

# **Implementation of the Structural funds in Bulgaria**

## **Monthly brief, January 2012**

### **Horizontal issues and legislative procedures**

- In January, several meetings for the elaboration of the National Development Programme Bulgaria 2020 were carried out. The Head of the Political Office of the Prime-Minister and Secretary of the Council for Development organized working meetings with the ministries responsible for the elaboration of seven of the priorities in accordance to the Ordinance № P-237 / 31.10.2011 by the Prime-Minister of Republic of Bulgaria and the last one was scheduled for the beginning of February. The proposed strategies, which will be part of the National Development Programme were the main issue, discussed at the meetings.
- In addition, in January the second part of the Project No.: 0036-CCU-3.2 “Supporting the overall process of development of new strategic programming documents of the Republic of Bulgaria”, namely the contract for analytical support of the preparation of the National Development Programme and strategic assessments, was signed out. According to the timetable the consultants organized four meeting with the representatives of the ministries responsible for the elaboration of the priorities on the expert level and the rest will be occur during the next month. The meetings provided the overall view of the elaboration of the priorities of the National Development Programme: Bulgaria 2020 as well as some issues that need to be finalized. A discussion on certain future steps that have to be accomplished on the experts’ level also took place.
- The CoM Decree on the preparation of the strategic and programming documents of the Republic of Bulgaria for the management of the Common Strategic Framework funds for the programming period 2014-2020 was adopted by the Council of Ministers of January 11, 2012. The Decree sets the key programming stages, the participants in this process, their responsibilities and the coordination mechanisms for their work.
- A mechanism for the selection of NGOs to take part in the working group on the preparation of the Partnership Contracts and in the thematic working groups on the preparation of the programmes has been elaborated by the CCU. The mechanism has been coordinated with the MAs and is to be approved by the Minister on the EU funds management. The selection procedure for the NGOs which will participate in the working group on the Partnership Contract is to be launched by the middle of February.
- In January the national position on the regulation proposal for the European Agricultural Fund for Rural Development was prepared by an interinstitutional working group, chaired by the Ministry of Agriculture and Food. Representatives of the CCU took part in the group to ensure consistency between the position on the EAFRD and the Common Provisions Regulation position.
- The negotiations with the World Bank and the European Investment Bank on the proposed Memorandums of understanding (MoUs) were successfully concluded and the interministerial coordination procedure completed. The official signing of the MoUs was held on 22 January 2012. Currently the preparation of the MoU with European Bank for Reconstruction and Development is underway. The standardized advisory service agreements with the IFIs are under preparation as well.

- On 23 January 2012 a meeting took place with representatives of the MAs, the CA, the AA, the CCU and the Procurement Agency to discuss the *ex ante* control on procurements, co-financed by the Structural and the Cohesion Funds. As of 25 February 2012 the Procurement Agency will be required to perform *ex ante* control and the scope of this requirement was discussed.
- On 26 January 2012 the fourth Annual Review Meeting for the Operational Programmes co-financed by the European Regional Development Fund and the Cohesion Fund in Bulgaria was held. Representatives of DG “Regional Policy” and DG “Employment, Social Affairs and Inclusion” of the European Commission as well as representatives of the MAs, the CA, the AA and the CCU took part in the meeting. The plenary sessions were headed by the Minister of EU Funds Management. The progress made in implementing the operational programmes financed by the ERDF and the CF, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation, such as the operation of the management and control systems were examined during the meeting.

### **The Unified Management and Information System (UMIS)**

- The documentation for launching the tender procedure for the further development of UMIS passed the ex-ante control of the MA and the procedure will be launched in mid-February. The Audit Authority presented its preliminary report on the follow-up audit on UMIS. The Audit Authority has given this key component of the management and control system a score of 2 – “Works but some improvements are needed”. This further shows that the CCU has achieved serious progress in the development of UMIS.
- The CCU also continued to provide support for the users of UMIS, especially in the area of e-services. Human Resource Development Operational Programme will start a new call for proposals with e-submission of applications and the CCU provided the necessary consultation and support.
- The CCU has started the necessary steps to launch the public procurement tender for trainings of the users of UMIS. It is expected that the tender will be launched at the end of February.
- The project for implementation of a geographic information system in UMIS was approved and the CCU began its implementation.

### **Information and Publicity**

- On 23 January 2012 a meeting was held between the Head of the European Commission Representation in Sofia, the political reporter and the communications adviser of the Representation on the one part and the media advisor of the Minister of EU Funds Management, the Head of the Central Information Office (CIO) and representatives of CIO on the other. The purpose of the meeting was to discuss cooperation regarding communication activities such as exhibition of good projects, co-financed by the Structural and Cohesion Funds in Bulgaria. The meeting was pursuant to the efforts of both parts to improve coordination of information and publicity measures related to EU funds.
- In January CIO continued to coordinate the National Network of Information and Publicity Officers of the Operational Programmes. The members of the Network inform the CIO of their forthcoming events in order to avoid duplication of activities.

- In January continued the regular update of the Single information web-portal [www.eufunds.bg](http://www.eufunds.bg) with news, information and documents of the Operational Programmes. The forthcoming activities of the OPs are posted in the Calendar section of the portal in order to reach a larger audience.
- The social networks Facebook, Twitter and You tube continued to be updated with information related to EU Funds.

### **Central Information and Coordination Office (CICO)**

- In January 2012, the efforts and activities of the CICO on the personnel selection procedures for DICs continued. Representatives of CICO continued taking part in procedures for the selection of managers of DICs. Representatives of CICO proceeded on verifying whether the procedures were conducted in accordance with the Staff Selection Procedure for DICs as well as whether the selected candidates were compliant with the minimal requirements for the respective positions stipulated in the same Procedure. Upon approval of procedures by the MA of OPTA, the appointment of personnel continued gradually.
- In addition, following the Procedures Manual for the work of the 27 DICs for the promotion of the Cohesion Policy of EU in Bulgaria, those DICs with teams appointed, developed their Annual Plans of Activities and submitted them to the Central Information and Coordination Office (CICO) for approval. A commission comprising of members of CICO reviewed and approved the plans of DICs. After this, CICO consolidated the plans of the centers in a Generalized Annual Plan of the Activities of DICs which was submitted for approval to the MA of OPTA. The Annual Plan of Activities of CICO was also sent for approval together with the Annual Plan of On-the-Spot Visits and the Plan for the Conduction of Trainings in 2012.
- CICO conducted the Introductory training for the first teams of DICs appointed: it took place in Sofia from January, 30th to February, 3rd. As per the project, it encompassed a group of 50 participants, subdivided in two parallel groups of 25. It presented topics like introduction to the legal framework of SCF in Bulgaria, introduction to all 7 OPs in Bulgaria, working in networks, working with media, working with clients and it encouraged discussion on the Procedures Manual for the work of the 27 DICs and also on the Annual Plans of Activities of the DICs.
- In January 2012, as part of Activity 1 of Project № 0039-CIO-3.3, the car for the needs of CICO, which was purchased after the conduction of a tender procedure, was delivered to CICO. It met all the requirements as per the technical specification and was branded according to the requirements of the Concept for Branding and Vision of DICs.

### **Certifying Authority**

- Certifying Authority carried out desk checks on Reports on Certification and Statements of Eligible Expenditures, submitted by Managing Authorities of OP “Human Resources Development”, OP “Development of the Competitiveness of the Bulgarian Economy” and OP “Technical Assistance”.
- Certifying Authority performed in January on-the-spot checks at the Managing Authorities as well as on-the spot visit at the Intermediate Bodies of OPs “Development of the Competitiveness of the Bulgarian Economy” and “Human Resources Development”. Reports from the on-the-spot checks are under preparation and will be sent to the Managing Authority/ Intermediate Body for implementation of the recommendations.

<b>OP / FUND</b>	<b>Certified expenditure up to 31.01.2012</b>	<b>Interim payments received from EC as per 31.01.2012</b>
<b>ERDF</b>	<b>669 940 007 €</b>	<b>531 600 579 €</b>
1.OP Competitiveness of the Bulgarian Economy	284 793 844 €	204 893 250 €
2. OP Regional Development	178 856 776 €	151 960 849 €
3. OP Technical Assistance	6 575 602 €	5 589 261 €
4. OP Transport	182 133 373 €	154 213 869 €
5. OP Environment	17 580 412 €	14 943 350 €
<b>CF</b>	<b>343 267 127 €</b>	<b>274 613 702 €</b>
1. OP Environment	67 735 591 €	54 188 473 €
2. OP Transport	275 531 536 €	220 425 229 €
<b>ESF</b>	<b>157 088 445 €</b>	<b>130 241 508 €</b>
1. OP Human Resources Development	120 232 919 €	98 922 111 €
2. OP Administrative Capacity	36 855 526 €	31 319 397 €
<b>Total SCF</b>	<b>1 170 295 580 €</b>	<b>936 455 789 €</b>
<b>Total IPA Cross-border Programmes</b>	<b>349 419 €</b>	<b>-</b>

### Operational Programmes

*On 26 January 2012 Annual Review meeting for the Operational Programmes, in parallel with bilateral meetings for progress implementation of the OPs was held in Sofia.*

#### *OP Transport*

- On 12 January 2012 the financial offers for concept design preparation for Struma Motorway project – Lot 2, were opened at the premises of Road Infrastructure Agency.
- On 13 January 2012 the Managing Authority submitted through the SFC system the additional information requested by EC regarding the Maritza Motorway major project.
- On 16 January 2012 the European Commission approved Septemvri-Plovdiv railway project.
- In the period 17-18 January 2012 Monthly Progress meetings for OP implementation were held at the premises of Ministry of Transport, Information Technologies and Communications. The progress achieved for Priority Axis 1, 2, 3 and 4 were discussed during the meetings. The parties presented were as follows: MA, Beneficiaries, CA, CCU.
- On 19 January 2012 three contracts for Parvomai-Svilengrad railway major project were signed at the premises of the National Railway Infrastructure Company.
- On 20 January NRIC announced tender procedure for design and construction of signalling systems for Septemvri-Plovdiv railway section and for telecommunications of Sofia-Plovdiv railway line.

#### *OP Environment*

- On 5 January 2012 two Major projects for Plovdiv and for Dobrich were sent for approval by the EC. The above projects were prepared under ex-ISPA. Total project amount for Plovdiv is EUR 63, 4 million and for Dobrich - EUR 58, 8 million.

- The extremely low error rate 0.11%, (out of eligible 2%), identified by the report of the Audit Authority demonstrates the proper functioning of the management and control systems. 100% of payments under OPE in 2010 were checked by the EA Audit of EU Funds, which provide confidence for significant improvement in financial control.
- During the reported period 23 contracts were signed under the two announced procedures for direct award (Priority Axis 3 of the OPE). Procedures were for implementation of planning and management activities for National parks and reserves – with direct beneficiaries National Parks Directorates and Regional Inspectorates of Environment and Water.
- In order to strengthen the capacity of the structures involved in the process of reform and achieving sustainable management of water sector. On 01/18/2012 the Ministry announced procedure for direct award beneficiary is Ministry of Regional Development and Public Works. Total amount is at about EUR 6 million.
- On 01/23/2012 ground breaking ceremony was held for WWTP in Tenevo village in Yambol district. The contract was signed under the procedure for water and wastewater development in agglomerations of between 2 and 10 thousand PE.

### ***OP Regional Development***

- Under the project BG161PO001/1.5-01/2010/001 "Integrated urban transport of Burgas", funded by OPRD, the public procurement procedure: "Selection of project implementation unit /PIU/ and development of tender documentation for drafting procedures for selection of contractors under the project "Integrated urban transport of Burgas" was published.
- In connection with the last amendment of the Public Procurement Act at the end of 2011 which will enter in force from 26.02.2012, the MA has developed a new form of Schedule of public procurement procedures. The updated template of the Schedule is published on the website of OPRD, as a part of the package of documents for verification under grant contracts by the Managing Authority.
- The second evaluation committee under the scheme BG161PO001/1.1-12/2011 "Support for the deinstitutionalization of social institutions serving children at risk" with beneficiaries 62 municipalities has completed its work. Within the second deadline - September 30, 2011 were submitted 32 proposals as 25 of them amounting to 24.8 MEUR were approved. The project proposals of municipalities of Novi Pazar, Nova Zagora, Plovdiv and Stara Zagora were withdrawn during the evaluation committee. The evaluation of the project proposals of municipalities of Kardjali, Pomorie and Panagyurishte will be finished once the beneficiaries provide the requested by the MA additional information.

### ***OP Technical Assistance***

- At the end of January 2012 construction and installation works in 20 of 27 district information centres have been completed.
- Section "OP" Technical Assistance" on the Single information web portal for Structural funds - [www.eufunds.bg](http://www.eufunds.bg) was updated. Information was restructured into folders for easier access to documents. Changes in the visualization of the section were made also.
- During the period the process of verifying costs received for payments requests of the beneficiaries continued.

### ***OP Development of the competitiveness of the Bulgarian economy***

- On 4th of January 2012 was launched public procurement with the subject “Surveys, concerning the implementation, monitoring and evaluation of Communication Plan of OP “Development of the Competitiveness of the Bulgarian Economy”. The Public Procurement, concerns the implementation of the Communication Plan of the Programme. The deadline for submission of tender documentation is 17.02.2012.
- On 6th of January 2012 was published Decision and list with approved project proposals, received during the third dead line of the call “Support for commercialization of innovative products, processes and provision of innovative services”. The call was launched in the beginning of January 2011. The approved projects, received during the third deadline are 13.
- On 19.01.2012 was published up dated list of contracts, signed under the Call “Support for development of clusters in Bulgaria”. The call was launched in June 2010 without fixed dead line. The number of signed contracts to 6 of January 2012 is 7;
- On 18.01.2012 and 31.01.2012 MA of OPC were published lists with approved project concepts (the call is designed with submission of project concept first and after its evaluation the beneficiary is invited for submission of full project proposal), received within First, Second and Third dead lines of the Call “Development of innovations by start up companies”. The total number of approved project concepts is 143;
- On 23.01.2012 was published final list with contracts signed under the re-launched in July 2009 Call “Support for creation and development of innovative start up companies”. The total number of signed contracts are 21;
- On 26 of January 2012 in Sofia was held Annual Review Meeting of implementation of operational programs for 2011;
- During January 2012 was established and starts its work the Evaluation Committee of Call “Technological upgrade in small and medium sized enterprises”. This is the first call where the project evaluation will be carried out by the Managing Authority of the Programme. Under the Call were received more than 500 project proposals;
- The Managing Authority of OPC continue the work on preparation of the modification of the Programme and the concept of science techno park, as well as the forthcoming launching of the energy efficiency call;
- In January 2012 was appointed new deputy minister of Economy, Energy and Tourism and Head of the Managing Authority of OP Competitiveness – Ms. Julieta Hubenova. Ms. Hubenova was advisor of the minister of Economy, Energy and Tourism and replaced previous deputy minister Mr. Evgeny Angelov;

### ***OP Human Resources Development***

- On 31 January were conducted regular working meetings under Priority Axis 5 and 6 organized by MA with representatives from the respective IB, some of the direct beneficiaries and CCU. At the meetings were discussed the progress and problems detected in the implementation of the respective Priority Axis, results from management verifications conducted by MA, quality of the information uploaded in UMIS, financial forecasts for the payments in the forthcoming months. Based on the discussions were identified relevant corrective measures with set deadlines for their implementation.

- In January were approved amendments in the Indicative Annual Working Programme which were related to inclusion of new operations that had been approved by the Monitoring Committee at its meeting in November 2011. In addition two other operations are included in the Annual Programme which were initially planned for 2011 but were not launched. Thus the Annual Working Programme for 2012 consists of 14 operations at the total amount of 122,4 MEUR.
- The evaluation committee under the procedure BG051PO001-7.0.01 “Without Frontiers – Component” completed its work and 48 project proposals were approved. The portfolio of projects were submitted to CCU for check for potential overlap/double financing with activities financed under other EU instruments and programmes as well as with other donors’ support. The analysis did not identified double financing and the Managing Authority is duly informed thus to proceed with contracting with the selected beneficiaries.
- In January 2012 the following procedure were launched:
  - BG051PO001-1.1.09 “Qualification services and promotion of employment - Phase 3”. The objectives are improvement of the access of unemployed people from vulnerable groups to the labor market through qualification and pre-qualification; motivation and encouragement of their realization as well as creation conditions for active working life and broader application of the life-long learning principle. Eligible beneficiaries are training and educational institutions; employers, socio-economic partners. The budget of the operation is 35,150 mln.leva, the deadline for submission of project proposal is 31<sup>th</sup> May 2012.

### ***OP Administrative Capacity***

- In January 2012 under the Operational Programme were concluded 13 contracts with total budget of 4,2 mln. BGN under budget line (Sub-priority 1.6) BG051PO002/10/1.6-02 “Transnational and Interregional Cooperation”. The approved projects are targeted to improvement of the capacity of the administration at levels through use of the experience and good practices of other EU Member States in the area of good governance. The long term effect also should be creation of partnership and cooperation between the Bulgarian State Administration and these of other Member States for realization of joint initiatives.
- According to the requirements of CoM Decree No121, in January the Managing Authority published Draft Guidelines for applicants for consultation with the general public on the procedures BG051PO002/12/1.1-04 “Effective Structure of the State Administration” (for Municipal Administrations) and BG051PO002/12/3.2-03 “Standard informational-communication environment and interoperability” (for Central Administration). The deadline for provision of comments on the guidelines expires on 10th February 2012 and the procedures will be launched in due time.
- On 17th January was conducted training for 14 new beneficiaries under calls for proposals that were completed in the last quarter of 2011. 59 participants were involved in the training event.

### ***Bulgaria - Turkey IPA Cross-Border Programme***

- The assessment of the received project proposals under the Second Call for project proposals of Bulgaria - Turkey IPA CBC Programme has started on the 30th of January, 2012 in the Joint Technical Secretariat (JTS)-Haskovo. The Assessment Working Group (AWG) consisting of representatives of the Managing Authority

(MRDPW), National Authority (MEU) and the Joint Technical Secretariat (JTS), has opened 141 project proposals received within the deadline.

- The Practical Guide to Contract Procedures for EU External Actions, the PRAG, has been updated and entered in force on January 20th 2012. The changes in the PRAG version 2012 affects mainly the services procedures, in particular the selection of experts.

#### ***Bulgaria – Serbia IPA Cross-Border Programme***

- In January 2012 with a decision of the Joint Monitoring Committee of the Bulgaria-Serbia IPA Cross-border Programme, the Guidelines for Applicants for the second Call for Proposals have been revised.
- The training seminars for potential applicants under the Second Call for proposals of the Bulgaria-Serbia IPA Cross border Programme were successfully completed as follows:
  - on the 17th of January in Sokobanja (Serbia),
  - on the 18th of January in Belogradchik (Bulgaria) and Leskovac (Serbia),
  - on the 20th of January in Kyustendil (Bulgaria).
- The Practical Guide to Contract Procedures for EU External Actions, the PRAG, has been updated and entered in force on January 20th 2012.

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

- On 11 of January 2012 were conducted meeting between Deputy Minister of Regional Development and Public Works Mr. Nikolai Nankov and Macedonian Minister of Local Government Mr. Nevzat Beita. During the meeting was discussed the progress in the implementation of cross-border cooperation programme between the two countries. Both sides has agreed Bulgarian experts to assist the Macedonian side in the training of beneficiaries.
- The Practical Guide to Contract Procedures for EU External Actions, the PRAG, has been updated and entered in force on January 20th 2012.

#### **Implementation of ex-ISPA/CF 1164**

- On 25 January 2012 the 10<sup>th</sup> ex-ISPA Monitoring Committee was held in Sofia.
- On-the-spot visit for Plovdiv-Dimitrovgrad railway project was organized on 27 January 2012 with participation of EC, CCU, MA representatives.

Data on OPs financial progress is attached.

**OP IMPLEMENTATION AS OF 31.1.2012  
EURO**

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.1.2012	% implementation	EU funding	% implementation	Total as of 31.1.2012	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 741 056 564 €	86,90%	1 404 483 160 €	86,46%	467 239 583 €	23,32%	381 701 786 €	23,50%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	981 417 488 €	54,50%	797 638 174 €	54,39%	202 153 070 €	11,23%	163 928 902 €	11,18%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 192 621 429 €	74,48%	1 013 728 214 €	74,48%	330 564 612 €	20,64%	282 683 897 €	20,77%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	486 805 650 €	41,89%	413 784 802 €	41,89%	273 054 962 €	23,49%	232 096 718 €	23,49%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	30 444 012 €	53,58%	25 877 406 €	53,5%	12 156 310 €	21,39%	10 332 864 €	21,39%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	<b>842 268 914 €</b>	69,39%	<b>715 928 577 €</b>	69,39%	<b>205 057 785 €</b>	16,89%	174 306 066 €	16,89%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	108 314 078 €	59,91%	92 329 305 €	60,08%	51 978 405 €	28,75%	44 181 644 €	28,75%
<b>TOTAL</b>	<b>8 019 197 650 €</b>	<b>6 673 628 244 €</b>	<b>1 345 569 406 €</b>	<b>5 382 928 135 €</b>	<b>67,13%</b>	<b>4 463 769 638 €</b>	<b>66,89%</b>	<b>1 542 204 727 €</b>	<b>19,23%</b>	<b>1 289 231 877 €</b>	<b>19,32%</b>
OP Fisheries Sector Development	3 278 771 726 €	2 642 248 596 €	636 523 130 €	1 716 814 022 €	52,36%	1 383 580 420 €	52,36%	1 044 931 311 €	31,87%	842 110 143 €	31,87%
Rural Development Programme	106 679 611 €	80 009 708 €	26 669 903 €	33 281 621 €	31,20%	24 961 216 €	31,20%	13 525 399 €	12,68%	10 144 049 €	12,68%
<b>TOTAL AGRICULTURAL FUNDS</b>	<b>3 385 451 336 €</b>	<b>2 722 258 304 €</b>	<b>663 193 032 €</b>	<b>1 750 095 643 €</b>	<b>51,69%</b>	<b>1 408 541 636 €</b>	<b>51,74%</b>	<b>1 058 456 710 €</b>	<b>31,26%</b>	<b>852 254 193 €</b>	<b>31,31%</b>
<b>TOTAL</b>	<b>11 404 648 986 €</b>	<b>9 395 886 548 €</b>	<b>2 008 762 438 €</b>	<b>7 133 023 778 €</b>	<b>62,54%</b>	<b>5 872 311 274 €</b>	<b>62,50%</b>	<b>2 600 661 437 €</b>	<b>22,80%</b>	<b>2 141 486 070 €</b>	<b>22,79%</b>