

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| Total indicative allocations | 76 |
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The reserve of 3.5 million CHF shall be used for high-priority projects mainly in the focus areas covered by the funding guidelines “Environment and infrastructure” and / or “Promotion of the private sector” in the Memorandum of Understanding with the European Community of 27 February 2006. *

The allocation of the reserve and of unused balances of focus areas shall be done by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the NCU and SDC/SECO in the course of the implementation of the Swiss-Bulgarian Cooperation Programme.

* Modified on 21 December 2013