

Implementation of the Structural funds in Bulgaria

Monthly brief, January 2011

Horizontal issues and legislative procedures

- CCU has drafted methodological guidelines for determining financial corrections for irregularities related to the implementation of projects co-financed by the Structural and Cohesion Funds of the European Union. After conducting consultations with the Managing Authorities the guidelines will be approved by the Minister for management of EU funds.
- CCU is in process of preparation of the Annual Summary in relation to Structural Actions and the European Fisheries Fund, due to be submitted by the Republic of Bulgaria by 15 February 2011 in accordance with the provisions of Article 53b(3) of the amended Financial Regulation.
- Drafted and coordinated instructions for the participation of the BG representatives in the preparatory structures of the Council of the EU as regards the discussions on draft Council conclusions to the Commission's Fifth report on cohesion.
- Coordination of comments to the draft Commission's guidance note on financial engineering 07-13 and participation in the COCOF.
- Coordination of the Consultant's work on trainings for regional and local authorities (project financed by OPTA). Started trainings for trainers.
- In January, in order to contribute to the questions related to the future of the Cohesion Policy, the Framework Position on the Conclusions of the Fifth Report on Economic, Social and Territorial Cohesion was submitted and uploaded on the European Commission's website for public consultation.
- On January 4, the second meeting of the Inter-ministerial Working Group for the preparation of the National Development Programme: Bulgaria 2020 held. The prepared thematic analyses were presented and discussed on the meeting. The preparation of the analytical part of the NDP is in process. The analytical part of the NDP is foreseen to be finalized by the end of March.

The Unified Management and Information System (UMIS)

- In January 2011 the CCU undertook a number of steps in order to insure the further development of the UMIS. The new electronic forms that will be used by the electronic services for the beneficiaries were presented to the Managing Authorities (MA) for input. The electronic services are part of the response to the EU initiative to reduce administrative burden and the creation of the „Clearinghouse” tools that will provide one improve the services provided from governmental organizations to beneficiaries.
- During this month the CCU continued its preparations for the transfer of UMIS to the IT-environment of the Council of Ministers. A new project “Support and renewal of the UMIS IT-environment” was developed and submitted to the OPTA MA.

- A new functionality of UMIS was developed, tested and will be introduced in the coming days. It will help the MA's to detect the legal entities that have been involved in irregularities and will play the role of a black list of the incorrect contractors.

Information and Publicity

- In January 2011 the implementation of the information campaign for the promotion of the operational programmes in Bulgaria continued in the online media. A banner representing two successful projects and referring to the Single Information web portal on EU Structural Funds www.eufunds.bg was placed on the Internet. The campaign is co-funded under Operational Programme Technical Assistance.
- In January the Best Project Competition was officially announced in 24 Hours Daily Newspaper under the patronage of the Minister of EU Funds Management Tomislav Donchev. The readers of the newspaper are encouraged to submit projects that have changed their everyday life and the newspaper will publish cover stories of the most interesting of them. The submitted projects will be voted by the newspaper's readers on the web portal on EU Structural Funds www.eufunds.bg. The competition is open until May 9, 2011 when the best project will be officially announced.

27 district information points on Cohesion Policy

- In January representatives of the Central Information Office visited 5 municipalities-district centres (Silstra, Dobrich, Varna, Smolyan and Kardzhali) to inspect their readiness to provide suitable premises for the information offices. During these visits, meetings with 2 Europe Direct (in Dobrich and Smolyan) centres took place in order to discuss the willingness both of the municipalities and the information centres to become partners for the establishment of information centre for Cohesion Policy.
- In January the Central Information Office started work with the contractors of the Branding and Design Concept of the 27 District Information Centers and the Procedures Manual for the Operation of the 27 Information Centers. The Concept and the Manual will be ready by the end of February.

Certifying Authority

- In January 2011 the Certifying Authority performed desk checks on the regular Reports on Certification and Statements of Eligible Expenditures, submitted in January by the Managing Authorities of the OP Technical Assistance, OP Development of the Competitiveness of the Bulgarian Economy, OP Regional Development, OP Environment and OP Human Resources Development.
- In January 2011 the Certifying Authority formalized report from on-the-spot check performed to beneficiaries under OP Environment, OP Development of the Competitiveness of the Bulgarian Economy, OP Regional Development.
- In the end of January 2011 the Certifying Authority started preparation for on-the-spot checks to the Managing Authorities and Intermediate Bodies of OP Regional Development, OP Competitiveness of the Bulgarian Economy, OP Environment and OP Human Resources Development.
- In January 2011 the Certifying Authority submitted one Certificate to the European Commission - under the OP Human Resources Development. The total amount of the

part of the certified expenditure requested from the EC in January amounts to 27 736 286.56 EUR.

Operational Programmes

OP Transport

- The Application Form for Plovdiv-Bourgas rehabilitation project was submitted to the Managing Authority unofficially on 30 December 2010. The AF was officially registered in the MA on 4 January 2011. The evaluation of the project at national level was done and the AF was submitted to EC on 21 January 2011.
- The Application Form for Sofia Metro Extension project, Stage II was submitted to the MA on 22 December 2010. Its assessment was completed and decision at national level was taken on 19 January 2011. JASPERS Completion note is expected.
- Monthly Meeting on OP Transport implementation was held on 13 and 14 January 2011.
- Tender procedure for Design and Build of Kurdjali-Podkova project was announced on 19 January 2011. The deadline for submission of offers is 4 April 2011.

OP Environment

- Under Priority axis 1: On 31 January 2011 twelve municipalities has submitted their projects under BG161PO005/10/1.11/03/19 procedure for preparation and implementation of projects for improvement and development of water and wastewater infrastructure in agglomerations with over 10 000 PE. (deadline: 1 Nov 2010, 31 Jan 2011 and 30 June 2011). These are Tutrakan, Dulovo, Razgrad, Burgas (Meden Rudnik and Sarafovo), Nova Zagora, Pazardzhik, Elhovo, Varna (Golden Sands), Balchik (for the city and Albena) and Ihtiman. Total amount of the projects is over BGN 333 million. Their proposals will be reviewed and assessed by specially appointed expert working group.
- Prior to the expiration of the first deadline (01.11.2010), 9 project proposals were submitted under the procedure for technical assistance and are under evaluation. Total amount of the projects is BGN 340 million.
- On 31 January 2011 under the procedure BG161PO005/10/1.11/02/16 "Improving and developing infrastructure for water and waste water in agglomerations over 10,000 PE" project proposals by municipalities of Pirdop and Sredets were submitted. The total indicative value is 41.5 million leva. Construction on all these projects should be completed by the end of 2014.
- Under Priority axis 2: The deadline for submission of project proposal under BG161PO005/10/2.10/05/18 is 30 May 2011; The deadline for submission of project proposal under BG161PO005/10/2.10/07/22 is 31 August 2011.
- Under Priority Axis 3: On 25 October 2010 the MA announced an open competition-based project selection procedure BG161PO005/10/3.0/2/20 for activities for preservation and restoration of biodiversity. Guidelines for application under the procedure were amended by Ordinance of the Minister of Environment and water from 31 Jan 2011. The amendments are related to changes, made under the CoM Decree 55 and will facilitate the implementation of projects approved for NGOs.

Deadline for application were prorogated up to 21 March 2011 by Ordinance of the Minister of Environment and water.

OP Regional Development

- On January 18 the OPRD Annual Conference took place in Sofia. The minister for regional development, the minister of culture, the minister for management of EU funds, and representatives of the European Commission (EC) attended the event. Information about the progress of the OP up to 31.12.2010 was presented, as well as planned activities in 2011.
- On January 19 a meeting with the municipalities-beneficiaries of the operation Sustainable integrated urban transport systems took place. The Municipality of Burgas presented the lessons learnt from submitting its major project request to the EC, including the comments received in the first interruption letter. The Sofia project was also presented.
- On January 20 the seminar New Perspectives in deinstitutionalization and the childcare reform took place in Sofia. All the stakeholders in the deinstitutionalization (DI) process attended the seminar, including the heads of the OPRD MA, the OP HRD MA, and the Rural Development OP. There were also representatives from the State Agency for Child Protection, the Ministry of Health, the Council of Ministers and the EC. Different aspects of the DI Action plan were presented with a focus on the Structural funds interventions. A technical meeting with the municipalities, specific beneficiaries of the OPRD DI procedure took place as part of the event. The Head of OPRD MA, Mrs. Lilyana Pavlova, announced that additional funds would be allocated to the DI operation in OPRD in order for the intervention to be more effective.
- On January 26 the DI procedure was launched with a budget of 41,7 MEUR. 62 municipalities can apply for financing. There are 2 deadlines for submitting project proposals – 30 June and 30 September 2011.
- On January 31 the MA opened 2 calls for providing support for reconstruction of municipal hospitals in the total amount of 71,2 MEUR. 30 municipalities will receive financing for reconstruction/renovation of hospitals. There are also 10 municipalities who are on waiting lists and will be invited to submit project proposals upon availability of additional funds. The deadline for submitting project proposals under the 2 calls is 12 August 2011.
- On January 31 the MA launched a written procedure as part of the OPRD Monitoring Committee to amend 2 set of criteria for selecting of operations – for the deinstitutionalization operation and for the hospitals in small municipalities operation. For the first operation an increase in the budget is foreseen and for the second one it is suggested to include the purchase of ambulances as eligible expenditure.

OP Technical Assistance

- Statement of expenditure, financial report up to 31.12.2010 and payment forecast for 2011 and 2012 has been sent to the National fund directorate.
- The MA of OPTA has been processing project proposals received by beneficiaries.
- The MA of OPTA has been processing requests for modifications of current projects received by beneficiaries.

- 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.
- In line with the undertaken measures by the MA of OPTA to speed up projects implementation, a meeting was organized with some the beneficiaries in order to outline concrete steps for further successful implementation of its project.

OP Development of the competitiveness of the Bulgarian economy

- On 6 January the procedure BG161PO003-1.1.05 „Development of innovations of start-up companies” was open. The total amount of the grant aid is BGN 39 116 600. The deadlines for submission of the application are as follows: 9 March 2011 under Session 1; 10 May 2011 under Session 2; 12 July 2011 under Session 3; 13 September 2011 under Session 4 and 15 November 2011 under Session 5.
- On 7 January there were published the following documents:
 - List of rejected project proposals (215) at administrative compliance the stage under the procedure BG161PO003-2.1.08 “Compliance with internationally recognized standards” was published.
 - List of the rejected project proposals (4) at the eligibility stage under the procedure BG161PO003-2.1.09 „Provision of consulting services to firms in difficulty” was published.
 - List of the project proposals covering the minimum requirements for having result from the technical and financial evaluation (194) and a Reserve list (58) under the procedure BG161PO003-2.1.06 "Upgrade of technologies in SME”
- On 10 January the procedure BG161PO003-1.2.03 „Development of new and strengthening of existing technology centres” was announced. The total amount of the grant aid is BGN 39 116 600. The deadlines are as follows: 14 March 2011 under Session 1; 16 May 2011 under Session 2; 18 July 2011 under Session 3; 19 September 2011 under Session 4 and 21 November 2011 under Session 5.
- On 13 January the procedure BG161PO003-1.2.02 „Development of new and strengthening of existing technology transfer offices” was announced. The total amount of the grant aid is BGN 9 779 150. The deadlines are as follows: 16 March 2011 under Session 1; 18 May 2011 under Session 2; 20 July 2011 under Session 3; 21 September 2011 under Session 4 and 23 November 2011 under Session 5.
- On 14 February the MA published the changes made in the contracts and the General Conditions, attached to the Guidelines for application under 7 grant procedures such as: BG161PO003/1.1.1-01/2007; BG161PO003-1.2.01; BG161PO003-1.1.03; BG161PO003-2.1.06; BG161PO003-2.1.07; BG161PO003-2.1.08 and BG161PO003-2.4.01. The changes are made in compliance with Decree № 179/10.08.2010, defining the mechanism for verification of the expenditures and payment under the Operational Programmes and Decree № 134/05.07.2010 adopting the Methodology on financial corrections.

- On 17 February a list of the rejected project proposals (156) at eligibility stage under the procedure BG161PO003-2.1.08 „Compliance with internationally recognized standards” was published.
- On 24 January the signing of the contracts for the approved project proposals under the procedure BG161PO003-2.1.06 „Upgrade of technologies in SME” started.
- The submission of applications for Expression of Interest to select Financial Intermediaries under three financial engineering instruments within JEREMIE Initiative was closed.
- On 26 January the MA published its comments on the reasons why numerous project proposals were rejected under the procedure “Internationally recognized standards”.

OP “Human Resources Development”

- The Ministry of Labor and Social Policy launched a procedure for direct awarding BG051PO001-6.2.07 “Creation of national register of the medical products, paid with public funds”. The objective is to improve the general control over the medicines offered at the Bulgarian market through creation of national register of the medical products, paid with public funds which will be maintained by the Bulgarian Drug Agency. The Register will provide public information on the medical products and will support the public control over the spending of public funds. The grant is at the amount of 150 000 leva and the deadline for submission of project proposals is 01 March 2011.
- The Ministry of Labor and Social Policy as a Contracting Authority signed a contract with the Ministry of Health as beneficiary under the procedure for direct awarding BG051PO001-6.2.04 “Improvement of the health services through creation of platform for information and distance training”. The objective is to improve the effectiveness of the health system through investments in knowledge and introduction of innovations in the ongoing medical training aiming to economic effectiveness and improved quality. The budget of the contract is 10 MBGN.
- On 27.01.2011 the Ministry of Labor and Social Policy launched a procedure for nomination of representatives in the OPHRD Monitoring Committee from NGOs in the area of science, research and strategic planning. The deadline for submission of expressions of interest is 31.03.2011.

OP “Administrative Capacity”

- On 31.01.2011 OPAC MA launched the first three calls for proposals for 2011 as per the approved Indicative Working Programme. The procedures are for the central administration:
 - “Modern human resources management in the state administration” (Sub-priority 2.1) – the objectives are to improve the policy for HR management and to strengthen the capacity through introduction of trainees’ programs and enforcement of mobility. The procedure is for direct awarding for the Administration of the Council of Ministers and the available budget is 3 MBGN;
 - “Improvement of the services for citizens and business, incl. through e-government development” (Sub-priority 3.1) – this is a competitive procedure for central administrations and its aim is to improve the services provided by the revenue administrations and improvement of their information systems. The budget of the procedure is 10 MBGN.

- “Standard information and communication environment and interoperability” (Sub-priority 3.2) - the procedure is for direct awarding for the Ministry of Transport, Information Technologies and Communications and the available budget is 12 MBGN. The objective is to enhance the information-communication environment for better administrative service delivery through update of the central systems of the e-government.

The maximum projects duration is 18 months and the deadline for submission of proposals is 04.04.2011.

- On 28.01.2011 took place the second meeting of the Subcommittee for Evaluation of OPAC on which the final comments on the ToR and respective tender documentation for Midterm evaluation of OPAC were discussed and agreed.

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 finalised. Technical evaluation is ongoing.
- The bilateral Memorandum of understanding on implementation of the Programme was signed on 11.10.2010. Ratified by Parliament on January 26, 2011.
- The Description of Management and Control Systems is submitted by the AA to the EC on 26.11.2010. Accepted by the Commission on December 16, 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 finalised and negotiations for the exact date are ongoing.
- Preparation of the Description of Management and Control Systems and Programme Manual is finalised and audit is ongoing.

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 finalised. Technical evaluation is ongoing.
- The bilateral Memorandum of understanding on implementation of the Programme was signed on 31.08.2010. Ratified by Parliament on December 17, 2010 – the Act is published in State Gazette No 101 on December 28, 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. Accepted by the Commission on December 16, 2010.

Implementation of ex-ISPA/CF 1164

- Monitoring Sub-committee for Danube Bridge Construction Project was held in Vidin on 18 January 2011. Representatives from the responsible institutions both from Romania and Bulgaria participated in the discussions on the implementation of the two Financial Memoranda.
- The Eight Monitoring Committee was held on 21 January 2011 in Boyana Residence. The event was preceded by technical meeting on environment and transport project on 19 and 20 January 2011, respectively.

Data on OPs financial progress is attached.

OP Implementation as of 31.01.2011

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.01.2011	% implementation	EU part	% implementation	Total as of 31.01.2011	% implementation	EU part	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	599 588 087 €	29,93%	490 149 548 €	30,17%	121 824 219 €	6,08%	102 067 211 €	6,28%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	493 069 445 €	27,38%	397 322 785 €	27,09%	125 899 298 €	6,99%	101 265 588 €	6,91%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	826 242 144 €	51,60%	702 305 822 €	51,60%	196 740 062 €	12,29%	167 229 052 €	12,29%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	358 589 638 €	30,85%	304 801 193 €	30,85%	229 930 472 €	19,78%	195 440 901 €	19,78%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	14 593 628 €	25,68%	12 404 584 €	25,68%	6 323 315 €	11,13%	5 374 818 €	11,13%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	575 792 929 €	47,43%	489 423 990 €	47,43%	109 294 743 €	9,00%	92 900 532 €	9,00%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	82 067 122 €	45,39%	69 757 054 €	45,39%	45 456 748 €	25,14%	38 638 236 €	25,14%
TOTAL	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	2 949 942 993 €	36,79%	2 466 164 975 €	36,95%	835 468 857 €	10,42%	702 916 338 €	10,53%