

Implementation of the Structural funds in Bulgaria

Monthly brief, November 2010

Horizontal issues and legislative procedures

- On November 10, 2010, the Council of Ministers adopted a Decree 269 amending CoM Decree 55/2007 laying down the rules on grants award and selection of contractors by private bodies. The amendments are aimed at achieving fast, clear, effective and transparent provisions of the Decree. An appealing procedure under the CoM Decree No 55/2010 is included.
- On November 19, 2010 the Council of Ministers adopted a Decree amending CoM Decree 121/2007. The amendments aim at merging the administrative compliance and eligibility checks in a single step of the evaluation process of the project proposals. A shorter and more efficient evaluation process is thus to be achieved.
- A Decree amending CoM Decree 67/2010 on the salaries in the budgetary organizations and functions was adopted by the Council of Ministers on November 24, 2010. The amendments concern the rules and procedures on the salaries of the experts involved in the process of the EU Structural instruments' coordination, management and control: the procedure for updating the lists of the experts receiving additional salaries has been simplified; a legal opportunity has been created for funding the total salaries of the experts with obligations related only to the EU Structural Funds by OPs' technical assistances and by OPTA.
- On November 6, 2010, a meeting with representatives of International Financial Institutions, European Commission and the Government was held. The representatives of Ministry of Regional Development and Public Works and Ministry of Environment and Water outlined the main steps in the prepared action plan for reforms in the water sector. The deadline for the implementation of each step will be presented till the end of 2010.
- A coordination meeting of the Central Coordination Unit was held on November 7, 2010. The meeting was headed by the Minister of EU Funds Management Mr. Tomislav Donchev. Among the discussed issues were: improvement of the coordination activities of CCU, implementation of current tasks and planning, future development of CCU, etc.
- Preparation of instructions for the Bulgarian participation in the Structural Actions Working Party at the Council of the EU for the exchange of views, following presentation by the Commission of the Fifth report on social, economic and territorial cohesion.
- Preparation of the participation of the Bulgarian representatives in the meetings of Vishegrad countries, Bulgaria, Romania and Slovenia in Bratislava on the issues concerning the future of Cohesion policy. Preparation and adoption of common conclusion from the meeting.
- Preparation of the participation of the Minister for Management of EU Funds in the informal meeting of the ministers responsible for Cohesion Policy in Liege.
- Preparation and internal coordination of opinion on the draft of the revised Guidance Note on application of art. 55 of Regulation 1083/2006 for discussion and adoption by the COCOF.
- In November, the Secretariat of the Council for Development continued the previously launched series of bilateral meetings with political cabinets of all ministers. The meetings are aimed at improving the system of strategic planning and optimization of the (number of) existing strategic documents, as a preparatory step for the elaboration of the National Development Programme.

The Unified Management and Information System (UMIS)

- In November 2010 agreements concerning the procedures for data exchange were elaborated and the interface between UMIS and the information systems at SF "Agriculture" and the Executive Agency "Fisheries and aquaculture" were commissioned. Now the UMIS users can perform a check for duplicate activities, financed under the other two programs and respectively the authorized representatives from SF "Agriculture and the Executive Agency "Fisheries and aquaculture" can check at the UMIS for duplicate activities, financed under the SCF.
- A number of new functionalities were also commissioned and the UMIS Financial module was further developed:
 - In order to reflect the changes in the requirements published by the Certification Authority (CA) a new source/ category for national co-financing was created in UMIS as "other public funds"
 - New financial reports were created
 - New menu items were created and functionalities concerning financial corrections/ amounts recovered were introduced
 - Functionalities used by the Certification Authority were further developed
 - The upload of documents to the system was made mandatory in a number of occasions

Information and Publicity

- In November 2010 the implementation of the information and media campaign for the promotion of the operational programmes in Bulgaria continued intensively, including TV, radio, printed media and Internet. The campaign was co-funded under Operational Programme Technical Assistance (OPTA). In addition, three public events in the planning regions of Bulgaria took place. The aim was to reach the beneficiaries and potential beneficiaries at regional level. Local radio stations, newspapers and Internet banners announced the events. The campaign will take place until December 2010.
- On 12 November 2010 within the campaign a media competition named "The EU funds in the Bulgarian media" was launched. The publications must cover a project or programme, co-financed by the Structural and Cohesion Funds of the European Union. There are no restrictions on the genre, media type and mode of distribution. The competition is held in three categories: electronic, print and "new" media and is open until 6 December 2010. The special prize winner will be awarded with the opportunity to attend a training course at the European Institute of Public Administration in Maastricht, the Netherlands.
- On 11 November 2010 a meeting between the Managing Authority of OPTA, the Central Information Office and the direct beneficiaries (the 27 Bulgarian municipalities-district centres) under the procedure for the establishment of district information points for the promotion of Cohesion Policy, took place.
- In November representatives of the Central Information Office visited 12 municipalities-district centres to inspect their readiness to provide suitable premises for the information offices. During these visits, meetings with 5 Europe Direct Centres took place in order to discuss the willingness both of the municipalities and the information centres to become partners for the establishment of an information centre for Cohesion Policy.
- Also in November four public surveys took place.

- The first one was an on-line survey among the users of the Single Information Web Portal of EU Structural Funds in Bulgaria www.eufunds.bg. Its analysis reveals that among all users dominate those that are active, highly-educated, information-seeking, working and leading a dynamic life. The overall degree of approval of the portal's contents and design is 4.67 out of 6.
- The second survey concerned the future district information centres - scope of services and attitudes of the public and business towards their usefulness. Its outcome will be applied in the process of establishment of the centres.
- The third one was an evaluation of the level of attendance and satisfaction with public events on the Structural and Cohesion Funds and Operational programmes in Bulgaria. The level of approval of their usefulness is average among the business and above average among the wider public. There is a clear need of a better announcement in advance of these events.
- Fourthly, we tested the quality and expectations from the information materials regarding EU funds. It turned out that the public needs information, which is positive, from the real life and well visualised in order to be easily perceived.

Certifying Authority

- In November 2010 the Certifying Authority performed checks of the 6 Reports on Certification and Statements of Eligible Expenditures, submitted by the Managing Authorities of the OPs Development of the Competitiveness of the Bulgarian Economy, Regional Development (by two reports), Technical Assistance, Human Resources and Administrative Capacity.
- In November 2010 the Certifying Authority performed on the spot checks as part of the function on certification of expenditures under SCF and in compliance with art. 61 of Council Regulation (EC) No 1083/2006 under OPs Development of the Competitiveness of the Bulgarian Economy, Regional Development and Human Resources. The checks are completed and the reports with the results from the on-the spot checks done are in a process of finalization.
- In November 2010 the Certifying Authority submitted two certificates to the European Commission - under the OPs Regional Development (financial instrument JESSICA) and Technical Assistance. The total amount of the certified expenditure in November amounts to 34.35 MEUR.
- In November 2010, two interim payments from the EC were received referring to submitted Applications for payment under OPs Competitiveness of the Bulgarian Economy and Transport. The amount of funds received is 12.46 MEUR.

Operational Programmes

OP Transport

- The tender procedure for Sofia-Plovdiv railway project, Septemvri-Plovdiv section was launched on 1 November 2010. The deadline for submission of offers is 17.01.2011; the tender evaluation will start on 18 January 2011.
- The tender evaluation of Plovdiv-Burgas railway rehabilitation project was re-launched on 9 November 2010. Twelve offers were submitted in the required deadline.

- On 26 November 2010 Monthly Progress Meeting on OPT was held in the MTITC with the participation of MA, all beneficiaries of the OP, Certifying Authority, CCU, Audit Authority.
- The Application Form for Parvomai-Svilengrad was finalized by the end of November 2010 and submitted to EC on 2 December 2010 through SFC. Completion note was also received in the beginning of December 2010.

OP Environment

- The contract for Establishment of Regional Waste Management System in Botevgrad region was signed on 23 November 2010. The total amount is 14 489 450.40 BGN.
- In process of evaluation under priority axis 2 of OP „Environment” are projects for Burgas, Vidin and Pernik:
 - The project proposal for establishment of Regional Waste Management System in Pernik region was submitted to the MoEW on 15.05.2010. Currently it is under evaluation. The total amount is 21 315 359, 49 BGN.
 - On 8 October 2010 the project proposal for establishment of Regional Waste Management System in Vidin region was submitted and currently is under evaluation. Specific beneficiary under the current procedure is Vidin Municipality in association with the municipalities of Bregovo, Boynitsa, Kula, Gramada, Novo Selo, Dimovo, Ruzhintsi, Belogradchik, Chuprene and Makresh. The total amount of the call for project proposals is 19 427 990.87 BGN.
 - The Burgas Municipality submitted its project proposal for establishment of an integrated waste management system in the region. Total grant amount is 40 730 238 BGN. Burgas Municipality is specific beneficiary in partnership with the municipalities of Sredets, Kameno, Nesebar, Pomorie, Aitos, Ruen, Karnobat, Sungurlare.
- On 4 November 2010 the MoEW invited Malko Tarnovo Municipality to submit a project proposal for establishment of a regional waste management system. The indicative amount of the grant is 2 538 311 BGN. The specific objective of procedure is construction of infrastructure for ecologically sound disposal of all household waste on the territory of the municipality. The deadline for submission of project proposals is 30 May 2011.
- On 23 November 2010 the MoEW invited the Municipalities of Byala (Ruse), Varna, Veliko Tarnovo, Gabrovo, Dobrich, Samokov, Nikopol, Lukovit, Panagyurishte, Pleven, Razlog, Stara Zagora, and Yambol to submit project proposals for the establishment of waste management systems in these regions. The total indicative grant amount is 219 340 689 BGN. Deadline for submission of projects for approval for the thirteen municipalities is 31 August 2011.

OP Regional Development

- On November 2 the evaluation of the project fiches under the scheme BG161PO001/1.1-02/2008 Support for providing of adequate and effective state-owned educational infrastructure, contributing to development of sustainable urban areas was completed. Six projects, submitted by the concrete beneficiary the Ministry of Education, Youth and Science were approved for the amount of 4 684 784 EUR. Contracts for awarding the grant were signed on November 30.

- On November 4 the evaluation of the project proposals submitted under the call BG161PO001/4.1-03/2010 Support for implementation of energy efficiency measures in municipal owned educational institutions. The Head of the MA approved for financing 35 project proposals in the amount of 13 755 454 EUR. Contracts with the successful candidates are to be signed in December.
- On November 15 the Head of the MA approved the project proposal submitted under the call BG161PO001/1.5-01/2010 Support for integrated urban transport of Burgas municipality. The project amounts at 67 071 840 EUR, out of which 56 000 000 EUR were approved in the form of grant to the specific beneficiary. The project was submitted for approval by the European Commission on November 19 via SFC2007. A contract with the Municipality of Burgas was signed on November 26.
- On November 16 the MA launched a new procedure: BG161PO001/2.3-01/2010 Support for preparation, designing and studies for the construction of a gas distribution pipeline connecting Bulgaria and Serbia. The call amounts at 6 MEUR. The call was initially postponed for the beginning of 2011, but as the beneficiary expressed readiness for submitting a project proposal, the call was announced in November.
- On November 18 the Head of the MA signed a contract with the Head of the Road Infrastructure Agency to implement a project for the rehabilitation of part of the Sofia ring-road. The eligible expenditure of the project amounts at 17 361 617 EUR. Another 6 MEUR will be provided by the national budget.
- On November 24 the Council of Ministers adopted an Action plan for implementing the Strategy Vision for the deinstitutionalisation of the children in Bulgaria. On November 25 a consultation with all the stakeholders took place where the Heads of the MAs for OPRD and OPHRD presented the planned procedures under the 2 programmes, aiming to support the implementation of the action plan. There are also ongoing negotiations to allocate funds from the Rural Development Programme in order to increase the scope of the interventions.

OP Technical Assistance

- The Call for Proposals was announced under Intervention measure 3.3 "Functioning of a national network of District Info Points on the Cohesion Policy in Bulgaria" OPTA. The specific objective of this measure of support and this procedure is: ensuring the effective functioning of 27 regional information centers providing information about the cohesion policy, its objectives and existing opportunities in Bulgaria. A meeting was formed in Sofia on which were represented the Guidelines for the applicants and the Application form to representatives of some of the regional centers.
- 7th Monitoring Committee of OPTA was held on the 24th November.
- As a result of performed audits by the Audit Authority the MA has initiated due actions to reflect the audit comments and recommendations.
- The MA of OPTA has modified main documents and procedures related with implementation of the program such as the General conditions of OPTA, Procedure guideline and etc.
- The MA of OPTA has been processing project proposals received by beneficiaries.

OP Development of the competitiveness of the Bulgarian economy

- Since 1 November the Managing Authority of the OP Competitiveness announced every Wednesday from 2 to 4 pm an opening day for the citizens to be consulted for the opportunities to apply under the Programme.
- Within the deadline of 2 November 2010 there were submitted 12 applications for Financial Intermediaries that will receive resources from the JEREMIE Holding Fund, Bulgaria to implement Risk Capital Fund(s).
- On 15 November 2010 the project documentation under the grant procedure BG161PO003-2.1.10 "Support to enterprises and co-operations of disabled people was published for preliminary public discussions.
- On 19 November the EIF three Calls for Expression of Interest to select Financial Intermediaries that will receive resources, totalling to EUR 134 million from the JEREMIE Holding Fund, Bulgaria to implement the following financial instruments:
 - First Loss Portfolio Guarantee Instrument (EUR 74 million)
 - Growth Capital Fund (EUR 30 million)
 - Mezzanine Fund (EUR 30 million)

The deadline for submission of the Expressions of Interest is 17 January 2011.

- On 19 November the MA stopped the submission of project proposals under the procedure 2007BG161PO003/1.1.1-01/2007 „Support for the creation and development of innovative start-up enterprises”. The reason was that the total amount of the grant for the submitted till 30.06.2010 project proposals exceeded several times the initially fixed budget under the procedure.
- On 26 November the 7th Meeting of the Monitoring Committee of OP Competitiveness took place in Sofia. There were approved the report for the progress of the 2010 OP Competitiveness implementation, the Indicative Annual Working Programme (IAWP) for 2011, general criteria under three procedures concerning the development of R&D organizations, research activities in Bulgarian enterprises and achieving compliance of internationally recognized standards as well as the OP Communication Plan for 2011. The 2011 IAWP envisages 10 procedures at a total amount of EUR 405 071 431.
- On 26 November a new procedure for competitive selection of projects with fixed deadline for application was announced under the title: [BG161PO003-2.2.01 „Support for the creation and development of business incubators"](#). The deadline for application is 28 March 2011.

OP “Human Resources Development”

- On 30 November 2010 was conducted the traditional technical meeting of the members of the OPHRD Monitoring Committee which took place prior to the seventh official session of the Committee that was scheduled for 01 December. At the technical meeting were agreed and subsequently officially approved by the MC 32 new criteria for selection of operations at the total amount of 426 MEUR. The operations cover Priority Axis 1, 2, 3, 4, 5 and 6 and two of these (amounting to 20,85 MEUR) should be launched by the end of the current year. One grant scheme for 24 MEUR is planned for 2012 while the remaining 29 operations should be launched in 2011. With this timetable the Managing Authority and IBs will ensure the implementation of the commitment taken on the previously meeting of the MC that by the end of 2010 there will be approved criteria which cover the whole budget of

the Operational Programme and by early 2012 all planned schemes to be opened for submission of project proposals.

- In addition it was proposed and agreed the cancellation of three approved operations at the total amount of 85,9 MEUR. For two of these operations were proposed new criteria for selection which are broadening their focus and target groups, while for the remaining one after the substantial analysis there were identified majority of risks for the smooth implementation of the activities as currently planned.
- Changes were approved in eleven existing criteria mainly related to extension of deadlines for completion of the operations due to accumulated delays in launching the schemes as well as in the process of projects appraisal. The reasons for these delays are related to the audits of the OP (especially in the IB within the Ministry of Education, Youth and Science which is managing 7 out of the 11 eleven operations proposed for extension) conducted by the different audit units, incl. of the European Commission, as based on the audit recommendations the respective update of the internal procedures and guidelines was implemented as well as amendments in the legislative base. In addition the these changes, amendments in the budgets of the operations were agreed which are related to exclusion or incorporation of eligible activities and costs under the respective schemes.

OP “Administrative Capacity”

- On 11 November 2010 was conducted the Annual Review Meeting for OPAC on which were discussed issues related to the current and forthcoming implementation of the Programme. The main topics were related to the coordination with the units responsible for the administrative reform; the coordination and demarcation with the other OPs; the status of the management and control systems in the light of the recommendations from the conducted audits of the Programme.
- The seventh official meeting of the OPAC Monitoring Committee took place on 12 November 2010. The Committee approved the Indicative Working Programme of the Managing Authority for 2011 which consists of 13 procedures at the total amount of 33,234 MEUR. The Working Programme comprises of 4 procedures for grant awarding targeted to the central administration and judiciary, while the remaining ones are for direct awarding. At the meeting were also approved the amendments of the Annual Implementation Report as per the comments of the European Commission. The Report was subsequently submitted to EC through SFC2007 and finally approved on 25 November 2010.
- On 12 November expired the deadline for submission of project proposals under the procedures that were launched in September:
 - “Effective coordination and partnership in policy-making and implementation of policies” (sub-priority 1.3) – 54 project proposals received;
 - “Improvement of the service delivery to citizens and business, including through e-governance development” (sub-priority 3.1) – 62 project proposals received.
 - The respective evaluation committees are already formed and should complete their work in the course of three months.
- As reported previously portfolio of approved projects under subpriorities 1.1 and 3.1 (the deadline for submission of project proposals expired in June 2010) was submitted to the CCU for analysis for avoidance of double financing and overlap with activities financed with other EU instruments and Funds. Under particular projects in the scope of 1.1 and 3.1 potential overlap was identified with other EU Programmes. The final statement of the CCU is that one project approved under subpriority 3.1 should be withdrawn from financing due the overlap with a project of the same beneficiary financed under OP

Competitiveness and one component of the approved project under subpriority 1.1 should be withdrawn from financing due the overlap with activities already financed under Phare Programme 2006.

Bulgaria - Turkey IPA Cross-Border Programme

- After consultation July 1, 2010 was appointed as date for opening session of received project proposals of 1st Call for proposals under Bulgaria – Turkey IPA Cross-Border programme. The administrative and eligibility check of the project proposals is finalized. The procedure for selection and appointment of independent assessors for technical and quality evaluation of project proposals is ongoing.
- The bilateral Memorandum of understanding on implementation of the Programme was signed on 11.10.2010.
- The Description of Management and Control Systems is submitted by the AA to the EC on 26.11.2010.

Bulgaria – Serbia IPA Cross-Border Programme

- The evaluation of the submitted project proposals (75 submitted with Bulgarian Lead Partner and 27 with Serbian Lead Partner) under the first call, announced in 2009, started. The administrative and eligibility check is finalized. The procedure for selection and appointment of independent assessors for technical and quality evaluation of project proposals is ongoing.
- The procedure for authorization of the Minister of Regional Development and Public Works to sign the MoU is ongoing.
- Preparation of the Description of Management and Control Systems and Programme Manual is ongoing and audit is intended to start immediately after MoU signature.

Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme

- The evaluation of the 93 received project proposals under the first call, launched on 14 September 2009 with a total indicative budget EUR 4 131 652 started. The administrative and eligibility check is finalized. The procedure for selection and appointment of independent assessors for technical and quality evaluation of project proposals is ongoing.
- The bilateral Memorandum of understanding on implementation of the Programme was signed on 31.08.2010.
- The Description of Management and Control Systems is submitted by the AA to the EC on 18.10.2010. Remarks from the Commission received mid of November and addendum to the Description of Management and Control Systems submitted on December 01, 2010.

Implementation of ex-ISPA/CF 1164

- Monthly progress meetings in Environment and Transport sectors were held respectively on 18 November 2010 and 19 November 2010.
- With reference to the fulfilment of projects implementation the Modification Proposals have been presented to the EC for Plovdiv-Svilengrad and Danube Bridge 2 projects on 10.11.2010 and 15.11.2010 respectively.

- The organization of the Eight Monitoring Committee has started in the middle of November 2010. The Committee is scheduled for 19-21 January 2011 and will be held in Boyana Residence in Sofia.

Data on OPs financial progress is attached.

OP Implementation as of 30.11.2010

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 30.11.2010	% implementation	EU funding	% implementation	Total as of 30.11.2010	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	599 382 184 €	29,92%	489 974 229 €	30,16%	104 843 402 €	5,23%	88 029 947 €	5,42%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	496 017 132 €	27,55%	399 692 323 €	27,26%	111 420 811 €	6,19%	89 559 709 €	6,11%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	778 187 499 €	48,60%	661 459 374 €	48,60%	163 853 711 €	10,23%	139 275 654 €	10,23%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	364 952 089 €	31,40%	310 209 275 €	31,40%	222 762 290 €	19,17%	189 347 946 €	19,17%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	13 531 742 €	23,82%	11 501 981 €	23,82%	4 903 000 €	8,63%	4 167 550 €	8,63%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	573 580 910 €	47,25%	487 543 774 €	47,25%	90 502 086 €	7,46%	76 938 152 €	7,46%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	82 597 480 €	45,69%	70 207 858 €	45,69%	42 852 587 €	23,70%	36 424 699 €	23,70%
TOTAL	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	2 908 249 037 €	36,27%	2 430 588 814 €	36,42%	741 137 886 €	9,24%	623 743 657 €	9,35%