

Territorial Cooperation Programme, ESPON 2013
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SECTION	DESCRIPTION
<p>1. General</p> <p>1.1. Information submitted by:</p> <ul style="list-style-type: none"> • Member State • The main contact point <ul style="list-style-type: none"> ○ Name of the institution ○ Responsible unit ○ Address ○ Telephone, fax ○ E-mail address ○ Title (Mr/Mrs) ○ Name and Surname ○ Position within the unit 	<p>Republic of Bulgaria Ministry of Regional Development and Public Works Sofia - 1202, Bulgaria, 17-19 "Sv. Kiril i Metodii" St.</p> <p>"Territorial Cooperation Management" Directorate General</p> <p>Mr Hristo Georgiev Dimitrov Head of "CBC Internal Borders" Department "Territorial Cooperation Management" DG</p> <p>Phone: +359 2 94 05 686 Fax: +359 2 94 05 694 E-mail: HDimitrov@mrb.government.bg</p>
<p>1.2. The information provided describes the situation on :</p>	<p>28/12/2009</p>
<p>2. System Structure</p> <p>What kind of system did you opt for?</p> <ul style="list-style-type: none"> - a <u>centralized control system</u>: a control body appointed at central level to carry out the control for all beneficiaries on the territory (please continue with question 2.1) <p>or</p> <ul style="list-style-type: none"> - a <u>decentralized control system</u>: the beneficiaries propose a controller who is authorized by a central MS body or selects a controller from a short list provided by the MS (please continue with question 2.2)? 	<p><u>Decentralized control system</u></p> <ul style="list-style-type: none"> ○ Bulgaria implements a decentralised first level control system through external controllers (physical persons) enlisted in a Central short list established at national level. The "Territorial Cooperation Management" DG within the Ministry of Regional Development and Public Works as a national body responsible for the control system set up assigns authorized controller from the Central short list on request of Bulgarian Lead or Project partner to perform the control.

2.1 Centralised Control System	
<p><u>Please describe the system.</u> Please indicate if the control is carried out by civil servants or by an external audit firm appointed for this specific mission. In case of an external audit firm, please explain how it was/will be appointed.</p> <p><u>Contact details of the controller.</u> Please provide the contact details of the designated body who will undertake the controls.</p>	<p><u>Control Body 1</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Name of the institution <input type="checkbox"/> Responsible unit <input type="checkbox"/> Address <input type="checkbox"/> Telephone, fax <input type="checkbox"/> E-mail address <input type="checkbox"/> Title (Mr/Mrs) <input type="checkbox"/> Name and Surname <input type="checkbox"/> Position within the unit
<p><u>Contact details supervisory body</u> In case of an external controller, please specify the body fulfilling the supervisory duties and the contracting.</p>	<p><u>Supervisory Body 1</u></p> <p>Name of body,</p> <ul style="list-style-type: none"> <input type="checkbox"/> Name of the institution <input type="checkbox"/> Responsible unit <input type="checkbox"/> Address <input type="checkbox"/> Telephone, fax <input type="checkbox"/> E-mail address <input type="checkbox"/> Title (Mr/Mrs) <input type="checkbox"/> Name and Surname <input type="checkbox"/> Position within the unit
<p><u>Controller's qualification</u> Which minimum requirements (degrees, work experience, national qualifications, and/or registration in professional organisations) does the controller under the centralized system described above shall fulfill?</p>	

<p>2.2 Decentralized Control System <u>Please describe the system.</u></p> <ul style="list-style-type: none"> - Will the beneficiary select a controller from a list of several public and/or private control bodies established on MS level beforehand <p>Or</p> <ul style="list-style-type: none"> - will the beneficiary propose an independent controller (internal or external), who is then authorized at central level before the first expenditure is reported and confirmed (please also refer to the guidance note established by the CU attached)? <p>In both cases, please explain the procedure for establishing the shortlist or authorizing the controller.</p> <p>If appropriate, please give also examples of types of possible control bodies.</p> <p>In case of use of shortlist of controllers, please provide the list (if not available yet, please indicate date of publication of shortlist).</p>	<p>First level control:</p> <ul style="list-style-type: none"> o Bulgaria has chosen to implement a decentralised first level control system through external controllers (physical persons). All controllers are enlisted in a Central short list. The person applying for external controller has to pass through a competitive selection procedure approved by the Minister of Regional Development and Public Works - functioning as Central Approval Body. Each successful candidate signs with the Minister of Regional Development and Public Works or with authorized by the Minister functionary a Framework Agreement to perform on request a first level control of Bulgarian Lead or Project partners under the territorial cooperation programmes in which the Republic of Bulgaria takes part. o The Body co-signing a Checklist with criteria for the approbation of first level controllers provided in Annex 4 of the ESPON 2013 guidance note and Contact point for first level control is "Territorial Cooperation Management" Directorate General at the Ministry of Regional Development and Public Works. The Contact person is Mr Kiril Geratliev - Director General of "Territorial Cooperation Management" DG. o Each Bulgarian partner for every reporting period has to submit a request to "Territorial Cooperation Management" DG for assignment of first level external controller. Within 10 working days from the receiving of the request the "Territorial Cooperation Management" DG assigns a controller from the Central short list in alphabetical order. o If the assigned controller accepts to perform the control he fills in and co-signs with the Director General of "Territorial Cooperation Management" DG a Checklist with criteria for the approbation of first level controllers provided in Annex 4 of the ESPON 2013 guidance note. Specific requirement for the Bulgarian procedure is that the controlled Bulgarian partner also co-signs the Checklist provided in Annex 4 of the ESPON 2013 guidance note. o The bilaterally co-signed above Annex 4 officially certifies the lack of conflict of interests between the Bulgarian partner and the external controller. In the case when such a conflict exists the Director General of "Territorial Cooperation Management" DG assigns in alphabetical order the next controller of the list to Bulgarian partner. o Thus the bilaterally co-signed Annex 4 is a prerequisite for the conclusion of service contract for verifying the legality and regularity of the project expenditure. The parties to this contract are the partner and the controller which accepts to perform the control. o The control includes inspection of the delivery of products and services, subject to co-funding by the European Community, inspection of the validity of the declared expenses for projects or parts of projects, realised on the territory of the Republic of Bulgaria and the compatibility of those expenses with the Community and National Rules. o The expenses for first level control are paid by the Bulgarian project partner and are reported as eligible cost within the project.
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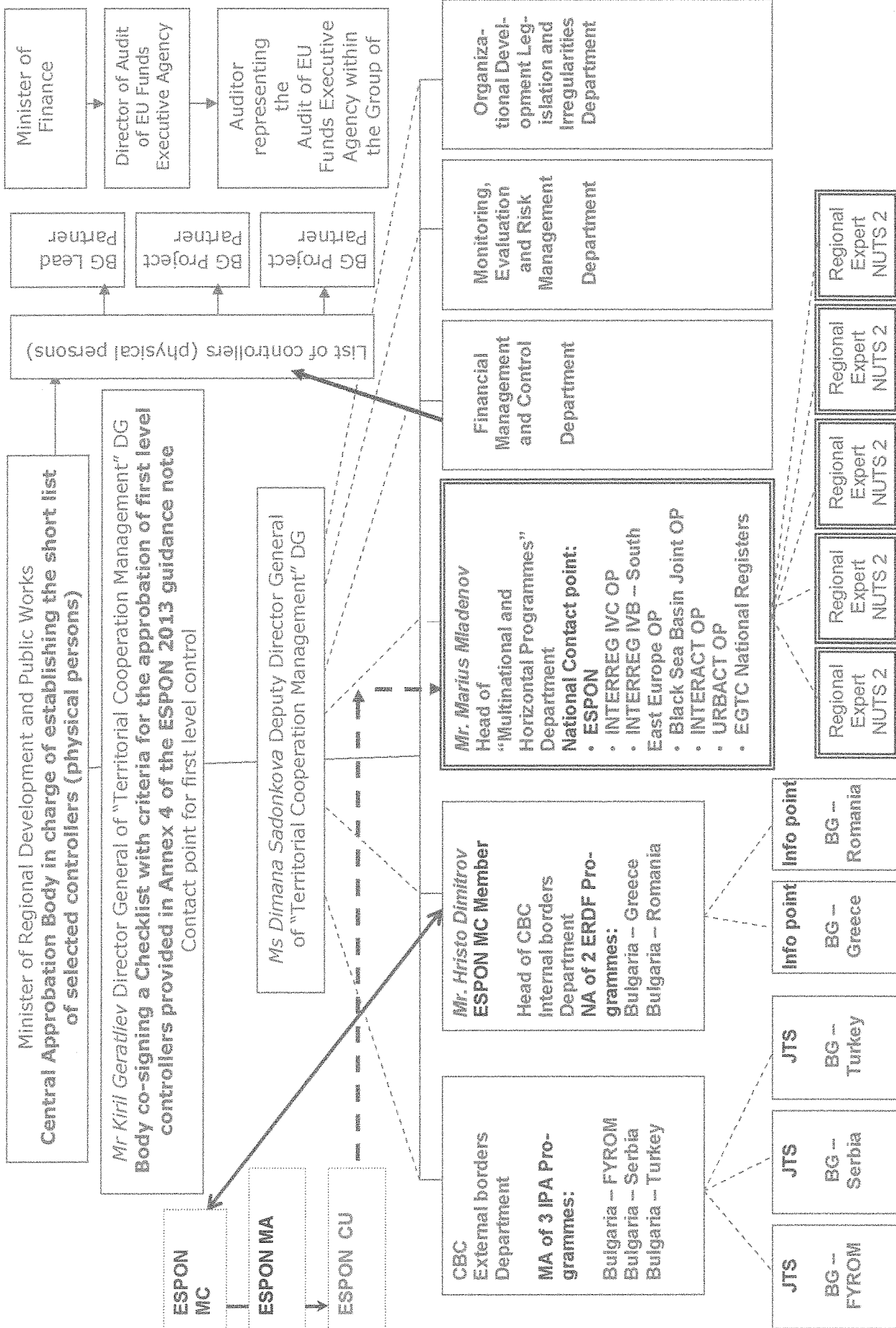
	<ul style="list-style-type: none"> o The "Financial Management and Control" Department within the "Territorial Cooperation Management" DG ensures the adequate implementation and interpretation by the external controllers of EU and national legislation as well as the programme's rules concerning the first level control and equal treatment of the controlled Bulgarian beneficiaries. o The "Territorial Cooperation Management" DG periodically organises trainings and workshops or informs the controllers on such events organised by the respective territorial cooperation programme authorities in order to improve the professional skills and capacity of the first level controllers and to facilitate the exchange of experience and best practices. o The "Territorial Cooperation Management" DG participates as a national body responsible for the control system set up in additional on-the-spot checks of operations ("quality checks") undertaken in cooperation with the MA through the CU of ESPON OP. The "Territorial Cooperation Management" DG shall support the MA of ESPON OP for ensuring the implementation by the Bulgarian partners of recommendations made to projects as results of the on-the-spot-checks. o The Central short list of controllers aims to be used as a database of eligible professionals who can be assigned by the "Territorial Cooperation Management" DG and contracted by Bulgarian Lead / Project Partners to perform the first level control. o The procedure for establishing the short list of external controllers at national level consists of the following steps: <ul style="list-style-type: none"> - An invitation at national level to physical persons with adequate education and proven experience in financial administration or audits and a good command of English. - Pre-selection of controllers with a written procedure on issues concerning relevant European Union and national first level control legislation. - Training on ESPON 2013 programme manual, ESPON 2013 control guidelines including control checklist + control report model for controllers who have succeeded in written exams. - Final selection and authorisation of the controllers with a written exam on a similar real case. o The short list of controllers is established and is available online at website www.bgregio.eu*. The selection procedure at national level for recruitment of external controllers to be short listed will be repeated on a regular basis and if necessary occasionally. o The controller is obliged to send all documentation relevant to the control performed to the Lead / Project Partner copied to "Territorial Cooperation Management" DG at the Ministry of Regional Development and Public Works.
<p><u>Controllers' qualification:</u></p> <p>Please explain the <u>minimum requirements</u> for a controller to act as Project partner/Lead partner controller (e.g. degrees, work experience, national</p> <p>* www.bgregio.eu/Content.aspx?menu=right&pid=56</p>	<p><u>Qualification and skills</u></p> <ul style="list-style-type: none"> - University degree in Economics - Finance, Financial Control, Accounting, Law or Social sciences; - Qualified to carry out control of the accounting documents; - Fluent in English in speaking and writing;

<p>qualifications, and/or registration in professional organisations).</p> <p>For the approbation/selection of controllers at central level, we suggest using the checklist provided in Annex 4 of the guidance note. Please confirm the use of this document or explain what kind of other document(s) (which has to be at least equivalent) you will use instead. Copy of the equivalent documents should be provided to the ESPON Coordination Unit.</p>	<p>- Very good computer skills (MS Office);</p> <p>- Ability to organise, plan and implement work assignments, to work under pressure of frequent and tight deadlines;</p> <p>- Strong communication and interpersonal skills, ability to establish and maintain effective working relations.</p> <p><i>Professional experience</i></p> <p>- A minimum of three years professional experience in financial control activities;</p> <p>- Experience in financial control of public funded projects or projects co-financed by EU Funds and/or Pre-accession Financial Instruments will be an asset;</p> <p>Bulgaria accepts to use the Checklist provided in Annex 4 of the ESPON 2013 guidance note with the specific requirement to be trilaterally co-signed by the Director General of "Territorial Cooperation Management" DG, the controller and the controlled Bulgarian Lead / Project partner. The trilaterally co-signed above Annex 4 is a prerequisite for signing a service contract between the Bulgarian partner and the external controller for verification of project expenditure and delivery of the products and services.</p>
<p>Contact details of the central approbation body</p> <p>Please indicate the contact details of the central body in charge of establishing the shortlist of selected control bodies or the body in charge of authorizing the controller proposed by a project partner.</p>	<p><u>Central Approbation Body in charge of establishing the Central short list of selected controllers (physical persons)</u></p> <p>Ministry of Regional Development and Public Works 17-19 "Sv. Sv. Kiril i Metodii" St. 1202-Sofia Bulgaria</p> <p>Mr Rosen Plevneliev – Minister</p> <p>Contact person Ms Raina Popova Ministry of Regional Development and Public Works 17-19 "Sv. Sv. Kiril i Metodii" St. 1202-Sofia Bulgaria Tel: +359 2 94 05 696 Fax: + 353 2 94 05 634 E-mail: RPopova@mrb.government.bg</p> <p>Body co-signing a Checklist with criteria for the approbation of first level controllers provided in Annex 4 of the ESPON 2013 guidance note and Contact point for first level control Ministry of Regional Development and Public Works</p>

	<p>"Territorial Cooperation Management" Directorate General 17-19 "Sv. Sv. Kiril i Metodii" St. 1202-Sofia Bulgaria</p> <p>Contact person</p> <p>Mr Kiril Geratliev Director General of "Territorial Cooperation Management" Directorate General Ministry of Regional Development and Public Works 17-19 "Sv. Sv. Kiril i Metodii" St. 1202-Sofia Bulgaria Tel: +359 2 94 05 238 Fax: +359 2 98 70 737 E-mail: KGeratliev@mrrb.government.bg</p>
<p>4. Separation of Functions</p> <p>Please explain how your Member State will ensure a clear separation of functions between the different bodies having responsibilities for the management and control of project(s) and/or the programme. If appropriate, please provide an organization chart to document the separation of functions between the bodies or units in charge of</p> <ul style="list-style-type: none"> - project activities and finances - the verification of the project expenditure and delivery of the products and services (so-called "first level control" according to Article 16 of Regulation 1080/2006) - the sample checks on operations (the so-called "second level audit" according to Article 14 (2) of Regulation 1080/2006 and Article 62 of Regulation 1083/2006) - and project approval/Monitoring Committee representation (according to Article 63 of Regulation 1083/2006)? 	<p>The following separation of functions in relation to Objective 3 programmes implementation is ensured:</p> <ul style="list-style-type: none"> o In accordance with the Rules of Procedure of the Ministry of Regional Development and Public Works (adopted by the Council of Ministers Decree No 271 / 17th November 2009 published in State Gazette No 94 / 27 November 2009) and in full compliance with the Agreement between the Member and Partner States and the Grand-Duchy of Luxembourg in its role as the Managing and Certifying Authority on the implementation of the "ESPON 2013 Operational Programme", ratified by the Bulgarian Parliament and in force for the Republic of Bulgaria since 23 September 2009, a new "Territorial Cooperation Management" Directorate General is established at the Ministry of Regional Development and Public Works. The structural reorganization came into effect on 7th of December 2009. o In accordance with article 29 (1), 3 of the above Rules of Procedure the "Multinational and Horizontal Programmes" Department within the "Territorial Cooperation Management" DG implements the functions of National contact point of ESPON 2013 OP. o The "Multinational and Horizontal Programmes" Department within the "Territorial Cooperation Management" DG succeeded the functions of the former "Multinational Programmes" Department and "Horizontal Measures Department" at "Programming of Regional Development" DG, including the functions of "Horizontal Measures Department" nominated and confirmed by the ESPON MC on 17 March 2009 in Brussels to act as ESPON National contact point. o Following the merger between "Multinational Programmes" Department and "Horizontal

<p>Measures Department" the civil servants working in the two previous departments are now on the staff of the new "Multinational and Horizontal Programmes" Department.</p> <ul style="list-style-type: none"> o The head of the former "Horizontal Measures Department" Mr Marius Mladenov became a head of "Multinational and Horizontal Programmes" Department and by virtue of Order of the Minister of Regional Development and Public Works Ref. № PD – 02 – 14 – 2238 / 22.12.2009 is designated as a representative of the National contact point of the Operational Programme "ESPON 2013 – European observation network on territorial development and cohesion". o By virtue of the same Order of the Minister of Regional Development and Public Works Ref. № PD – 02 – 14 – 2238 / 22.12.2009 for representative of the Republic of Bulgaria in the Monitoring Committee of the Operational Programme "ESPON 2013 – European observation network on territorial development and cohesion", as voting member, is designated Mr. Hristo Dimitrov – Head of "CBC Internal Borders" Department within the "Territorial Cooperation Management" Directorate General at the Ministry of Regional Development and Public Works. o In order to avoid any potential conflict of interests between Bulgarian ESPON MC Member and ESPON National contact point these functions are assigned to separate departments which heads are authorised with equal but not identical rights and are not in vertical functional subordination within the structures of "Territorial Cooperation Management" DG. o The administrative capacity of the new "Multinational and Horizontal Programmes" Department acting as ESPON National contact point is strengthened by the appointment of 5 regional experts located in regions established at level NUTS 2 of the Common classification of territorial units for statistics. The regional experts support the activities and information events of ESPON National contact point at regional level addressed to local Bulgarian applicants and project partners. o First level control: o Bulgaria implements a decentralised first level control system through external controllers enlisted in a Central short list established at national level. The "Territorial Cooperation Management" DG within the Ministry of Regional Development and Public Works as a national body responsible for the control system set up assigns authorized controller from the Central short list on request of Bulgarian Lead or Project partner to perform the control. o The specific requirement of Bulgarian procedure is that the Checklist provided in Annex 4 of the ESPON 2013 guidance note is obligatory trilaterally co-signed by the Director General of "Territorial Cooperation Management" DG, the assigned controller and the controlled Bulgarian Lead / Project partner. The trilaterally co-signed above Annex 4 is a prerequisite for signing a service contract between the Bulgarian partner and the external controller for verifica- 	
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- tion of project expenditure and delivery of the products and services.
- o The expenses for first level control are paid by the Bulgarian project partner and are reported as eligible cost within the project.
 - o Second level control:
 - o In compliance with the Agreement between the Member and Partner States and the Grand-Duchy of Luxembourg in its role as the Managing and Certifying Authority on the implementation of the "ESPON 2013 Operational Programme" ratified by Bulgarian Parliament and in force for the Republic of Bulgaria since 23 September 2009 and Annex III of the Agreement the Executive Agency "Audit of European Union Funds" is designated as National authority responsible for second level control. Mrs Dobrinka Mihaylova – Executive Director of Executive Agency "Audit of European Union Funds" is a contact person for second level control.
 - o Mrs Dobrinka Mihaylova and Mr Dimitar Arnaudov of Executive Agency "Audit of European Union Funds" are designated as Bulgarian auditors in the Group of Auditors of ESPON OP to assist the AA in carrying out the duties provided for in Article 62 of Regulation (EC) No 1083/2006.
 - o The designated Bulgarian auditors participating in the Group of Auditors are fully independent from the activities and finances of the ESPON OP and ESPON funded projects.
 - o The Executive Agency "Audit of European Union Funds" as a second-level spending unit to the Minister of Finance is autonomous legal entity independent from the Minister of Regional Development and Public Works.



<p>5. First Level Control Delays</p> <p>How do you ensure that the first level control is carried out within 2 months after receipt of the documents?</p> <p>Three months are requested by the regulation 1080/2006, but the Lead Partner will also need two months after reception of the certification from the Project Partners to establish its own certification. This will allow the project to present a reimbursement claim four months after the completion of the six months reporting period)?</p>	<p>The number of short - listed controllers will be maintained sufficient to the needs of expected Bulgarian Lead / Project partners. The selection procedure at national level for recruitment of external controllers to be short - listed will be repeated on a regular basis and if necessary occasionally.</p> <p>There will be proposed a sample service contract between Lead / Project partner and the controller containing timeframe for verifications. This sample contract will be uploaded on the web site of the MRDPW under the heading of ESPON 2013 programme together with the shortlist of controllers.</p>
<p>6. Quality Assurance/Guidance to FLC bodies</p> <p>The programme will establish</p> <ul style="list-style-type: none"> - ESPON control guidelines - a template for a FLC checklist - a template for a FLC report. - A control certificate inside the progress report to be signed by the FLC. <p>The use of these standardized documents will be obligatory.</p> <p>Have you provided any additional guidance to the body/bodies in charge of first level control to ensure sound financial control (such as written guidelines, training)</p> <p>If yes please provide</p> <ul style="list-style-type: none"> - the reference - the date - related documentation (if applicable). <p>Copies of the additional guidance documents should be provided to the ESPON Coordination Unit as soon as they will become available.</p> <p>Please describe how you will ensure that the</p>	<ul style="list-style-type: none"> - Controllers are in charge of verification of expenditures according international accounting standards and standard procedures - EU Regulations, national law, ESPON 2013 programme manual, ESPON control guidelines, a template for a FLC checklist, a template for a FLC report, a control certificate inside the progress report to be signed by the FLC. - The First Level Control checks will be documented by the controllers and the work records must be retained for audit purposes. The records should state the work done, the results of the verifications as well as the measures taken in case of irregularities and errors. - Training will be provided to the external controllers on control tools - ESPON 2013 programme manual, ESPON control guidelines, a template for a FLC checklist and a template for a FLC report. - Additional national guidance documents regarding ESPON 2013 programme at this stage are not envisaged to be provided. If a need to use such documents arises they will be elaborated and provided to the ESPON Managing Authority and Coordination Unit. <p>The controllers will be strictly selected by the national approbation procedure and their capacities</p>

<p>guidance is followed and the requirements re-sulting Article 60 b) of Regulation (EC) No 1083/2006 and from the ESPON 2013 control guidelines and ESPON 2013 control certificate are respected.</p>	<p>and skills will be re-examined and verified every two years. The above procedure ensures that the project services have been delivered and that all project ex-penditures declared by the beneficiaries have been incurred and are fully in compliance with the EU and national rules.</p>
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<p>7. Control Cost</p>	
<p>Who will pay for the control? Will it be provided for free (by the MS) or will the cost be borne by the Lead/Project partner and thus reported as eligible cost within the project?</p> <p>If the control cost is borne by the beneficiary and to be reported as eligible project cost, please provide details on how the cost is calcu-lated, what is the basis for the payment (e.g. service contract) and to whom it has to be paid.</p>	<p>The control costs will be borne by the Bulgarian Lead / Project partner and thus are reported as eligible cost within the project.</p> <p>Basis for the payment of the control costs (reported as eligible project cost) will be the national standards for that kind of service combined with the quantity of work done by the controller.</p>

<p>Name, Title + Organisation of Signatory for the MS</p>	
<p>Mr Hristo Dimitrov</p> <p>Member of ESPON Monitoring Committee</p> <p>Head of "CBC Internal Borders" Department</p> <p>.....</p> <p>"Territorial Cooperation Management" DG Ministry of Regional Development and Public Works</p>	<p>Place, Date and Stamp</p> <p>Sofia, Bulgaria,</p> <p>28/12/2009</p> 