

Implementation of the Structural funds in Bulgaria

Monthly brief, March 2011

Horizontal issues and legislative procedures

- In March the analytical part of the National Development Programme: Bulgaria 2020 was finalized, which will also serve as a basis for the analytical part of the Partnership Contract for the next programming period 2014-2020.
- On March 28, the second meeting of the Inter-ministerial Working Group for the preparation of the National Development Programme: Bulgaria 2020 was held. The prepared draft socio-economic analysis was presented and discussed on the meeting. The comments of the relevant Ministries were taken into account and the document was prepared for submission to the Development Council. After the eventual approval of the document by the Development Council in April, it is foreseen to be publicly discussed with the socio-economic partners. In the meantime the thematic working groups at the Ministries are expected to elaborate the SWOT analyses in the sectors of their competence and to finalize them by the end of April.
- In the end of March an international conference “Exchanging Experience in Absorption of the European Funds: Perspectives for Bulgaria and Poland” was organised in cooperation with the Polish Embassy, the Bulgarian country and the Information Office of the European Parliament in Bulgaria. Representatives of the government of Bulgaria, the Ambassadors of the EU Member States, members of the European Parliament, Bulgarian deputies, the Representation of the European Commission in Bulgaria, representatives of NGOs and of the local government took part in the event.
- The amendments in Decree 121/2007 on the award of grants have been approved by the Council of Ministers on April 6th, 2011:
 - The appeal procedure, introduced in June 2010 was further elaborated, as the appeals are now to be processed by additional evaluators outside the committee that has initially evaluated the respective project proposals, thus ensuring the higher effectiveness and objectivity of the procedure.
 - Modifications of the budget of grant contracts under direct award procedures have been allowed in cases of spare financial resources. These can only be due to increase in the expected values of the project indicators/results or to enhancing their sustainability.
 - An option for launching calls with shorter deadlines for submission of project proposals has been introduced. The deadline can thus be shortened to 30 days but only after the approval of the minister on the management of EU funds beforehand.
 - Provisions allowing for the online submission of project proposals via UMIS have been introduced. These are to be put into operation when the necessary technical preconditions are provided.
- In order to have common rules at national level Methodological guidelines for determination of financial corrections for irregularities related to the implementation of projects co-financed by the Structural and Cohesion Funds of the European Union were prepared.

- On 07 April 2011 was set up an inter-ministerial working group to prepare a mechanism for financial support to municipalities unable to pay imposed financial corrections under the Methodology on Financial Corrections, which has to be applied to the expenditure of the Operational Programmes, co-financed by the SCFs, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF). The working group includes representatives of the Ministry of Finance, the Central Coordination Unit within the administration of the Council of Ministers, the Managing Authorities of the Operational Programmes and National Association of Municipalities in Bulgaria. Implementation of the methodology raises the question of the need for financial assistance to municipalities, which have imposed financial correction that in some cases may exceed several times the budget of the municipality for the respective financial year. The working group has to develop a concept of the mechanism for financial support (fund or other mechanism) and a draft of legislative act - in order to underpin the concept.
- Regarding the amendments of the Decree 55/2007 (adopted in November 2010), the revised forms of documents were drafted by Central Coordination Unit (CCU) and approved by the Minister for management of EU funds. The forms are published on the web site: www.eufunds.bg (Single Information Web Portal).
- Comments provided for discussion of papers related to the future aspects of cohesion policy – delivery mechanisms, in the structural actions working party within the Council of the EU, meeting on 29 of March.
- Participation in the Commission’s Conditionality’ Task Force with an input for further elaboration of national framework position.

The Unified Management and Information System (UMIS)

- In March the CCU undertook a series of actions for the further development of UMIS. The final version of the requirements for the e-services that the system will provide was approved and sent to the developer of the system. The e-services will allow the beneficiaries to submit their applications and reports to the MA’s and IB’s and will reduce the administrative burden. The CCU also prepared a project proposal for the further development of UMIS and submitted it to the OPTA MA. The project will guarantee the continuous work of the system after the end of the current project for the development of UMIS. .

Information and Publicity

- In March the “24 Hours” Daily Newspaper continued to publish articles about good projects under Operational Programmes, co-financed by European Funds within the “Best EU Project” Competition. Readers of the newspaper and users of the Single Information Web Portal www.eufunds.bg have already submitted a number of EU funded projects that changed their everyday lives.
- The implementation of the information campaign for the promotion of the operational programmes in Bulgaria co-funded under OP Technical Assistance continued in March 2011 in the online media.

27 district information points on Cohesion Policy

- In March the Central Information Office organized an event for the presentation of the final versions of the Branding Concept of the 27 District Information Centers and the Procedures Manual for the Operation of the Information Centers. It took place in Pravetz on 21-22 of March and was attended by representatives of all municipalities-district centres. The requirements of the offices for furniture and equipment were also discussed.
- The Guidelines for the Management of the Network of the District Information Offices were discussed by the CIO with the Managing Authority of OP Technical Assistance and were finalised by the end of March.

Certifying Authority

- In March 2011 the Certifying Authority (CA) received a supplemented Report on Certification and Statement of Eligible Expenditure under OP Environment which is currently under review. The desk check on the Report on Certification and Statement of Eligible Expenditures of OP Human Resources Development is not finished yet. Additional information is required from the MA.
- In March 2011 the Certifying Authority performed additional on-the-spot check under OP Environment after the submission of a supplemented Report on Certification. Reports from the on-the-spot checks under OP Human Resources Development, OP Competitiveness, OP Technical Assistance and OP Regional Development were finalized and sent to the MA/IB.
- In March 2011 the Certifying Authority submitted one certificate to the European Commission - under the OP Technical Assistance. The total amount of the certified expenditure in March amounts to 1 120 468 EUR.
- In March 2011 the Certifying Authority sent to the EC the Annual statements on withdrawn and recovered amounts, pending recoveries and irrecoverable amounts for the reporting 2010 for all Operational Programmes, in accordance with art. 20(2) of Commission Regulation (EC) No.1828/2006.

OP / FUND	Certified expenditure up to 31.03.2011	Interim payments received from EC as per 31.03.2011
ERDF	413 319 047 €	349 178 712 €
1.OP Competitiveness of the Bulgarian Economy	202 478 769 €	171 104 375 €
2. OP Regional Development	125 690 778 €	106 837 161 €
3. OP Technical Assistance	4 034 863 €	2 477 236 €
4. OP Transport	79 643 752 €	67 697 189 €
5. OP Environment	1 470 884 €	1 062 751 €
CF	24 359 168 €	5 055 640 €
1. OP Environment	18 039 618 €	- €
2. OP Transport	6 319 550 €	5 055 640 €
ESF	85 262 307 €	70 633 806 €
1. OP Human Resources Development	53 744 409 €	44 064 195 €
2. OP Administrative Capacity	31 517 898 €	26 569 611 €
Total	522 940 522 €	424 868 158 €

Operational Programmes

OP Transport

- Fourteen offers for additional design of Maritsa Motorway, Lot 2 were opened on 10 March 2011. On 25 March 2011 seven out of twelve financial offers for additional design for Lot 1 were opened.
- The tender procedure for reconstruction and electrification of Dimitrovgrad-Svilengrad- Greece border railway line (detailed design elaboration for rehabilitation of railway lines, construction of substations, works) was announced on 16 March 2011. The deadline for submission of offers is 10 May 2011 as the tender evaluation will start on 11 May 2011.
- On 28 March 2011 on the spot check for Sofia Metro Extension and Ljulin Motorway projects were held. On the spot check was performed by the Prime Minister Boyko Borisov and Minister Tomislav Donchev.

OP Environment

- On 8 March 2011 Minister Nona Karadjova undersigned contracts for Municipalities: Chirpan, Dryanovo and Aitos under BG161PO005/10/1.11/02/19 procedure for preparation and implementation of projects for improvement and development of water and wastewater infrastructure in agglomerations with over 10 000 PE, at the amount of 97 million BGN.
- On 10 March 2011 Minister Nona Karadjova and Mayor of Burgas Dimitar Nikolov opened the new WWTP Dolno Ezerovo in district Dolno Ezerovo - Burgas at the amount of 6 million BGN.
- On 17 March 2011 Prime Minister Boyko Borisov and Mayor George Piryanov opened the upgraded WWTP Hisarya at the amount of 18.5 million BGN.
- On 21 March 2011 42 projects have submitted under the procedure "Activities for conservation and restoration of biodiversity in Bulgaria" at the amount of 34 million BGN. The proposals will be reviewed and assessed by the end of June 2011.

OP Regional Development

- On 28 February the final report of the OPRD midterm evaluation was submitted to the Managing Authority (MA). The report contains 73 findings and 52 recommendations for improving the current OPRD and for better devising the new one for the next programming period.
- On 1 March the Head of the MA approved 6 project fiches under the call Support for reconstruction of state-owned medical and health establishments in urban agglomerations in the amount of 33,6 MEUR. The grant contracts were signed on 28 March between Mrs. Pavlova and Dr. Stefan Konstantinov, the Minister of Health. There are 7 other project proposals, which are being currently evaluated. On 15 March the Ministry of Health also submitted a project proposal under Component 2 of the scheme, directed at the restructuring of facilities for children aged 0-3.
- On 17 March the Head of the MA approved the procedure manual of the OP (Version 7). Among other things the new version incorporates measures for improving the quality of control over public procurement procedures of beneficiaries, as well as performing better on-the-spot monitoring.

- On 25 March the JESSICA Investment board approved the call for expression of interest for urban development funds and on 28 March through a written procedure the OPRD MC approved the criteria for selection of the JESSICA operation. On 31 March the call for expression of interest was announced by the EIB in the Official Journal.
- On 28 March the submitted project proposal under the call Support for preparation, design and studies for the construction of a gas distribution pipeline connecting Bulgaria and Serbia was approved. The project is at the amount of 2,53 MEUR and it will fund the elaboration of a feasibility study, CBA, major project application form and other supporting documents related to the construction of the gas distribution pipeline between Bulgaria and Serbia.

At the end of March 2011 there were 38 calls announced as part of the OP, 1529 submitted project proposals, 487 signed contracts in the amount of 859 MEUR and payments in the amount of 209 MEUR.

OP Technical Assistance

- During the period continued the process of verifying the costs of the received from the beneficiaries requests for payments;
- MA as a beneficiary of OPTA prepared a project proposal "Further ensuring reliable verification and check of project expenditures under Operational Programme Technical Assistance for the period 2011 - 2013, which will be submitted to the Minister of EU funds management as a Head of the MA in order to obtain its approval to be submitted to the evaluation committee;
- An order of the Minister of EU funds management and Head of the Managing Authority of OPTA is issued for determining the members of the evaluation committee for evaluation of the proposals of the procedure: "Construction and operation of regional information centers."
- It was announced procedure of small public procurement contract under the Ordinance for small contracts (with beneficiary OPTA MA) to select the external verifier with the subject "Verification of expenditure on projects financed by the Operational Programme "Technical Assistance", in which MA is the beneficiary "Project 0028-MA-1.4. The received offers are under evaluation;
- The following revised version of working documents for the implementation of OPTA were endorsed - Procedures Manual of OPTA and Terms for implementation of projects funded under OPTA procedure for the direct provision of grant assistance without a time limit for application;
- There is increased activity among the beneficiaries in the preparation and submission of new project proposals and relevant documentation for the public procurement on them;
- Within the objective to accelerate the implementation of existing projects, MA by March ensured the modifications of projects to successful implementation and execution of objectives and activities on them;
- The Section of OPTA on the Single information portal for Structural Funds - www.eufunds.bg was updated. On 03/21/2011 were published the approved new versions of the OPTA Procedure Manual and the General Conditions for the implementation of projects funded under OPTA procedure for the direct provision of grant assistance without a time limit for applicants;

OP Development of the competitiveness of the Bulgarian economy

- Monthly meeting with representatives of the Central Coordination Unit (CCU), Managing Authority (MA), Intermediate body (IB) and Certifying Authority (CA) was held on 30.03.2011.
- The Managing Authority (MA) planned to announce an open procedure for competitive selection of projects with a fixed deadline for application: BG161PO003-2.1.12 "Covering international recognized standards and implementation of management systems in enterprises ". In this connection, for public consultation on the website of the Programme documentation of all of this impending procedure was published.
- At the end of March 2011 The MA and IB held training for beneficiaries of the procedure BG161PO003-2.1.07 " Technological modernization in large enterprises".
- The MA published a new Minister of Economy, Energy and Tourism, order`s for approval of Internal rules to prevent conflicts of interest and respect the principle of impartiality and independence in managing and implementation of the Programme.
- Amendments of the Guidelines on seven open for submission of project proposals procedures were published. These amendments aim the establishment of easier conditions for applicants, when they fill in and declare the circumstances in the Declaration on SMEs.
- The MA has already started preparation of the Annual Report on implementation of the Programme for 2010.

OP "Human Resources Development"

- The amendments of the remaining 3 criteria for selection of operations (the procedure for written decision of the Monitoring Committee started in February) were approved by the MC members. In addition, amendments in the Methodology for technical and financial evaluation of project proposal were approved by the MC too.
- March 2011 was quite intensive in terms of launching procedures for grant awarding. The following procedures had started:
 - BG051PO001-6.1.10 "Increasing the capacity of MLSP for enforcement of EU Regulations for coordination of social security systems". The objective is to create sufficient administrative capacity in the Bulgarian Institutions responsible for Regulation 883/2004 for effective realization of social security rights of the Bulgarian citizens. MLSP is the direct beneficiary, the budget is 200 000 BGN and the deadline for submission of project proposal is 04.05.2011;
 - BG051PO001-6.2.11 "Development of complex measures for integration of most marginalized communities among ethnic minorities, with focus on Roma". The objectives are; to assess the policies that had been implemented so far as well as the good practices for integration in the view of their relevance, efficiency, effectiveness, sustainability and economy; development of concept for enforcement of measures for integration of most marginalized communities; strengthening of the capacity of all institutions responsible for implementation of policies for Roma integration. MLSP is the direct

beneficiary, the budget is 800 000 BGN and the deadline for submission of project proposal is 03.05.2011;

- BG051PO001-6.2.10 “National information system on transfusion hematology”. The objective is to improve the functioning of the transfusion system in Bulgaria through development and introduction of national information system which will provide information in real time and will improve the quality of healthcare services. The National Center for Transfusion Hematology is the direct beneficiary, the budget is 550 000 BGN and the deadline for submission of project proposal is 26.04.2011;
 - BG051PO001-6.1.09 “Development of system for forecasting of the needs for labour force with certain characteristics”. The objectives are: to support the creation of operating system which to enhance the demand and the supply side of the labour market; to remove the imbalances in the labour market through overcoming the shortage of qualified staff in certain economic areas. MLSP is the direct beneficiary, the budget is 1 000 000 BGN and the deadline for submission of project proposal is 02.05.2011;
 - BG051PO001-6.2.09 “Strengthening the capacity of the Agency for Social Assistance for enhancing the quality and effectiveness of the social work”. The objective is to improve the capacity and effectiveness in the work of the structures and institutions acting in the area of social services as well as to promote the inter-institutional cooperation. The Social Assistance Agency is the direct beneficiary, the budget is 10 000 000 BGN and the deadline for submission of project proposal is 19.04.2011;
 - BG051PO001-6.2.08 “National Health Information System”. The objective is to improve the health services at all levels through utilization of modern information and communication technologies. Ministry of Health is the direct beneficiary, the budget is 10 000 000 BGN and the deadline for submission of project proposal is 18.04.2011;
 - BG051PO001-6.1.08 “Improvement of the quality of the services in the system of Ministry of Labour and Social Policy”. The objective is to create a single unit for provision of telecommunication services to the citizens. The unit will provide information and consultancy services on all issues within the competences of the Ministry and the second level spending units. MLSP is the direct beneficiary, the budget is 2 000 000 BGN and the deadline for submission of project proposal is 11.05.2011.
- According to the requirements of CoM Decree No121, on 31.03.2011, the Social Assistance Agency published Draft Guidelines for applicants for consultation with the general public. The procedures are BG051PO001-5.3.04 “Compassion” and BG051PO001-5.1.02 “New opportunities”. The deadline for provision of comments on the guidelines is 11.04.2011.
 - The OPHRD Managing authority launched a procedure for selection of contractor for midterm evaluation of the Operational Programme. The contract is entitled “Evaluation of the achievement of the strategic and specific objectives of the Human Resources Development Operational Programme within the 2007 - 2010 period”, and shall be awarded in compliance with the principles of transparency, impartiality, equal treatment and non-discrimination. Objectives of the evaluation are as follows: Improving the quality of programmes implemented; Improving the programming

process aiming at the achievement of the HRD OP strategic and specific objectives; Acquisition of a comprehensive vision for the future development of the HRD OP, based on the detailed analysis of the achievements to date. The deadline for submission of offers is 09.05.2011. The total amount of the contract shall not exceed 500 000 BGN.

- The documentation for the forthcoming meeting of the OPHRD Monitoring Committee (scheduled for 13.04.2011) – AIR 2010 and criteria for selection of operations, was submitted to the members of the MC for comments and suggestions. The deadline for submission of comments is 08.04.2011.

OP “Administrative Capacity”

- According to the requirements of CoM Decree No121, on 19.03.2011, the Managing Authority published Draft Guidelines for applicants for consultation with the general public for the procedure under sub-priority 1.1 “Effective structure of the state administration” with direct beneficiary – Administration of the Council of Ministers. The deadline for submission of comments on the guidelines expired on 31.03.2011 and the MA is already in a position to officially launch the call for proposals.
- Further to these signed in February, the MA signed another two contracts with the selected beneficiaries under procedure BG051PO002/10/3.1-04 “Improvement of the services for citizens and business, incl. through e-government development” (Sub-priority 3.1). The new contracts are at the amount of 3 464 826 BGN. The first contract is with the Geodesy, Cartography and Cadastre Agency and the objective is to improve the administrative service delivery within the Agency and to optimize the services through e-government. The second project is of the Ministry of Regional Development and Public Works at the amount of 838 904 BGN and is targeted to improve the collection of budget revenues at the responsibility of the Ministry through development of qualitative e-services for citizens and business. The period for implementation of both projects is 18 months.
- The Managing Authority started series of information days (in Varna, Sofia and Plovdiv) under the launched procedure “Competent Judiciary System and effective Human resources Management: (sub-priority 2.4) – the potential beneficiaries are the courts and the objectives are to improve the HR management in the courts as well as improvement of the qualification of judges, judge assistants, administrative head and court administrators. The budget is 5 000 000 BGN.

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 finalised. JMC meeting was held in Haskovo on March 23, 2011 – 50 projects approved for financing.
- 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 finalised. Technical evaluation is ongoing.
- The bilateral Memorandum of understanding on implementation of the Programme was signed on 18.03.2011.
- The Description of Management and Control Systems is submitted by the AA to the EC on 25.03.2011.

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 finalised.
- JMC meeting was held in Kyustendil on March 11, 2011 – 36 projects approved for financing.
- 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

- Monthly Progress meetings in the Environment and Transport sectors were held on 23 and 24 March 2011 respectively.
- The Year Progress Reports in the Transport and Environment sectors were finalized and submitted to EC on 28 March 2011. The documentation was revised and coordinated by the Paying Authority and the Central Coordination Unit.
- The preparation of the final reports for closure of FM in the two sectors is on-going.
- Meetings with Ministry of Economy and Energy for resolving the Danube Bridge 2 borrow pit issue were held in the middle of March 2011 with the participation of the Contractor, Managing Authority and National Coordinator. It is expected the Council of Ministers decision on that issue.
- Annual meeting for risk management of CF (CR 1164/94) aid was held on 24 March 2011 in the Ministry of Finance. The meeting was chaired by the Paying Authority with participation of all MAs, Intermediate Body and National Coordinator representatives.

Data on OPs financial progress is attached.

OP Implementation as of 31.03.2011

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.03.2011	% implementation	EU funding	% implementation	Total as of 31.03.2011	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 071 459 737 €	53,48%	867 809 854 €	53,42%	151 520 320 €	7,56%	126 027 098 €	7,76%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	549 822 396 €	30,53%	442 934 231 €	30,21%	135 753 016 €	7,54%	109 219 658 €	7,45%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	859 037 443 €	53,65%	730 181 827 €	53,65%	209 901 331 €	13,11%	178 416 131 €	13,11%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	426 286 698 €	36,68%	362 343 693 €	36,68%	236 118 708 €	20,32%	200 700 901 €	20,32%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	21 940 973 €	38,62%	18 649 827 €	38,62%	6 205 822 €	10,92%	5 274 949 €	10,92%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	576 550 024 €	47,50%	490 067 520 €	47,50%	110 033 004 €	9,06%	93 539 432 €	9,07%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	87 906 739 €	48,62%	74 720 728 €	48,62%	45 240 799 €	25,02%	38 454 679 €	25,02%
TOTAL	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	3 593 004 010 €	44,81%	2 986 707 679 €	44,75%	894 773 001 €	11,16%	751 632 850 €	11,26%