

**ADDENDUM TO FINANCING MEMORANDUM
BG0201 to BG0205
BULGARIA NATIONAL PROGRAMME FOR 2002**

Within the Framework of Phare assistance to Bulgaria, the Addendum outlined below has been made under the 2002 Phare Budget of the National Programme for Bulgaria.

Article 1 – Nature and Subject

The Financing Memorandum BG0201 to BG0205, signed on 20th December 2002, is modified as follows:

The heading on grant schemes under title 4 h.) Special Rules for certain components of the programme should read as follows:

"Grant schemes

For grant schemes whose procedures and formats are not covered by the current DIS rules, the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

- The procedures and formats to be used in the implementation of the schemes and award of the grants will follow the provisions of the Practical Guide. In particular, due care will be given to the selection process of the beneficiary projects, which has to be done at technical level through selection committees composed of experts appointed by the authorities which are co-financing the schemes as well as by the relevant administrations and interest groups involved in the schemes.
- The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO has also to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management of the schemes can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.
- The ex ante approval of the Commission (Delegation in Sofia) will be required for the call for proposals, application forms, evaluation criteria, the selection procedures (including the composition of the committees) and results (list of projects to be funded). The grant contracts signed by the PAO will be subject to the ex-ante control of the EC Delegation.

The implementation of the selected projects through the provision of works, supplies and services sub-contracted by the final beneficiaries of the individual grants shall be subject to the procurement regulations in the Practical Guide. Tenders and contracts resulting from this will be presented to the EC Delegation for ex ante approval if they are above 300.000 €. Following a positive assessment of the Implementing Agency's capacity to operationally and financially manage the schemes in a sound and efficient manner, the Commission Delegation may decide to waive its ex-ante approval of such sub-contracting. The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. Project implementation and all Phare disbursements are to be done before the expiry date of the present Financing Memorandum."

Article 2

All other Terms and Conditions of the original Financing Memorandum BG0201 to BG0205 remain unchanged.

Article 3

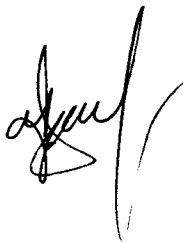
The addendum to this Financing Memorandum is drawn up in duplicate in the English language.

Article 4 – Entry into force

The addendum to the Financing Memorandum BG0201 to BG0205 shall enter into force on the date of signature by both parties.

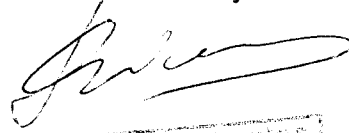
Done at Sofia
Date:

For the Recipient



Done at Sofia
Date: 16. 10. 2003

For the Community



Dimitris Hristodoulos
Head of Delegation