

ESF THEMATIC NETWORK ON SIMPLIFICATION

REPORT ON SCO PRACTICES

(Draft for the 6th Meeting of the Thematic Network - The Hague – 8-9 June, 2017)

References:

<u>Member State / Region</u>	<u>BULGARIA</u>
<u>Reference number (TN's map of SCO practices)</u>	<u>BG - 3</u>

Contact details:

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<u>Type of SCO reported</u> <i>(Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).</i>	FLAT RATE ART. 14(2) REGULATION 1304/2013
<u>Type of activities covered by the SCO</u> <i>(Please indicate what type of activities is targeted by the SCO).</i>	EXTERNAL MONITORING AND CONTROL OF THE JUDICIARY REFORM BY NGOs AND PROFESSIONAL ORGANISATIONS

A. PROJECT DESCRIPTION

A1. Description of the type of operation <i>(Please describe in brief what types of operations are covered by SCO)</i>
The aim of the operation is active involvement of NGOs and professional organizations in the process of developing, monitoring and evaluation of the judiciary reform, generating proposals for the improvement of the sector and development and promotion of alternative methods for resolving legal disputes. The main activities are:

- Analyses, studies, methodologies, models and assessments related to the judicial reform;
- Research and transfer of good practices and innovative solutions;
- Collection of data and development of databases to support both the process of modernization of the judicial system and the monitoring of judicial reform;
- Information campaigns for alternative methods for resolving legal disputes / mediation techniques and arbitration;
- Development of mechanisms and tools for acquiring feedback from judges, prosecutors and investigators on issues, concerning the administration of the judiciary;
- Development of mechanisms and tools for acquiring feedback from the citizens and the business on the effectiveness of the judiciary;
- Conferences, public discussions, round tables, etc. with the stakeholders;
- Seminars and trainings for experts, jurors, lawyers, mediators, arbitration judges.

A2. Definition of outputs/results *(Please give a short definition of outputs and/or results)*

Due to broadly formulated aim of the procedure and the large variety of eligible activities, specific outputs for the operation have not been predefined. The expected results of the operation are: increased civil control over the reform in the judicial system; increase in the number of actively involved NGOs in this process, recommendations for improvement of the judiciary and transfer of good practices; promotion of alternative dispute resolution methods; increase in the efficiency of the judiciary system and the public confidence in it.

The following program indicators are relevant to the operation:

- CO-20 - Number of projects fully or partially implemented by social partners or non-governmental organizations
- Supported analyses, studies, researches, methodologies and evaluation related to the judiciary
- Projects for promotion and development of alternative methods for resolving legal disputes
- Introduction of new or improvement of the existing tools for the modernization of the judiciary

A3. Beneficiaries *(please indicate the types of beneficiaries involved in the operations covered by SCO)*

The eligible applicants under the operation are:

- NGOs;
- Professional organizations in the judiciary system (associations of judges, prosecutors, investigators, court officials, lawyers, mediators and arbitrators, etc.).

A4. Target group(s) *(Please list target groups within projects covered by SCO)*

- NGOs;
- Professional organizations;
- Stakeholders in the judicial sector;
- National Institute for Reconciliation and Arbitration;
- The civil society and the business.

B. METHODOLOGY AND CALCULATION METHOD

B.1 Methodology *(please indicate which methodology/ies has/have been used: Fair, equitable and verifiable method / use of existing EU schemes for similar types of operation and beneficiary / Use of existing own national schemes for similar types of operations and beneficiaries / use of rates and specific methods enshrined in the regulation or in a delegated act / use of a draft budget /combination of methodologies). Please indicate if the concerned SCO has been covered by Art. 14(1) ESF)*

A flat rate is applied under Article 67(5)(d) of Regulation (EU) No 1303/2013 – fund specific rules (ESF).

B.2 Calculation Methods *(please describe how the calculations have been made)*

In accordance with Article 14(2) of Regulation (EU) No 1304/2013, a flat rate of up to 40 % of the eligible direct staff costs is used in order to cover the remaining eligible costs of the operation. The provision does not require the Member State to execute any further calculation to determine or justify the applicable rate.

Direct staff costs are defined as the remuneration costs for the employees of the beneficiary or costs deriving from service contracts for external staff (based on an hourly staff rate). Staff costs include the base salary, paid to people for the hours worked for the implementation of the operation, including social and health security contributions paid by the employer, in line with national legislation. All the other categories of eligible costs of the project (other direct costs and indirect costs) are calculated on the basis of a flat rate up to 40%.

B.3 Data source *(please indicate the type of data used and the data source)*

N/A

C. IMPLEMENTATION OF SCO

(Please describe in brief what implementation rules and conditions have been set out)

- The Beneficiary is responsible for the overall implementation of the project according to the contract;
- The Beneficiary does not have to provide any supporting documents concerning the costs calculated on the flat-rate basis in accordance with Article 14 (2) of Regulation (EC) No 1304/2013. Only reporting on the implementation of the activities and the achievement of the results, as well as proof of direct staff costs is required (pay slips, time sheets, etc.);
- The MA verifies the results and indicators achieved under the project and makes a 100 % verification check on the real direct staff costs. The amount verified for other costs is calculated on the basis of the eligible direct staff cost in the payment claim according to the agreed flat rate.

D. AUDIT TRAIL

(Please provide a brief description of the audit trail for the concerned SCO, including documents, key contents/conditions and procedures)

In compliance with the CONDITIONS FOR IMPLEMENTATION of the Operation BG05SFOP001-3.003 - "CIVIL CONTROL ON THE REFORM IN THE JUDICIARY":

- The beneficiary/partner should establish and maintain an audit trail in accordance with the minimum requirements of Art. 25 of the Delegated Regulation (EU) No 480/2014 to allow for follow-up, verification, audit and evaluation by all stakeholders involved in the process of managing and controlling the funds under the Program;
- The BENEFCIARY should maintain an up-to-date register containing information about the location of the original project documents and the person responsible for their storage. The Register should be submitted to the Managing Authority upon submission of a request for interim and final payment;
- The beneficiary/partner is required to document and collect all information on the application of Regulation (EU) No 1407/2013. The documents thus drawn up must contain all the information necessary to show that they have been complied with the conditions of the Regulation. The documentation on individual 'de minimis' aid should be kept for a period of 10 budget years from the date of their submission.

E. ASSESSMENT BY THE AUDIT AUTHORITY(IES) INCLUDING EVENTUAL EX ANTE ASSESSMENT

(If relevant, please explain how the audit authority has been involved in preparation and assessment of the SCO).

The Audit Authority was informed about the intention of the MA to apply flat rate under Article 14 (2) of Regulation (EC) No 1304/2013, but did not give any comments or recommendations concerning the implementation of this simplified cost option.

F. IMPACT OR ADDED VALUE FOR THE MA, BENEFICIARIES AND OTHER STAKEHOLDERS

(Please explain how you have perceived impact/added value of the SCO for the MA, beneficiaries and other stakeholders).

No information about the actual impact or added value for the MA, beneficiaries and other stakeholders could be given at this stage, due to the fact that currently only a call for proposal has been launched and the deadline for the first application form submission was April 28, 2017. The evaluation of the project proposals is on the way.

The use of simplified cost options in the form of flat rate for projects financed under operation BG05SFOP001-3.003 "Civil control over the reform of the judiciary" is considered as an important step towards the simplification of procedures both for the beneficiaries and for the MA. It is expected that this approach will save considerable time and resources and will move the focus on achieving the expected results and indicators of the projects.

G. SPECIFIC ISSUES FACED WITHIN CALCULATION AND IMPLEMENTATION OF THE SCO

(Please indicate any issues/problems/challenges you have experienced when setting out or implementing the SCO, i.e. high workload, state aid, public procurement, national legislation, revenues etc.)

The main challenges faced while setting out the SCO scheme were:

- Should the direct staff cost concern only the internal staff of the beneficiary or the beneficiary could use external staff as well. After an internal discussion a decision was made that due to the specifics of the operation and the eligible beneficiaries (NGOs), external staff costs will also be considered as direct staff costs;
- When should the amount of 40% flat rate be paid to the beneficiary – should it be included in every interim payment (proportionally), when implementation of certain activities (deriving other costs) is reported or only in the final payment - taking into account the fact that the accomplished results could be finally checked at the end of project implementation. The proportionate approach was adopted.

H. LESSONS LEARNED AND POINTERS

(Please indicate any unforeseen practical implications that have emerged and any key lessons you have learned from the development and implementation of the concerned SCO practice).

N/A

I. ANNEXES OR LINKS TO ONLINE DOCUMENTS

(Please list documents or links to online documents like complete methodology, calculation methods, documents submitted to the Commission, guidance for MAs and beneficiaries, calls for proposals, audit trail, legal acts etc.).

<http://www.eufunds.bg/op-dobro-upravlenie/item/16426-protzedura-bq05sfop001-3-003-grazhdanski-kontrol-varhu-reformata-v-sadebnata-sistema>;

<https://eumis2020.government.bg/bg/s/Procedure/Info/78ebd543-c004-46f2-8816-f4ba5c925d00>;