



SOCIAL ENTERPRISES FUNDING SCHEME

developed in the framework of a project
"ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative
Support Structures in the cross-border Territory"



The current Social enterprises funding scheme and its annexes are prepared according to the mandate of Haskovo Municipality by HALO Foundation 2019. The document was produced in implementation of the project " ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory (SOCIAL FORCES)", funded under the Cross-Border Cooperation Programme Interreg VA Greece Bulgaria 2014 - 2020. The overall objective of the project is to expand social entrepreneurship and contribute to increasing employment levels in the cross-border area, as well as to create new knowledge to raise awareness, enabling people in the region to fully understand the conditions under which social entrepreneurship starts, develops its activities and contributes to an effective and efficient solution to social challenges in a sustainable way. Views and opinions expressed in the document are solely the responsibility of the author and do not necessarily reflect the opinions and policies of Haskovo Municipality or the Managing Authority of the Interreg VA Greece Bulgaria 2014 - 2020 Cross-Border Cooperation Programme. The social enterprises funding scheme should be cited in any reissue of the material – all or parts of it.

WORKING DRAFT

Application guidelines under social enterprises funding scheme

developed in the framework of a project
"ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative
Support Structures in the cross-border Territory"



Municipality of Haskovo



HALO Foundation 2019

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Objectives of the social enterprise funding scheme

Social enterprises provide opportunities to address social problems of a different nature and find lasting solutions to overcome the social isolation of vulnerable groups in our society. Social entrepreneurship is a different way of economic activity (doing business, economic activity), which mixes the ingenuity of business with a social mission, the skillful combination and balance of social and economic goals. Social entrepreneurship is an activity aimed at solving important societal problems, and these activities also bring revenue to the entrepreneur. It is a balance between non-profit organizations and ordinary business ventures because it can support itself and make a profit and at the same time help to overcome social difficulties.

Social enterprises have all the hallmarks of traditional enterprises: they produce goods and services; use production factors that have a clear cost; autonomous; significant level of economic risk. Their activity also has a social aspect: they pursue a clear social purpose; they serve society or a certain group of people from disadvantaged social backgrounds; they do not seek to maximize profit to distribute it among participants in the company's capital.

The most important characteristic of social entrepreneurship is the pronounced social effect, which is to invest the revenue generated to support the target groups; participation of part of the target groups in the business activity /creation of employment/ and provision of services unattractive to business to disadvantaged people; creating opportunities for professional and social integration; creating social added value and saving social costs.

The social economy model leads to a number of social benefits: integration and employment of disadvantaged people; contribution to the process of social inclusion of disadvantaged people; contribution to a more balanced use of local resources; new jobs for disadvantaged people – minority groups, single women, people with disabilities and others who remain excluded from the possibility of generating income. The social economy model also has an economic effect, which consists in saving public money on social benefits and saving additional funds to offset the social cost of long-term unemployment.

Taking into account all the benefits and the development of the social economy at local level, Haskovo Municipality has developed this Social enterprise funding scheme. Its main objective is to facilitate access to employment and to provide support for the social inclusion of vulnerable groups by creating the right conditions for their professional integration in the field of social economy. The specific objectives of the scheme are:

- 1) To propose a new funding instrument aimed exclusively at start-ups in order to support their sustainability and support in the first steps of their functioning;
- 2) To provide persons wishing to develop their own social enterprise with the preparation for planning and starting an independent business;
- 3) To provide support for starting a real business, finding suitable sources of funding, access to services and mentoring for the development of social business.

- 4) To promote social entrepreneurship and to create conditions for the development of this sector on the territory of Haskovo municipality;
- 5) To improve the effectiveness of policies to support social entrepreneurs at local level;
- 6) To contribute to increasing the number and type of tools available in cross-border territory to promote social entrepreneurship models that meet the needs of the local community;
- 7) To contribute to the promotion and dissemination of social entrepreneurship in the cross-border region.

Funding priority areas

This scheme will support as a matter of priority ideas for the creation of social enterprises or start-ups which:

- Provide employment to representatives of vulnerable groups, as defined in Article 7, para 4 of the Social and Solidarity Economics Enterprises Act;
- Plan to carry out activities related to the resolution of a social or environmental problem at local level;
- Offer a standard product/service, but with social influence;
- Offer innovative products that are themselves related to social assistance or revolutionary social products;
- Offer free products/services or financially support vulnerable groups;
- Operate an economic activity with a pronounced social effect on vulnerable groups – including improving their living standards, employment, services or other forms of support aimed at their active social inclusion.

Target groups

The project proposal needs to identify a specific target group(s) to which the activities in the project proposal will be targeted. It is necessary to analyze their needs and problems, as well as to decide which of them the project is targeted at. The target group included in the project proposal must be described with its specific characteristics.

Eligible target groups under this procedure are:

- 1) Unemployed persons with persistent physical, mental, intellectual and sensory insufficiency which, when interacting with various obstacles, could hinder their full and effective participation in society on an equal footing with others;
- 2) Long-term unemployed persons who are entitled to monthly social assistance under the Social Assistance Act and its implementing rules;
- 3) Unemployed persons - single parents (adoptive parents) and/or mothers (adoptive mothers) with children up to 5 years of age;

- 4) Persons who raise children with permanent disabilities and receive benefits under Art. 8e of the Family Allowances act for children and/or who, due to the care of children with permanent disabilities, do not have the opportunity to realize themselves on the labor market;
- 5) Family members of persons with disabilities who are caring for them and therefore do not have the opportunity to be realized on the labor market;
- 6) Unemployed persons with primary or lower education and without professional qualifications;
- 7) Unemployed persons up to the age of 29 who have no previous professional experience;
- 8) Unemployed young people with permanent disabilities;
- 9) Unemployed young people from social institutions who have completed their education;
- 10) Persons accommodated outside the family under Art. 26 of the Child Protection Act, including after termination of their accommodation;
- 11) Unemployed or inactive persons over 50 years of age;
- 12) Unemployed persons who served a sentence of imprisonment;
- 13) Persons with dependence on alcohol or drugs who have successfully undergone a treatment or psychosocial rehabilitation program;
- 14) Homeless persons who do not own a home, are not able to rent a home with their own funds and are not accommodated in municipal housing under the Municipal Property Act and/or due to accidental circumstances (fire, natural disasters, building collapse, etc.) have been left without shelter;
- 15) Foreigners who have received protection in the Republic of Bulgaria under the Law on Asylum and Refugees;
- 16) Persons who have received special protection status under the Anti-Trafficking in Human Beings Act;
- 17) Victims of domestic violence within the meaning of the Domestic Violence Protection Act;
- 18) Representatives of different communities employed in social enterprises, cooperatives and specialized enterprises for people with disabilities;
- 19) Persons employed in institutions and organizations related to social entrepreneurship.

Duplication of funding of the same target group from different sources for the same activity shall not be allowed.

Horizontal policies

In preparing and implementing the activities of each project proposal, all three horizontal principles must be observed and applied.

1. Equal opportunities and non-discrimination

Project "ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory".

Project proposals must contain information on specific actions and measures to promote equal opportunities and prevent any discrimination on grounds of sex, race, color, ethnicity or social origin, genetic characteristics, language, religion or belief, political or other opinions, property, origin, disability, age or sexual orientation, taking into account the needs of the different target groups at risk of such discrimination.

2. Gender equality

Applicants should describe in the application form what measures they will take to ensure equality between the men and women involved in the project. The scheme will support actions promoting the reconciliation of work with private and family life, promoting flexible forms of employment and flexible working hours, providing opportunities for distance training and work, promoting women's economic activity and independence, supporting company practices to promote equality between men and women in the workplace and reconciling work and private life, eliminating gender stereotypes in society, etc.

3. Sustainable development

In the application form should be described the measures aimed at protecting the environment, resource efficiency, effective and efficient spending on the budget, climate change mitigation and adaptation, resilience to natural disasters, etc. in line with the activities planned in the project proposal.

Indicators

Performance indicators

No	Indicator	Unit of measure	Target value
1	Social enterprises created	Number	2
2	Newly established social enterprises supported	Number	3
3	Inactive or unemployed participants	Number	8

Result indicators

No	Indicator	Unit of measure	Target value
1	Supported enterprises of the social economy, which continued their activity 6 months after the end of the financing	Number	2
2	Inactive or unemployed participants in employment after the end of the funding	Number	5

Indicative budget

The indicative budget of the funding scheme amounts to BGN 150 000 per year. The funds are provided in the form of grants by the budget of Haskovo municipality.

Indicative budget of the social enterprise financing scheme

Priority area	Indicative budget
Project proposals for the establishment of new social enterprises on the territory of Haskovo municipality	BGN 100 000
Project proposals to support newly established social enterprises	BGN 50 000
Total budget under the social enterprise financing scheme	BGN 150 000

The distribution of funds may change depending on the quality of the incoming project proposals in the priority areas. All changes will be announced on the website of the Municipality of Haskovo www.haskovo.bg. Haskovo Municipality reserves the right not to negotiate the full amount under the current funding scheme if not enough projects are approved.

Minimum and maximum grant amount for a specific project:

Each applicant can apply for a grant and the project prepared by him must be within the following minimum and maximum limits:

Minimum grant amount: BGN 10 000

Maximum grant amount: BGN 50 000



IMPORTANT: No co-financing is required by the applicants and/or partners of the project

Eligibility criteria for project proposals

Each applicant may submit only one project proposal under the current funding scheme. In case the applicant has submitted more than one project proposal, the last, during the submission, project proposal will be admitted for evaluation, unless it is withdrawn by the applicant.

A partner may participate in a maximum of two project proposals if it has sufficient capacity to carry out the project activities.

The maximum time limit for the implementation of projects may not exceed 12 months.

The minimum amount of the grant for one project proposal may not be less than BGN 10,000, and the maximum - more than BGN 50,000.

The project proposals should be submitted before the deadline for application under the current scheme – 17.00 on 02.05.2021.¹

Eligibility criteria for applicants

Eligibility requirements for the applicant

"Applicants" for grants are all natural and legal persons who apply for grants by submitting a project proposal.

The applicant is a natural person or legal person with independent legal personality, registered and entitled to operate on the territory of the Republic of Bulgaria in accordance with the Bulgarian legislation in force, has its registered office and address of management on the territory of Haskovo Municipality and carries out the project activities on the territory of Haskovo Municipality.



Each candidate can submit only one project proposal.



Persons who have outstanding debts to the Municipality of Haskovo cannot participate in the procedure and cannot be funded. This circumstance shall be declared by the candidates by completing the Applicant's Declaration (Annex 4).

An applicant may be one of the following persons:

- A natural person who intends to open a social economy enterprise;
- Social enterprise;
- Employer²;
- Specialized enterprise of people with disabilities according to Art. 28, para 1 of the Integration of Persons with Disabilities Act;
- Cooperative of persons with disabilities with article 28(1) of the Integration of Persons with Disabilities Act;
- Provider of social services according to Article 3 of the Social Services Act;
- Non-governmental organization registered in Bulgaria as non-profit legal entities (NGOs) under the Law on Non-Profit Legal Entities designated for carrying out

¹ The time and date are indicative and should be specified when adopting and implementing the Social Enterprise Funding Scheme

² "Employer" is any natural person, legal entity or its division, as well as any other organizationally and economically separate entity (enterprise, institution, organization, cooperative, farm, establishment, household, company and the like), which independently employs workers or employees under an employment contract, including for home and remote work and for sending work to a user enterprise

activities for public benefit (including community centers registered under the Non-Profit Legal Entities Act).



IMPORTANT: All applicants under this scheme should complete the Applicant's Declaration (Annex 4) of the application package, where they are to indicate whether they fall within that definition of social enterprise at the time of application. In case the applicant does not self-identify as a social enterprise at the time of application, it should note this circumstance and declare that it will create a new social enterprise, for which at the time of project implementation it will submit the relevant documents certifying that through this project a social enterprise has been created, which falls within the definition given below.



IMPORTANT: For the purposes of this scheme, the definition of "social enterprise" shall be used the scope of the definition referred to in Article 10 (2 of Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation (EaSI) and amending Decision No 283/2010/EU establishing a European Microfinance Facility for Employment and Social Inclusion Progress, namely:

'social enterprise' means an undertaking, regardless of its legal form, which:

(a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:

(i) provides services or goods which generate a social return and/or

(ii) employs a method of production of goods or services that embodies its social objective;

(b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;



IMPORTANT: If at the time of application, the applicant indicates in the Declaration of the applicant (Annex 4) that it falls within the specified definition of social enterprise, in case of approval of the project proposal and before concluding a grant agreement must submit the relevant documents certifying this circumstance.

In case the applicant indicates that he will create a new social enterprise, upon approval of the project proposal and conclusion of a grant agreement upon submission of the first

interim request for payment must submit to the Municipality of Haskovo the necessary documents to certify that the newly created social enterprise falls within the scope of the above definition.



At the stage of submitting a project proposal, applicants are required to enclose a declaration confirming that they meet the eligibility conditions (Declaration of the applicant). Whether a contract for funding of the approved project can be concluded with the applicant is determined by the Municipality of Haskovo before signing the contract, based on documents provided by the applicant, proving its eligibility, and for partner projects - documents certifying eligibility of the partner.

Partnership conditions and eligible partners

Under the current Social enterprise funding scheme, the applicant can participate individually or in partnership, with no limit on the number of partners in a project proposal. The partner must have a clear and justified role in achieving the project objectives.

The partner is a person with independent legal personality, registered and entitled to operate on the territory of the Republic of Bulgaria in accordance with the Bulgarian legislation in force and carries out the project activities on the territory of Haskovo Municipality.

Eligible partners are:

1. Training institutions and organizations;
2. Centers for information and professional guidance, registered in the Register of centers for information and guidance to NAPOO;
3. Social service providers³;
4. NGOs.



A partner cannot participate in more than two project proposals.

At the stage of submitting a project proposal (application), the partnership must be declared by submitting by the applicant a Declaration of the partner (Annex 5), which must be completed and signed by the official representative of the respective partner. The declaration is filled in separately by each of the partners in the respective project.

Before signing a funding contract with Haskovo Municipality, the applicant must provide a Partnership Agreement with each individual partner.

³ For the purposes of this procedure, Social Service Providers are Bulgarian individuals registered under the Commercial Law and legal entities licensed by the Executive Director of the Agency for the Quality of Social Services.

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The applicant must be directly responsible for the management and implementation of the project activities and not act as an intermediary (as evidenced by the allocation of activities between the applicant and the partner and the funds to be spent by them) - if applicable.

The partner should carry out the project activities for which it is solely responsible and not perform the role of intermediary.

Please note that partnership under this procedure is permissible and not mandatory. In assessing the project proposal, the capacity of the partner(s) will be assessed separately from that of the applicant and the final assessment shall be the arithmetic average of the assessments of the applicant and the partner(s).

Partnerships established for the purposes of this grant scheme do not need to be registered in court. The applicant and the partners must sign a Partnership Agreement at the time of concluding the contract.

The partners participate in the implementation of the project and the costs incurred by them are eligible to the same extent as the costs incurred by the applicant. They are reported with primary accounting documents.

Eligible activities

General activities

Each project proposal should necessarily contain the following activities:

1. Activities for organization and management of the project;
2. Information and communication activities/costs.



IMPORTANT: Activities that have been launched, physically completed or fully implemented prior to the conclusion of a contract under this procedure are not eligible for funding.

Specific eligible activities

Under this scheme, submitted project proposals may include one or a combination of some of the eligible activities. Activities aimed at providing support for the creation of new and expanding the activities of existing social enterprises, specialized enterprises and cooperatives of people with disabilities in connection with the provision of employment through:⁴

⁴ For the purposes of this scheme, the expansion of existing social enterprises means when the organization already has / functions as a social enterprise, regardless of whether it will expand the current activities of the social enterprise by hiring new persons and / or will focus on developing of a new activity in the social enterprise.

1. Psychological support and motivation of vulnerable groups for inclusion in employment

Psychological support mainly includes techniques for dealing with stress and increasing the self-assessment of the representatives of the target group involved in the activity. Acquiring skills to successfully cope in the workplace and/or adapting to working conditions. This activity should be carried out by a graduate psychologist.

2. Social and professional integration of representatives of vulnerable groups in the social economy sector

Measures aimed at encouraging the participation of persons in social and professional life should be included in this activity in accordance with the specificities of each individual case. This can be achieved through (but not limited to):

- Development of communication and grouping skills;
- Development of different habits and skills for life;
- Accompanying and supporting the training process and/or at work;
- Support for forming work habits, helping to find a suitable job;
- Activities that help the person realize their individual abilities and resources;
- Development of individual labor, therapeutic and integration programs for the people of the target groups and their implementation.

3. Provision of training to persons for whom employment is provided in social enterprises, specialized enterprises and cooperatives of persons with disabilities.

- ❖ Vocational training directly related to the respective workplace, which is carried out in accordance with the requirements of the Vocational Education and Training Act (VETA).

The training shall be carried out in accordance with the identified needs of the employers and with a focus on the field of activity and occupation pursued, as well as the position to be taken by the person.

Where the applicant/partner will carry out self-study(s) of professional qualification, the description of the activity on the Application Form must provide the following information for each training envisaged:

1. Name of the training organization;

Establishment of a new social enterprise means a newly formed and / or non-developing activity as a social enterprise until now, an organization that will create a social enterprise in the structure of the applicant organization through this procedure and it will start functioning as such through this project proposal. New social enterprises are also considered to be new legal entities established after the conclusion of a contract for targeted provision of grants.

The creation of a new social enterprise means a newly formed and/or non-developing activity as a social enterprise to date an organization that will create a social enterprise in the structure of the applicant organization through this procedure and will become operational as such through this project proposal. New social enterprises are also considered to be new legal entities established after the conclusion of a contract for the targeted provision of grants.

2. License number from NAPOO;
3. Name and code of the profession and specialty code;
4. Horarium of training;
5. Number of persons trained;
6. Document proving the completed training.

In case the training in professional qualification is assigned to a contractor, information from item 3 to item 6 shall be provided.

- ❖ Provision of training in key competences ("Communication in foreign languages", "Digital competence", „Public and civic competences", etc.).

The training shall be carried out in accordance with the identified needs of the employers and with a focus on the field of activity and occupation pursued, as well as the position to be taken by the person.

Where the applicant/partner will carry out training(s) on key competences, the description of the activity in the Application Form must provide the following information for each training envisaged:

1. Name of the training organization;
2. Horarium of training;
3. Number of persons trained;
4. Document proving the completed training.

In the event that the training of key competences is outsourced to a contractor, information from item 2 to item 4 shall be provided.

One person is entitled to receive only one training for acquiring a professional qualification and up to two trainings in acquiring key competence.

4. Providing a mentor from the employer for new employees

Each mentor is responsible for a minimum of 1 and a maximum of 3 people – representatives of the target group. The mentor will assist new recruits for up to 6 months. The mentor should be a person from the same enterprise (including a newly employed one).

The relationship between the employer and the mentor shall be governed by a new employment contract/order or an additional agreement to an existing one, which determines the allocation of working time and any other conditions for the performance of the mentoring.

5. Equipment of newly created workplaces and, where appropriate, their adaptation for persons with disabilities and/or repair of the premises

The need for the specific equipment to be purchased under the project should be justified in the Application Form.

In case the applicant has planned to carry out repair activities related to adaptation for disabled persons and / or repair of the premises, it is necessary for the applicant to have his own premises or to have a lease agreement for the premises in which it is planned to make

repairs. Under the scheme it is admissible to carry out ongoing⁵ and overhaul repairs, according to §5, item 42 and item 43 of the Additional Provisions of the Spatial Planning Act (SPA). However, it should be borne in mind that the need for the relevant type of repair is justified in the project proposal and must be directly related to the objectives of the project proposal and the procedure. The argumentation for the repair is recorded in the description of the specific activity in the Application Form and should contain: type of repair, description and size of the room, etc. The lack of general argumentation for the type and the need for repair is a ground for its removal from the project proposal and deletion of the respective costs from the budget, in case of approval of the project proposal. The justification of the eligible repair costs for the specific activity will be monitored at the implementation stage.



IMPORTANT: In the event that the project provides for the adaptation of work places for persons with disabilities and/or the repair of the room, the applicant should present: a relevant document on the right to use the room/building (property document, rental contract/grant or other document of equivalent value). The right of ownership/use should have a term for the time of project implementation.

The relevant documents shall be submitted at the time of negotiation in case the Municipality of Haskovo approves the project proposal for financing.

6. Provision of advisory services for the development of entrepreneurial, management and business knowledge and management skills of social enterprises, specialized enterprises and cooperatives of people with disabilities

Applicants should describe in detail in the application form what specific advisory services they need, as well as whether they will be provided by the project partner(s) or an external contractor will be hired to carry out the activity. Advisory services may include the following non-exhaustive list:

- Consultations for the formation of entrepreneurial skills;
- Consultations for development of business ideas and business plans for management of independent business activity, tailored to the individual desires and skills of the persons in the target group;
- Consultations on forms of commercial activity, staff, legal responsibilities and insurance, financial planning, capital and types of sources, accounting and taxation;

⁵ According to the Spatial Planning Act: "Ongoing repairs" is the improvement and maintenance of buildings, structures, facilities and installations, as well as internal reconstructions, which do not:

- (a) affects the structure of the building;
- b) include activities such as removal, relocation of existing walls and making holes in them are not performed when they affect the structure of the building;
- c) changes the purpose of the premises and the loads in them.

"Overhaul" of a construction site is a partial restoration and/or partial replacement of structural elements, main parts, facilities or installations of the construction site, as well as the construction and installation works with which originally used but worn materials, structures and structural elements are replaced by other types or new types of works are performed, which restore their serviceability, improve or extend the term of their operation.

- Exploring the demand and market opportunities of the goods produced and the services provided (determining consumer needs and attitudes, exploring the existing market for the relevant goods and/or services that the applicant provides, analysing possible means of sale, examining price levels, forecasting market demand and market development for a given good/service, etc.);
- Consultations for developing a marketing plan;
- Assessment of the viability of business ideas and prospective entrepreneurs;
- Consultations and mentoring for preparation of business activity management, including to create business contacts; supporting access to networks promoting business development, etc. and preparation of business plans by individuals;
- Advice on acquiring skills to increase the efficiency of management of social enterprises, specialized enterprises and cooperatives of people with disabilities;
- Consultations and referral to apply for financing of the activity from available financial sources, including financial instruments of OP HR, OP IC; Programme for microcredit of social enterprises to the Fund of Funds; Cross-border cooperation programmes with Greece and Turkey; donations, equity investments, loans, etc.;
- Preparation of documents for registration of economic activity, including legal aid;
- Others according to the specifics and needs of the candidate.

7. Support for employment - MANDATORY ACTIVITY

The applicant should provide employment for a period of up to 12 months to persons in the eligible target group. The employment and social security relations of the employees within the framework of the project are governed by the conditions of the Bulgarian labor and social security legislation.

The activity may include new employees from the target group, as well as persons who are already in an employment relationship with the social enterprise.

8. Social marketing and promotion of the social economy and social entrepreneurship.

Within the framework of the activity, measures related to the organization and / or participation in events aimed at promoting social entrepreneurship and the social economy and promoting the social effect of the applicant's activities and the provided goods and / or services should be implemented. For the purposes of implementation, various communication channels can be used - Internet, electronic and printed publications, etc.



IMPORTANT: Activities that have been launched, physically completed or fully implemented prior to the submission of the project proposal under this scheme are not eligible for funding.

Each activity must be described in detail in the application form.

The implementation of the projects should provide an opportunity to create appropriate skills in the specified target groups in order to ensure greater competitiveness and successful integration in the labor market.

Investments under this scheme must aim at achieving long-term effects on the target group(s) included in the project proposal and real inclusion in the labor market. Applicants should indicate in the application form what sustainable employment of the targeted group is expected to be achieved with the implementation of the project activities.

Procedure for applying for funding

The submission of project proposals is carried out entirely by electronic means – by sending an email to: kmet@haskovo.bg.⁶ All necessary documents submitted at the application stage should be attached to the communication. The subject of the email should be mentioned: "**Social enterprise funding scheme**"

Project proposals under the social enterprise funding scheme can be submitted from the date of the announcement of the competition – 19.06.2020.⁷

The deadline for submission of the projects is 02.05.2021, 17:00.⁸

Please note: The deadline refers to the moment of submission of the relevant project electronically. When a project is successfully submitted, the candidate receives an auto-generated message for a successful submitted project by email.⁹

Applicants must fill in all mandatory fields in the form correctly and in Bulgarian. Forms with incorrect text boxes will not be allowed.



WARNING: Projects for which the applicant has not developed a publicity plan meeting the requirements of the Social enterprise funding scheme will not be agreed.

The form is completed in Bulgarian and submitted together with the required annexes (attached to the email in the specified format). The application form and the corresponding annexes to it together represent the project proposal.



WARNING: Paper proposals will not be accepted on paper, on electronic media, or in any other way, except by submitting the specified order by e-mail.

⁶ This e-mail is indicative and should be specified when adopting and implementing the Social Enterprise Funding Scheme

⁷ The date is an example

⁸ Time and date are examples

⁹ Sending an auto-generated message when a project proposal is successfully submitted is a proposal from the author of the report, which must be discussed and detailed before the adoption of the Social Enterprise Funding Scheme

All models of documents for the competition can be found as annexes to the Social Enterprise Funding Scheme published on www.haskovo.bg.¹⁰

List of documents to be submitted at the application stage

The application under the Social enterprises funding scheme is made by submitting a duly completed Application Form (Annex 1), in .doc, .docx or .pdf format, accompanied by the following documents:

1. **Project budget** – completed according to a template (Annex 2), in accordance with the instructions under this scheme and saved in one of the following formats: .xls, .xlsx or .pdf;
2. **Project timeline** – completed according to template (Annex 3) and saved in .xls, .xlsx or .pdf format;
3. **Declaration of the applicant** – completed according to a template (Annex 4). To be filled in by all persons who are authorized to represent the applicant, regardless of whether they represent it jointly and / or separately, and are entered in the commercial register and the register of non-profit legal entities, or are defined as such in a memorandum of association, when these circumstances not subject to entry. The declaration (s) shall be signed by each of the persons on paper, scanned and sent together with the other annexes to the application form.
A declaration of the applicant cannot be signed by authorized persons, as it declares data that are declared in a personal capacity or data about the respective legal entity, and for their accuracy there is a criminal liability, which is also personal.
4. **Declaration of the partner** – completed in a template (Annex 5), scanned and attached together with the other documents. To be filled in by all persons who are authorized to represent the partner, whether they represent it jointly and / or separately, and are entered in the commercial register and in the register of non-profit legal entities, or are defined as such in a memorandum of association, when these circumstances are not subject to entry.
5. **5. CVs** completed in Bulgarian language and complying with the format of the Europass for the members of the management team of the project (not necessarily providing CV for an accountant) and all named in the application experts

In case the applicant has not submitted any of the documents indicated for the applicant/partner or submitted them but are not in the required form, they may be requested additionally by the Evaluation Committee and a time limit for their submission shall be fixed for this purpose, not less than one week.

During the stage "Evaluation of a project proposal" the communication with the applicant will be carried out only by email, via the e-mail from which the project proposal is submitted.

¹⁰ The website of Haskovo Municipality is referred to as an indicative option for publication of the documents under the Social Enterprise Funding Scheme

The evaluation committee may at any time verify the data declared by the candidates/partners and request clarifications on the documents submitted. The information and documents submitted shall under no circumstances alter the initial terms of the project proposals submitted and/or lead to an improvement in their quality.

Time frame of the funding scheme

Indicative schedule of the competition:

Announcement of the competition	Date X
Deadline for submission of project proposals	Date X + 1 month
Verification of administrative compliance and evaluation of Projects	Date X + 3 months
Project selection and contracting	Date X + 4 months
Deadline for implementation of projects	Date X + 16 months ¹¹



TIP: Provide sufficient time before the deadline for submitting the project proposal. Please note that forms with blank fields may lead to a reduction in the evaluation of the project proposal or its rejection.

The use of advisory services by applicants is not recommended to apply for the Social enterprise funding scheme. In order to develop a successful project proposal, applicants need to familiarize themselves in detail with the current Funding Scheme and the instructions for completing the application form and its annexes.

The deadline for submission of project proposals is 01.07.2021, 17:00 ¹²

Any project proposal submitted after the deadline will be rejected and will not be considered under the current Social enterprise funding scheme.

Financial conditions and eligibility of expenditure

The amount of the grant applied for under the Social enterprises funding scheme may be between BGN 10 000 and 50 000. The requested funding may be up to 100 % of the total budget of the proposed project. The budget should cover the full amount of eligible costs for the implementation of the project, including the own contribution of the applicant and partners, as well as voluntary work as part of the own contribution, in case an own contribution is planned.

¹¹ The dates should be specified when adopting and implementing the Social Enterprise Funding Scheme

¹² The date and time are indicative

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The budget of the project should cover all eligible costs for the implementation of the project and not only the grant. If the project provides for co-financing by the applicant, it should be included in the description of the budget.

The budget is presented in BGN. The values shall be rounded to two decimal places.

All expenses are filled in the respective lines with VAT for the budget items.

The Budget does not allow expenditure which is not justified and linked to a specific activity of the project proposal.

The costs of the activities covered in the project budget should correspond to the description of the activities in the application form and the stages for their implementation, and the resources for carrying out the activities should be planned in an appropriate quantity and quality and described in detail in the description of the activity concerned. Activities should identify targets that are specific, measurable, achievable, up-to-date and time-planned. The achievement of these objectives is tracked by performance and result indicators for each of the activities.

When planning expenditures in the budget, the optimal ratio between the resources used for the realization of the set specific goals and the achievement of the planned results should be observed.

In the case of projects with partner(s): The planned grant, for all project partners (for projects with more than one partner), may be up to 40% of the funding sought, and for one individual partner (including projects with only one partner) it may not exceed 25% of the amount applied for.

Repair and reconstruction: The amount of planned repair and reconstruction costs may not exceed 40% of the project costs.

Eligibility of expenditure

In order to be eligible, the costs of implementing the project must simultaneously meet the following requirements:

1. To be carried out by the beneficiary or his partner during the implementation of the project within the time limits specified in the contract, after the start and before the expiry of the deadline for the implementation of the project;
2. Be directly related to the subject matter of the contract for targeted grant financing of a project;
3. Be made solely for the purpose of achieving the objectives and expected results of the implementation of the project;
4. Correspond to the agreed budget for the implementation of the project;
5. Be necessary and proportionate to the implementation of the eligible project activities in a manner compatible with the principles of economy, efficiency and effectiveness;

6. Be certified with the necessary supporting documents (invoices and/or other primary accounting documents), payment documents under national law, as well as documents proving receipt of goods and services;
7. The reporting of voluntary work costs is certified by a declaration of time worked;
8. Be recorded in the accounting documents and registers of the beneficiary or his partner in accordance with the applicable accounting standards and principles. The accounts of the beneficiary and its partners must allow direct identification and verification of the declared project revenue and expenditure;
9. Meet the requirements of the applicable tax and social security legislation;
10. The choice of supplier of goods and services shall be made in accordance with the applicable national legislation and the following requirements.

Assignment of supplies by the Beneficiary

1. The beneficiary has the right to assign the implementation of project activities, in accordance with the approved budget for funding.
2. Activities that are not foreseen and approved for assign within the framework of the project proposal and the budget of the project may not be assigned without the explicit approval of the Municipality of Haskovo.
3. The choice of supplier of goods and services should be made in accordance with the following procedures:
 - 3.1. When choosing a supplier of goods, services or works, the beneficiary is obliged to comply with the requirements of the applicable national legislation in force. According to the legislation in force, a Beneficiary or his partner, who is not obliged to apply the Public Procurement Act, should apply Decree No 118 of 20.05.2014 on the terms and conditions for determining a contractor by beneficiaries of a grant
 - 3.2. The choice of a supplier of goods and services whose value with VAT is equal to or exceeds the BGN equivalent of EUR 5,000 (BGN 9,779.15 at the fixed exchange rate of the BNB EUR 1 = BGN 1.95583), but is below the values specified in the applicable national legislation, requiring a contractor selection procedure must be made on the basis of a selection of a tender offering an optimal quality / price ratio or the lowest price offered by at least three suppliers invited by the beneficiary or partner to submit a tender, in order to comply with of the best economic practices, accountability, fair competition between potential suppliers and ensuring optimal use of the funding.

Date of incurrence of expenditure:

1. 1. Expenditure shall be deemed to have been incurred when the following conditions are simultaneously met: invoiced / issued primary accounting document; the costs have been paid and the item has been delivered;
2. Depreciation costs of equipment shall be deemed to have been incurred when the relevant operations have been recorded in the accounts of the beneficiary or his partner;
3. V 3. Expenses for voluntary work are considered incurred when the voluntary work is performed and reported with a declaration of time worked;

4. Exceptionally, payments of expenditure incurred during the last month of implementation of the project (which is also the last month of eligibility) shall be deemed to have been paid within the eligibility period only if the payments are made within 30 (thirty) calendar days after the date of expiry of the deadline for the implementation of the project.

Administrative expenses

1. Remuneration costs, social security contributions at the expense of an employer of the administrative staff: manager, accountant, technical assistant;
2. Costs of communications, postal and courier services;
3. Overhead maintenance costs;
4. Expenses for consumables of office equipment;
5. Bank fees;
6. Others directly relevant to the work of the administration in connection with the realization of the project.



Administrative costs shall not exceed 15 % of the total value of the project.

Remuneration expenses of the team

1. Labor costs under the Labor Code and remuneration arising from service contracts or procurement contracts under the CPA of persons directly involved in the implementation of direct activities - this should include gross wages and social security contributions accrued for account of the employer on the agreed remuneration and surcharges under the applicable national legislation.



There is no need to carry out an award procedure for: employment contracts and contracts concluded with experts who have been evaluated with the project proposal and have become part of the grant agreement.

2. The expenses for remuneration of the persons, employed under service contracts or procurement contracts by the order of the CPA shall not exceed 40% of the total expenses for remunerations in the budget.
3. In cases where the percentage limit has not been met, the evaluation committee will reduce the remuneration costs of persons employed under service contracts or procurement contracts under the CPA.

Travel expenses

1. Expenses for business trips / daily, travel and accommodation / of the persons receiving remunerations under the project or performing voluntary work within the project.
2. The costs of business trips are eligible if they are objectively justified and proven necessary in compliance with the requirement to choose the most economical route and vehicle, according to the Ordinance on business trips in the country.

Cost of materials and consumables

Eligible costs for materials and consumables are:

1. Costs of materials and consumables invested for the implementation of the activities described in the project;
2. Expenditure on the acquisition of technical equipment and software necessary for the implementation of the activities described in the project, which, according to the accounting policies of the beneficiary or partner, are not defined as a fixed asset;
3. Paid state, judicial and other fees necessary for the implementation of the activities provided for in the project.

By budget category Materials and consumables are not eligible costs related to the general functioning of the beneficiary, which cannot be incurred in direct project activities (such as stationery, equipment or software, which is not used exclusively for project activities, office maintenance, etc., which relate to administrative costs).

The costs of materials and consumables should be directly linked to the activities financed and necessary to achieve the objectives set, as described and justified in the activities of the project proposal.

With regard to the supply of materials, consumables and equipment, the above requirements for selecting a supplier shall be applied.

Service costs

Eligible costs for services are:

1. Costs for renting halls, equipment and others directly related and necessary for the implementation of the project activities;
2. Costs arising from workmanship/service contracts or contracts under the CPA, not elsewhere qualified, for carrying out the project activities
3. Costs of services for the implementation of the activities described in the project, including services provided by natural persons exercising free professions;
4. Expenses related to travel of persons engaged in the provision of services shall be eligible under the relevant services.
5. The above requirements for selecting a supplier shall apply to the supply of services.

Purchase of equipment (fixed tangible asset)

1. In case the Municipality of Haskovo considers that the equipment is an inseparable and necessary component to achieve the results of the Project, the entire purchase price of this equipment may be eligible. Eligible costs for the purchase of equipment (FIXED)' means the full value of the purchased equipment, having a key role in the implementation of the project, which is recognized in accordance with the accounting policy of the beneficiary or partner for a fixed asset;
2. In order for an eligible cost, the purchase of equipment representing a fixed asset, the beneficiary or partner should agree to fulfil, for a period of 5 years after the completion of the project, any or all of the following conditions:
 - a. To use the equipment for the general purposes of the project while retaining ownership of it;

- b. To insure equipment against theft, fire or other insurance events;
- c. Set aside the resources needed to maintain it.

Repair and reconstruction costs

1. Eligible costs for repair and reconstruction are costs for repair and reconstruction of real estate, which are essential for the implementation of the activities and the achievement of the objectives of the project. The costs of repair and reconstruction are approved by the Municipality of Haskovo upon approval of the budget.
2. The cost of repair and reconstruction may not exceed 30 % of the costs of the project.
3. In order for the cost of repair and reconstruction to be eligible, the beneficiary or partner should:
 - a. To provide a copy of a notarial deed to the beneficiary or partner, a copy of a notarized contract for an established right of use or a copy of a rental contract for a period of at least 5 years after the completion of the project;
 6. To agree to use the property for the general purposes of the project, while retaining the ownership/right of use on it for a period of 5 years after the completion of the project, to insure the property against fire or other insurance events and to set aside resources necessary for its maintenance;
4. The supply of repair services shall be subject to the above requirements for selecting a supplier.



The value added tax due on the costs incurred is considered a non-refundable tax and is included in the costs of the activity concerned when the applicant at the date of submission of the project proposal is not registered under the Value Added Tax Act (VATA) or is not in the registration procedure.

Ineligible costs

1. Expenditure financed under another operation, programme or any other financial scheme arising from the national budget, municipal budget or other donor programme;
2. Fines, financial penalties and dispute resolution costs;
3. Refundable value added tax;
4. The cost of guarantees provided by a bank or other financial institution, excluding expenditure on financial instruments.
5. Interest on debts, other than those relating to grants, provided in the form of interest rate subsidies or guarantee fee subsidies;
6. Expenditure on advisory services related to the preparation and/or completion of financial support application documents.



Expenditure on projects or activities physically completed or fully implemented prior to the submission of the application form by the beneficiary, whether or not all related payments have been made by the beneficiary, shall not be eligible.

Scheme for making payments to beneficiaries and reporting obligations

When planning the budget and the timetable for the implementation of the project, the applicant should take into account the conditions of granting, the payment scheme to beneficiaries and the reporting obligations.

Payment scheme

1. Advance payment shall be ordered within 10 (ten) working days from the date of start of the project, according to the contract for its implementation. The advance payment amounts to 40% of the total value of the grant.

2. Interim payments shall be ordered within 15 (fifteen) working days after the approval by the Municipality of Haskovo of the interim technical and financial reports submitted by the beneficiary. The total amount of interim payments shall be 50 % of the total grant.

The amount of the interim payment may be reduced depending on the amount of unspent funds identified in the acceptance of the interim financial reports, or in case of a reduction in the amount of the grant due to identified irregularities. In case the beneficiary has reported less than the percentage of the allocated funds set in the Plan for reporting to the beneficiary and transfer of funds, or if the amount of the grant is adjusted due to irregularities, the amount of interim payment is reduced by the amount of unspent funds, or of the imposed correction.

3. Final (balancing) payment shall be ordered within 15 (fifteen) working days after approval by the Municipality of Haskovo of the final technical and financial report. The final (balancing) payment is calculated as the difference between the final amount of the grant approved by the Municipality of Haskovo and the amount paid to the beneficiary (through advance and interim payments).

The amount of the grant may be reduced on the basis of a reasoned decision of the Municipality of Haskovo on financial corrections related to the beneficiary's failure to fulfil obligations under the contract, including on the basis of irregularities found.

Reporting obligations

The beneficiary and the partners have the obligations to provide reports (interim and final technical and financial reports) according to set templates and deadlines.

1. In compliance with the requirements of transparency, accountability and good governance, as well as the general eligibility requirements for project costs, the beneficiary is obliged to use an accounting system to allow the generation of accounts for the revenue and expenditure of the project separate from the rest of the activity.

2. It is necessary to ensure the functioning of an adequate system of internal control, enabling to monitor the approval of the assignment, acceptance and payment of the activities related to the implementation of the project;
3. The beneficiary should oblige its partners to apply the same, or similar to the above-mentioned project accounting requirements.

Interim and final technical reports on the implementation of the project

1. The beneficiary is obliged to provide the Municipality of Haskovo with comprehensive reporting on the implementation of the project, which includes the preparation and presentation, in accordance with the requirements of Haskovo Municipality, of interim technical reports on the implementation of the project and a final technical report on the implementation of the project;
2. The beneficiary is obliged to prepare the specified reports within the deadlines specified in the funding contract according to the samples provided by Haskovo Municipality.
3. The period covered by the reports shall be set out in the beneficiary reporting and transfer plan annexed to the contract;
4. The deadline for the transmission of interim technical reports shall be until the last working day of the month following the end of the reporting period;
5. The deadline for the transmission of the final technical report is up to 30 (thirty) calendar days after the expiry of the project term;
6. The following shall be attached to the reports: copies of publications, materials (written and / or audiovisual, etc.) proving the implementation of each specific activity described in the report;
7. The final technical report must contain complete information on all aspects of the implementation of the project;
8. The technical reports and the annexes thereto shall be submitted by e-mail within the deadlines specified by Haskovo Municipality;
9. The failure to submit technical reports constitutes a reason for the Municipality of Haskovo to decide to unilaterally terminate the implementation of the project due to a faulty failure by the beneficiary and a claim for reimbursement of the paid financing of the project.

Interim financial reports and final financial report

1. The beneficiary is obliged to prepare interim financial reports and final financial report according to the sample of Haskovo Municipality;
2. The data in the financial reports of the expenditure incurred in the project should reflect the data from the beneficiary's accounts;
3. The financial reports must be accompanied by the required documentation. The partner(s) shall provide the beneficiary with their documentation in order for it to be included in the beneficiary's accounts to Municipality of Haskovo;
4. The reporting period shall be specified in the beneficiary's reporting and transfer plan attached to the contract;
5. The maximum period for the submission of interim accounts shall be the last working day of the month following the end of the reporting period;

6. The deadline for submission of the final financial report is up to 30 (thirty) calendar days after the expiry of the project term;
7. The financial reports and the annexes thereto shall be submitted by e-mail in the manner specified in the contract.
8. The failure to present financial reports constitutes a reason for the Municipality of Haskovo to take a unilateral decision for termination of the project due to the fault of the beneficiary and claim for reimbursement project funding

Documentation proving the costs incurred

In order to meet the documentary cost justification requirements, the beneficiary must provide documentation applicable to the budgetary categories for which project costs are taken into account:

1. Evidence of payments made, such as bank statements, payment orders, etc., including reimbursement by the beneficiary or partner of the costs incurred by project travelers;
2. Evidence of expenditure incurred such as invoices, receipts, tickets, etc.;
3. Evidence of remuneration costs: declarations of time worked under the Project (model); employment contract/annex, payroll (fiche), civil contract and fee list, information about declared and paid social security contributions and taxes;
4. Evidence of receipt of goods and services such as contracts, reception protocols, etc., in accordance with the nature of the service;
5. Evidence relating to transport costs: road data sheet for road travel, documents on the use of another type of transport;
6. Evidence for organizing conferences, trainings, consultations and implementation of other project activities (attendance lists, photos, information materials, feedback forms, protocols, etc.);
7. Evidence of compliance with the applicable national legislation when selecting a supplier of goods and services: a complete set of documents confirming the preparation and conduct of the selection procedures, in accordance with the requirements of the legislation and the current funding scheme;
8. Documents demonstrating compliance with requirements related to the purchase of fixed assets and carrying out repair and reconstruction costs;
9. Purchase journal for the respective tax periods for beneficiaries or partners registered under the Value Added Tax Act who have not used a tax credit for the deliveries of goods and services in the framework of the implementation of the project.

Notification to the beneficiary of the acceptance of reports

1. Haskovo Municipality shall inform the beneficiary of the need to provide additional documentation, clarifications or corrections;
2. The Municipality of Haskovo shall notify the beneficiary of its decision to accept reports within two months of receipt by the beneficiary of the information necessary for the adoption of the relevant report;
3. Upon request of clarifications, corrections or additional information, the above period shall start to run again from the date on which the beneficiary has provided the required information;

4. The Municipality of Haskovo shall notify the beneficiary of the total amount of the approved expenditure at the time of acceptance of the financial report; reasons for and amount of expenditure identified as ineligible; the imposition of financial penalties/adjustments or other measures; recommendations.

Making budgetary changes

1. Changes to the project budget affecting the main objective of the project or leading to an increase in the amount of the contract grant initially agreed and/or to exceed the funds by budget categories for which there is a fixed percentage are inadmissible;
2. Ineligible are changes introducing unforeseen in the repair and reconstruction costs approved to the project proposed budget;
3. With regard to budgetary changes between budget categories or between the budget of activities within up to 10 % of the budget (relative to the approved budget of the categories or activities that are increasing and decreasing), a beneficiary is obliged to provide written information to Municipality of Haskovo on budgetary change, including a draft updated budget
4. Budgetary changes made should comply with the principles of economy, efficiency and effectiveness.

Instructions for completing an application form and for preparing the project budget

Application form

The instructions for filling in the application form are described in detail in each of the sections of the form. The beneficiary should fill in the form in Bulgarian language by entering information in the relevant fields without making changes to the text formatting. The total length of the completed application form may not exceed 30 pages.

Project budget

The completed budget is an integral part of the project proposal applying for a grant under the competition. The budget should contain specific and clear information on the planned expenditure on activities, in line with the activities planned in the project proposal.

The template for completing a budget must be downloaded from the website of Haskovo Municipality www.haskovo.bg¹³ the Social Enterprise Funding Scheme section and be completed in Bulgarian according to these guidelines. The completed budget should be attached to the application e-mail as an Excel file.

The budget is used throughout the project cycle (evaluation, project selection, risk assessment, contracting, implementation, reporting, monitoring and audit). The budget

¹³ An example page is listed on the website of Haskovo municipality, where information about the Social Enterprise Funding Scheme can be found

approved by Haskovo Municipality, attached to the contract for funding of the project, is part of the matrix for financial statements. The applicant shall be solely responsible for the accuracy of the financial information completed in the budget. The amounts completed in the budget for the total budget of the project, the own contribution and the grant sought must correspond to the amounts indicated in the application form with a project proposal. If the amounts completed in the application form differ from those in the attached budget, the amounts set out in the attached budget will be valid.

An applicant who has not attached to the project proposal a budget for the project for which he / she is applying shall be removed at the stage of checking the administrative eligibility of a project proposal as non-compliant with the administrative requirements.

Selection of budget template:

In case the applicant does not have partners, the relevant budget template Annex 2.1 must be withdrawn and completed.

When preparing a project proposal with a partner(s), the applicant must download and complete a budget template Annex 2.2.

Planning a budget with partners: When the project is intended to provide part of the budget to partner organizations, the applicant must fill in the budget allocation by partner.

Planning a budget by activity

The budget is introduced under the activities included in the project proposal (Project Management and Reporting, Communication Plan, etc.), introducing for each activity the required number of budget lines describing consistently the costs of all sub-activities related to the specific activity (e.g., for organizing an event, products, etc.). A specific description for each specific cost should be entered in the column 'cost description'.

Budgetary data are entered only in the white cells of the budget matrix (cost description, measure unit, number of units, unit price, etc.). In fields marked in blue, the data is calculated automatically based on the information filled in in the other cells.



WARNING: The budget must comply with budgetary constraints and conditions for eligibility of activities and related expenditure under the Social enterprise funding scheme.

Unjustified or incorrect budget or expenditure, or non-compliance with the requirements for eligibility of expenditures, as specified in the current social enterprise funding scheme, will affect the overall evaluation of the project proposal and subsequently in its implementation and reporting.

Procedure for evaluation of project proposals

All project proposals shall be evaluated in accordance with the criteria described in the social enterprise funding scheme. The criteria shall not be amended during the procedure. The evaluation is carried out by evaluation committees appointed by order of the Mayor of Haskovo Municipality and is documented by filling in evaluation tables. The evaluation of the project proposals includes:

1. Assessment of administrative compliance and eligibility;
2. Technical and financial assessment.

Criteria for administrative compliance of project proposals

Project proposals shall be considered admissible when they meet the criteria of administrative compliance for the competition.

List for verification of administrative compliance criteria:

No	Criteria	Yes/ No
1	The project proposal was successfully submitted on time and by email; all sections of the form, as well as the applicable templates of annexes submitted, are completed in accordance with the instructions and in Bulgarian	
2	Attached to the application form is a completed Project Budget, which meets the conditions of the competition (amount of the grant from BGN 10,000 to 50,000)	
3	The duration of the project is in accordance with the conditions of the competition – up to 12 months	
4	The attached Project Budget has been completed in accordance with the applicable templates	
5	The application form is accompanied by a timeline for the implementation of the project	
6	Attached to the Application Form is fully and correctly filled in with the required information, signed and scanned Declaration of the applicant filled in the provided template	
7	The candidate's declaration is signed by the candidate's representative by law or by a person authorized to represent the candidate on the basis of a notarized power of attorney or other document certifying the legal basis for signing the document - as an order, decision, etc.	
8	In the presence of a partnership, the applicant has completed in the project proposal information for each of the partners and applied correctly completed, signed and scanned Partnership Declaration according to a template for each of the partners	
9	The declaration under item 8 is signed by the representative of the partner by law or by a person who is authorized to represent the partner on the basis of a notarized power of attorney or other document	

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	certifying the legal basis for signing the document – such as an order, a decision, etc. (if applicable)	
10	The applicant has attached CVs in Bulgarian that meet the requirements of the Europass form to the members of the project management team (not necessarily the provision of a CV for an accountant), as well as all experts named in the application form	

A commission appointed by order of the Mayor of Haskovo Municipality will assess the administrative compliance and admissibility of the project proposals in compliance with the following requirements:

- Where the assessment of administrative compliance and admissibility finds a lack of documents and/or other irregularities, the Commission shall send the applicant a notification of the irregularities identified and shall set a reasonable time limit for their rectification, which may not be less than one week. The notification shall also contain information that non-reassification of irregularities within the time limit may lead to the termination of proceedings in respect of the applicant.
- Correspondence with the applicant will be done electronically by sending messages via email from which the project proposal was submitted.
- Non-reassification of irregularities in time may lead to the termination of proceedings in respect of the applicant! The applicant shall not be entitled to submit to the committee documents other than those missing and those to remedy the irregularities. The elimination of irregularities cannot lead to an improvement in the quality of the project proposal.



ATTENTION: The timely submission of the project proposal and the complete and correct completion of the required documents is the responsibility of the applicant. After filling in all the data for the project, the applicant must check whether all the fields are filled in correctly and all the required documents are attached.



WARNING: At the stage of submission of a project proposal, no additional documents are provided, except for those explicitly specified in the current social enterprises funding scheme.

All applicants will be notified of the outcome of the administrative check by email no later than 20 working days after the expiry of the deadline for submitting project proposals under the scheme. Applicants who have submitted projects with administrative deficiencies that are subject to correction (certain deficiencies under points 6 to 10 in the table above are subject to correction) are given the opportunity to rectify them within five working days. In case of removal of admitted deficiencies, no change in the content of the budget by the applicant is allowed. All applicants with unapproved projects at the administrative verification stage may, within 5 days of receiving the notification of the result of the administrative

inspection, request re-examination of the project proposal for administrative compliance by sending an email to kmet@haskovo.bg¹⁴ with the title of message (Subject): "Objection".

Requests for reconsideration of the project proposals for administrative compliance shall be considered by the Municipality of Haskovo and information about the final decision shall be sent to the respective applicant within 10 working days after receipt of the request for reconsideration of the project of administrative compliance.



PLEASE NOTE: The responsibility for regular checking of the e-mail from which the project proposal was submitted lies with the applicant. The Municipality of Haskovo is not responsible for missing a deadline for eliminating administrative discrepancies on the part of the applicant or for not receiving an email due to its registration as spam or problems with the applicant's Internet access.

Technical and financial evaluation of the project proposals

Any project proposal for which Haskovo Municipality finds to meet the criteria for administrative compliance will be allowed to a qualitative assessment.

'Technical and financial assessment' means a substantive assessment of project proposals carried out in accordance with the evaluation criteria.

In order for a project proposal to be proposed for financing, the overall final assessment at the technical and financial assessment stage must be equal to or greater than 30 points.

The project proposals are evaluated by a committee appointed by order of the Mayor of Haskovo Municipality. The proposals approved for financing by the committee are reflected in a protocol, which is proposed for approval by the Mayor of Haskovo Municipality.

Quality assessment criteria

Rating scale:

- 0 points – according to the relevant specific indicator, the participant has made a formal proposal without the required completeness and justification, there are serious risks and doubts about its feasibility.;
- 1 point – according to the relevant specific indicator, the applicant has made a formal proposal without the required completeness and justification, which are accompanied by serious deficiencies and uncertainties proving its difficult fulfil ability;
- 2 points – according to the relevant specific indicator, the applicant has not complied with all the necessary requirements, there are gaps and uncertainties that would hinder its feasibility;

¹⁴ This email is an example

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- 3 points – according to the relevant specific indicator, the applicant has complied with all the necessary requirements, there is evidence of its feasibility, accompanied by visible gaps and incompleteness;
- 4 points – according to the relevant specific indicator, the applicant has complied with all the necessary requirements, there is the necessary evidence of completeness, justification, accuracy, clarity and applicability in the process of its feasibility.

No	Criteria	Maximum rating	Evaluation of the project proposal
1	The project contributes to the achievement of the objectives of the social enterprise funding scheme	4	
2	The project contributes to the achievement of the performance indicators	4	
3	The project corresponds to the needs of the target groups <i>(the points under this criterion are multiplied by two)</i>	8	
4	The form is completed according to the instructions, the information in it is clear and substantiated, between the individual points and subpoints there is a commitment, consistency and logic. There are no internal contradictions, unjustified repetitions and technical errors distorting the content of the proposal <i>(the points under this criterion are multiplied by two)</i>	8	
5	The project gives a clear picture of the applicant's objectives and intentions in relation to the creation/sustainable development of a social enterprise, based on a set of objective data characterizing the specific situation in which it will be implemented <i>(the points under this criterion are multiplied by three)</i>	12	
6	There is a clear logical link between the proposed activities, the expected results, the timetable for implementation and the specific objective of the project <i>(the points under this criterion are multiplied by three)</i>	12	
7	The expected results of the activities are precisely formulated, unambiguously defined, quantifiable, tied to specific deadlines and are achievable within the framework of project implementation; are planned so as to achieve the objective of the project <i>(the points under this criterion are multiplied by three)</i>	12	
8	The applicant shall provide additional personal support services to persons from the target groups working in the social enterprise	4	
9	The risks have been taken into account, adequately assessed and appropriate preventive measures taken to avoid them	4	

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10	There is an understanding of the prerequisites for sustainability of the activities – the proposal contains reasons and evidence that the applicant will be able to ensure the functioning of the social enterprise after the completion of the project, resulting from a realistic assessment of the market prospects, the capacity built and the possibilities for subsequent financing.	4	
11	Experience of the applicant and the partner(s) (if applicable) in the implementation of activities similar to those provided for in the project	4	
12	Administrative and expert capacity of the applicant (his/her team) and the partner(s) (if applicable) to implement the activities to achieve the objectives of the project <i>(the points under this criterion are multiplied by two)</i>	8	
13	Budget economy and realism of the expenditure envisaged <i>(the points under this criterion are multiplied by two)</i>	8	
14	The volume of budgeted activities is proportional to the objectives and expected results of the project <i>(the points under this criterion are multiplied by two)</i>	8	
	Total points	100	

The projects shall be evaluated according to the declared criteria by two impartial and independent evaluators. The final assessment of the project is the average of the estimates of the two evaluators. In the case of a difference in their estimates of more than 30 % of the higher rating and provided that the higher score exceeds the minimum number of points for participation in a project selection ranking, the project shall also be evaluated by a third evaluator-arbitrator. The final evaluation for the project is the average of the two closest evaluations.

Each project that crosses the minimum assessment threshold under these criteria shall participate in a ranking with all other projects that have also passed the minimum assessment threshold.

The rankings, together with the recommendations for a change in the proposed budgets of the ranked projects (if any), are submitted by the Municipality of Haskovo for consideration by the Commission for the selection of projects under the social enterprises funding scheme (commission).

The Project Selection Commission shall draw up a list of the projects it has proposed for approval, taking into account their ranking by points and the available budget for the social enterprise funding scheme. The Commission may, by reasoned decision, propose a change in the ranking of projects in justified cases, including in relation to the requirements of the scheme and the achievement of the objectives and indicators.

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In case two or more project proposals have the same overall final estimates, projects will be ranked in descending order of the following criteria:

- Higher performance and result indicators;
- They are intended for implementation with a more economical budget;
- Projects involving innovation;
- Higher score by criterion 6.

Circumstances excluding grant provision

The following circumstances may be grounds for not awarding a grant:

- The candidate does not adhere to the principles of respect for human rights and democratic society;
- Identical content of a project proposal or parts of it with another project proposal (s) is established;
- • There are doubts about double funding of the project or certain activities from it.

Informing candidates of the results of the competition

All candidates will be informed of the decision of Haskovo municipality whether the respective project proposal should be supported or not. The decision is final and not subject to appeal. Approved applicants will be invited to provide documents for the conclusion of a contract by email. Municipality of Haskovo will publish a list and information on the contracted projects after the completion of the contracting process for the respective session of the social enterprise funding scheme.

The candidates are encouraged to regularly check the information about the results of the competition on the website of Haskovo Municipality.

The responsibility for regular checking of the e-mail through which the project proposal was submitted lies with the applicant. Haskovo municipality is not responsible for missing the deadline by the applicant or for not receiving messages due to their registration as spam or problems with the applicant's Internet access.

Conclusion of a contract

Haskovo Municipality shall notify the candidates whose project proposals have not been approved or approved and are included in the list of reserve project proposals or the list of project proposals approved for funding by email within 5 working days of approval of the evaluation report by the Mayor of Haskovo Municipality, stating the reasons for their ranking. Within 10 working days of receiving the notification, applicants may request further clarification on the grounds for ranking their project proposals. The date of receipt of the notification is considered to be the date on which the message was sent.

Procedure for objections to the evaluation

Every candidate who has received a notification letter from Haskovo Municipality that his/her project proposal has not been approved has the right to object to the Municipality of Haskovo within 3 working days from the date of receipt of the notification.

The objection shall be submitted to the Municipality of Haskovo in paper or electronic form, signed by at least one of the persons representing the applicant or an authorized person. In the case of authorization, a notarized power of attorney shall also be submitted to the opposition.

An objection may be lodged only against the proposal of the evaluation committee to reject the respective project proposal.

Upon submission of the objection, new documents may not be submitted that were not part of the initially submitted project proposal and / or additional documentation required by the evaluation committee at the respective stage.

Objections submitted outside the regulated period or by persons other than those representing the applicant or authorized persons shall not be considered. The date of submission of the opposition shall be the date of dispatch/entry of the objection.

The Mayor of Haskovo Municipality shall rule on the merits of the objection within 10 working days of its receipt, returning the draft proposal for re-implementation of the evaluation procedure or confirming the preliminary decision of the evaluation committee. The candidates will be notified in writing about the decision of the Mayor of Haskovo Municipality in connection with their project proposal.

The candidates included in the list of project proposals approved for funding are invited by Haskovo Municipality to provide evidence that they meet the requirements for beneficiary by providing the following documents:

1. Declaration of the applicant – completed according to a template signed by the person(s) representing the applicant, scanned and sent by email.
2. A copy of the Bulstat registration (if applicable to the partner) certified with the text "true to the original", a signature of the applicant/partner. *The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.*
3. Certificate of current status of the applicant, issued not earlier than 6 months before the final application date, scanned and emailed.

The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.

4. Profit and loss account for the current and previous financial years and balance sheet for the current and previous financial years (individual) - scanned and sent by email.
For newly registered/newly created organizations – Balance Sheet and ODA for the months the organization existed – scanned and emailed.

The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.

5. A copy of the applicant's statutes, certified with the text "true to the original", with the signature of the applicant and a stamp.
The requirement is not applicable to legal entities registered in The Commercial Register and the Register of Non-Profit Legal Entities, as well as for candidates - individuals.
6. For partner projects – Partnership Agreement (template). If there is more than one partner, a separate Partnership Agreement with each of them shall be signed.
7. Financial identification form – Annex X¹⁵ of the documents to the target grant contract;
8. Declaration on the origin of the financial contribution of the project (if there is co-financing of the project) (Annex Y ¹⁶ of the documents to the target grant contract)
9. Declaration of absence of public liabilities (tax liabilities and compulsory social security contributions) (template- Annex Z);¹⁷
10. . At least three current offers or other carriers of objective technical information for each of the acquired assets and each of the received services, included in the budget of the proposal. Tenders or other media of objective technical information must be issued not earlier than 1 month before the date of application and be valid for at least 3 months after the date of application;
11. 11. List of the persons from the target group with three names and PIN, where applicable;
12. In case of planned repair and reconstruction of own property – a copy of a notarial deed, a donation contract or an established right of use, certified with the text "true to the original", a signature of the applicant (or partner) and a stamp.
13. In case of planned repair and reconstruction of a rented property – a copy of the contract, providing the applicant or partner with the right to use it for a minimum of 5 years after the completion of the project, certified with the text "true to the original", signature of the applicant (or partner) and stamp.
14. Job descriptions for persons with permanent disabilities, where applicable.



All documents are signed by the person(s) representing the applicant or partner, scanned and sent by email. The deadline for submission of documents is 10 days.

Within two weeks of the examination of the presented evidence, the Mayor of Haskovo Municipality decides to grant any project proposal included in the list of approved candidates by concluding a contract for targeted funding.

Grant contracts shall be concluded with all applicants who submit the required documents within the prescribed time limit. Applicants who do not submit documents or do not comply shall not be concluded contracts and a reasoned decision refusing to grant shall be issued. In their place, the relevant number of candidates on the reserve list (if applicable) will be invited to negotiate, in the order of their ranking, until the total available budget under the procedure is exhausted.

If a candidate for a project approved for financing refuses to conclude a grant agreement, a contract shall be concluded with the candidates on the reserve list (if applicable)

¹⁵ Example name of the Annex

¹⁶ Example name of the Annex

¹⁷ Example name of the Annex

in the order of their ranking until the available budget under the procedure has been exhausted.

A reasoned decision refusing to grant shall be issued within 10 days of the approval of the evaluation report or by the submission of the evidence. The decision shall not be subject to appeal.

The Mayor of Haskovo Municipality terminates by order the procedures for selection of projects, in cases where no project proposals have been submitted in time or all project proposals have been withdrawn; in cases where substantial infringements have been committed during the procedure. In case of termination of the procedure, the applicants are notified electronically (by e-mail).

Opportunities to ask questions and get answers on the funding scheme

Applicants can ask questions and request further clarifications on the social enterprise funding scheme within 10 days before the expiry of the application period of the following e-mail: kmet@haskovo.bg¹⁸, clearly indicating the call for proposals.

Written explanations will be given within 5 days of receipt of the request for clarification, but no later than 5 days before the expiry of the application period. – date X.¹⁹

In order to ensure equal treatment of applicants, Haskovo Municipality will not provide clarifications containing an opinion on the quality of a specific project proposal. The Haskovo Municipality does not provide direct advice to the candidates regarding the development of the project proposals. Explanations are given regarding the conditions for application and are mandatory for all applicants.

The questions and explanations will be published on the website of Haskovo Municipality, section Social Enterprise Funding Scheme²⁰. No answers to repeated/similar questions will be published.

Information on the processed personal data of applicants with project proposals

Haskovo Municipality stores and processes the personal data of the applicants with project proposals under the scheme for funding social enterprises, in accordance with the requirements of the Personal Data Protection Act and its internal rules.²¹

¹⁸ E-mail, for example,

¹⁹ The date should be set when adopting and implementing the Social Enterprise Funding Scheme

²⁰ The section is an example

²¹ Clarification should be made for the current rules for the processing of personal data in Haskovo municipality

The personal data to be collected shall serve to verify compliance with the criteria of the funding scheme and preparation for the conclusion of a target grant contract (contained in forms, declarations, CVs), as well as for reporting purposes to auditors and authorized national authorities.

The processing of the provided personal data is carried out by non-automatic and automatic means and includes collection, recording, organization, storage, adaptation or amendment, restoration, consultation, use, provision of other authorized persons, updating, destruction. Upon request by the person whose data are processed and stored - blocking, erasure or modification. The retention period of personal data is 10 years.²²

Personal data shall be provided voluntarily by applicants. The representing candidate/ organization, which provides through the required documents and forms personal data to third parties included in the project proposal, should have obtained the consent of these persons to provide their data to the Municipality of Haskovo. The refusal to provide personal data is grounds for the project proposal not to be considered at the "qualitative evaluation" stage due to failure to meet the criteria for administrative compliance of the project proposals.

Persons whose data are provided shall have the right to access, correct or delete the data collected with the relevant consequences of such actions.

Persons whose data are provided have the right to be notified when providing their data to third parties (for accountability and verification purposes), the right to object to the processing of their data and their right to protection before the Commission for Personal Data Protection: www.cdpd.bg;

In connection with the exercise of their rights in respect of the personal data provided by them, applicants can familiarize themselves with the rules on personal data protection of the Municipality of Haskovo, available at the following internet address:²³



WARNING: When submitting the project proposal, the applicant/ organization should declare that it is aware and agrees with the specified information on the personal data processed contained in the project proposal and that it has the consent of the persons whose data are included in the draft proposal through the relevant texts included in the Applicant's Declaration.

Annexes

1. Annex 1 Application form
2. Annex 2 - Project budget
 - 2.1 Annex 2.1 Budget of the project without a partner
 - 2.2 Annex 2.2 Budget of the project with partner(s)
3. Annex 3 - Project timeline;

²² The period is indicative

²³ The location of the document should be indicated

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- 4.** Annex 4 – Declaration of the applicant;
 - 4.1 Annex 4.1 Declaration of the applicant – legal entity;
 - 4.2 Annex 4.2 Declaration of the applicant – natural person.
- 5.** Annex 5 – Declaration of the partner;
- 6.** Sample of Contract for targeted grant funding;
- 7.** General terms and conditions of the targeted grant contract;
- 8.** General requirements for project partners