

Implementation of the Structural funds in Bulgaria

Monthly brief, October 2010

Horizontal issues and legislative procedures

- On 6 October 2010 meeting with EU Commissioner Mr. Hahn was held in the EC as regards OPT and OPRD implementation. The initiative of Minister Donchev to chair a coordination technical meeting between Bulgarian Government, EC and IFIs regarding the technical assistance given to all infrastructure sectors was presented to the EC.
- The third meeting of the Council for Development was held on October 27, 2010. During the meeting the Bulgarian priorities about the Macroeconomic Strategy for the Danube Region were discussed. A decision was taken to coordinate the position of Bulgaria in the area of building hydropower complexes between the three responsible ministers: Minister of Regional Development and Public Works, Minister of Economy, Energy and Tourism and Minister of Transport, Information Technologies and Communications.
- On October 12, 2010 the first meeting of the Inter-ministerial Working Group for drafting of National Development Programme was held. The working group discussed and adopted methodological guidelines for the purposes, tasks and principles of work of the lower-level thematic working groups attached to the ministries. The group considered also the tasks of the thematic working groups, as well as the schedule for their implementation. Each thematic group will be chaired by the leading deputy minister. The thematic working group will consist of representatives of all institutions with functions in the relevant policy. The first assignment of the groups will be to define the scope of policies in the competence of each ministry.
- Meanwhile, the Secretariat of the Council for Development launched a series of bilateral meetings between and 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.
- On November 10, 2010, the Council of Ministers adopted a Decree 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.
- A draft Council of Ministers Decree amending CoM Decree 134/2010 for adoption of the national methodology on financial corrections to be made to expenditure co-financed by the Structural Funds or Cohesion Fund for non-compliance with the rules on public procurement legislation has been prepared by the Central Coordination Unit. The draft Decree is sent for interministerial coordination procedure. The proposed amendments are aimed at fully compliance with the COCOF Guidelines 07/0037/03 indicative scales for determining financial corrections and the adopted new Public Procurement Law.
- Two coordination meetings of the Central Coordination Unit were held on October 27, 2010 and November 7, 2010., 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.
- A contract for the training of local and regional authorities was signed on 29.10.2010 with "Moderno upravlenie Union". It's aiming at developing the necessary competence and capacity building of regional and local authorities on horizontal issues regarding Structural and

Cohesion Funds absorption. The project includes trainings of 36 trainers, representatives of the National Association of Municipalities and 2800 experts, representatives of municipal administrations. The main topics will be focused on following issues: public procurement; state aid; financial management and control; audit; information and publicity; project cycle management; transnational and cross-border cooperation and public-private partnership. The expected results from contract's implementation are to increase the competence of regional and local authorities on the above issues and to encourage them to prepare projects and participate more actively in EU programs realization. It is expected an inception report to be presented within one month after contract's signing.

- CCU representative participated in the meeting of DG REEGIO Evaluation Network that took place on 14-15 October 2010 in Brussels. The main points of discussion were the EC analysis on the core indicators uploaded in the SFC 2010 modules in the context of the Annual reporting exercise 2010; DG REGIO ex post evaluations of the programming period 2000-2006 as well as EC evaluation plan for 2011; presentation of evaluations conducted in several Member States; sharing of the first ideas on evaluation, monitoring, indicators and reporting in the next programming period.

The Unified Management and Information System (UMIS)

- The Public Information Module was developed and officially launched at October 26th, 2010. The module is accessible to everyone through a menu link from the information portal www.EUfunds.bg
- The connection between UMIS and the information systems at SF "Agriculture" and the Executive Agency "Fisheries and aquaculture" is established and the tests were successful. The interface for data exchange will be put into operation in November 2010.
- Initial discussion for establishment of internet based services for final beneficiaries was brought to the attention of the MA and the working group of UMIS development. The scope of work (TOR) will be clear by the end of the year. The services are expected to be operational by the end of May 2011.

Information and Publicity

- In October 2010 an intensive media campaign for the promotion of the operational programmes and for ensuring transparency in the EU Funds management process in Bulgaria was implemented. A TV clip presenting good projects, financed under different operational programmes was broadcasted by the national TV channels. Within the campaign three public events in three of the planning regions of Bulgaria took place in October. The aim was to establish direct contact with the beneficiaries and potential beneficiaries at regional level. Local radio stations, newspapers and Internet banners announced the events. In each region experts from the Operational Programmes presented its level of implementation, current and forthcoming calls for proposals as well as good practices from the region. The campaign will take place until December 2010.
- On 29 October 2010 the Managing Authority of Operational Programme Technical Assistance (OPTA) launched the call for proposals for the establishment of district information points for the promotion of Cohesion Policy. The direct beneficiaries of the call are the 27 municipalities-district centres. They have 3 months to prepare their project proposals. During this period they will receive support both from the MA of OPTA and the Central Information Office.

Certifying Authority

- In October 2010 the Certifying Authority performed desk checks on the regular Report on Certification and Statement of Eligible Expenditures, submitted in October by the Managing Authorities of the OP Technical Assistance and OP Human Resources Development.
- The Certifying Authority performed the on-the-spot checks as part of the process of 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, Technical Assistance, Administrative Capacity and Transport. On-the-spot check reports were finalized and were sent to the MAs of the abovementioned OPs.
- In October 2010 the Certifying Authority submitted to the European Commission certificates under OPs Regional Development, Development of the Competitiveness of the Bulgarian Economy, Environment and Transport. The total amount of the expected interim payments from the European Commission amounts to EUR54,389,870.67 . The amount of EUR 10,261,682.39 referring to already submitted certificates under OP Environment in September 2010 is pending to be reimbursed by the European Commission.

Operational Programmes

OP Transport

- The Annual Indicative Working Programme was returned by Council for coordination and management of EU Funds within CoM for revision. During the meeting decision for reallocation of funds was taken. The Working programme will be ready by the middle of November 2010.
- On 23 September 2010 the evaluation of financial offers for consultancy that will prepare the CBA and Application Forms for lots 1, 2 and 4 for Struma Motorway project has started. The evaluation is finished and the contract will be awarded by 15.11.2010. The Application Form for preparation of Technical Design for Lot 3 is submitted to the MA on 19 October 2010.
- Monthly Progress Meeting for OP Transport projects implementation was held on 27 October 2010.
- Meeting with representatives from the European Commission were held in the period 13-14 October 2010. Recommendations for speeding up the implementation of the OP were given to the MA.
- The Application Form for Parvomai-Svilengrad is under preparation with the assistance of Jaspers Instrument and will be ready till the middle of November 2010.

OP Environment

- The Indicative Annual Working Program for 2011 was approved by Council for co-ordination and management of EU Funds.
- A direct award procedure for construction of a Regional Waste Management System in Burgas Region has been launched by MoEW in August. The total amount of the grant to be allocated under the procedure is EUR 20 825 040 with a deadline for application's submission was 30th October 2010. The project proposal was submitted and is under evaluation.
- A direct award procedure for construction of a Regional Waste Management System in Vidin Region has been launched in August. The total amount of the grant to be allocated under the

procedure is EUR9,933,374 . The project proposal was submitted on 8 October 2010 and is under evaluation.

- The project proposal for Construction of Regional waste management system in Pernik Region is under evaluation. The total amount is EUR10,898,370.25 .
- The evaluation of project proposal for construction of Regional waste management system in Botevgrad Region was finished and a grant contract is expected to be signed in short term. The total amount is EUR5 611 128.97 .
- On 25 October 2010 MA of OPE announced an open procedure "Activities for conservation and restoration of biodiversity in Bulgaria". The deadline for proposals' submission is 21 February 2011. The total amount of the grant is EUR34,281,147 .
- MA of OPE has published draft Guidelines for Applicants for the procedure "Development of management plans for special protection areas for birds that do not overlap with special protection areas for habitats". The procedure is planned to be launched by the end of the year.

OP Regional Development

- 23 projects are approved under the scheme BG161PO001/1.1-09/2010 "Support for the implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations". The total amount of the grant is BGN 77 957 536.27. Due to lack of financial resources under the scheme, the rest of 24 approved projects could not be funded at this stage.
- The evaluation committee under the scheme BG161PO001/2.1-01/2007 "Support for the rehabilitation and reconstruction of the second and third class roads" with direct beneficiary Road Infrastructure Agency, approved the Project fiche "Lot 31 Rehabilitation and reconstruction of road II-18 Sofia Ring Road". The project is the first one from the 3-rd Phase of the medium-term Investment Framework Programme of the Road Agency. The total cost of this project is BGN 46 098 224,68, OPRD share - BGN 33 956 373.15.
- The Indicative Annual Working Program for 2011 was approved by Council for co-ordination and management of EU Funds.

OP Technical Assistance

- The MA of OPTA has been in a process of creating a procedure 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 centres providing information about the cohesion policy, its objectives and existing opportunities in Bulgaria.
- 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 been in a process of modification on main documents and procedures related with implementation of the program.
- The MA of OPTA has been processing requests for modifications of current projects received by beneficiaries.

OP Competitiveness

- In October 2010 there were received 7 project proposals under the procedure 2007BG161PO003/1.1.1-01/2007 „Support for the creation and development of innovative

start-up companies". From the announcement of the procedure there were received 133 project proposals as a whole.

- Up to 31 October 2010 there were received 5 project proposals under the procedure without fixed deadline for application BG161PO003-1.1.03 „Development of innovative start-up companies by support of commercialization of innovative products, processes and services”, announced on 29 March 2010.
- Only 1 project proposal was registered in October 2010 under the procedure without fixed deadline for application BG161PO003-1.2.01 „Support for the creation of technological parks”. The total project proposals registered from the announcement of the procedure is 2.
- On 1 October an Evaluation Committee was formed for evaluation of the 113 project proposals received under the procedure: BG161PO003-2.1.07 “Upgrade of technologies in small and medium enterprises”.
- On 1 October the MA and IB announced on their web sites that 629 project preparations were received under the procedure (BG161PO003-2.1.08) “Introduction of internationally recognized standards”. On 22 October an Evaluation Committee was formed to evaluate the received project proposals.
- Up to 1 October there is only 1 project proposal registered under the procedure BG161PO003-2.4.01 „Support for cluster development in Bulgaria” without fixed deadline for application.
- There is no registered project proposal under the procedure BG161PO003-2.1.09 „Provision of consulting services to firms in difficulty”. The deadline for submission of the project proposals under the procedure is 16 November 2010.
- The MA opened a reception-room in order to improve the communication with the beneficiaries under OPC which started to function since 1 November 2010.
- On 19 October the MA published Operational Guidelines for implementation of contracts for concrete beneficiaries under Priority Axis 5 “Technical Assistance”.
- On 27 October the MA published written rules for financial corrections under the OPC.
- In order to optimize the process of implementation and management under the OPC in October the MA and the IB concentrated their efforts on elaboration of changes into the Management and Control Systems and new Operational Manual for both of them.

OP “Human Resources Development”

- The Revised OPHRD Annual Implementation Report for 2009 was submitted to EC on 11.10.2010 and subsequently approved by the Commission on 21.10.2010.
- The Council for coordination in management of EU Funds at its meeting on 26.10.2010 agreed on the OPHRD Indicative Working Programme for 2011. The Programme comprises of 4 open procedures in total, amounting to 77 MEUR. The procedures are under Priority Axis 1, 4 and 7 and all of them are planned to be launched in the first quarter of 2011, having in mind that one

of them (Development of distant training forms in the area of higher education) is postponed from the third quarter of 2010. However, it is expected that after the Monitoring Committee meeting (planned for 01.12.2010) and eventual approval of additional criteria for selection of operations, the Working Programme for 2011 to be further expanded.

- On 08.10.2010 was launched the implementation of project “Support for dignity life” with a direct beneficiary – Agency for Social Assistance. The project is financed under “Alternatives” procedure for direct awarding – Priority Axis 5 of the OP with a total budget of 17,9 MEUR. The general objective of the project is to enforce new approach in provision of services in family environment through introduction of the individual budget principle for personal assistants in national dimension.
The specific targets are related to the decentralization of the “personal assistant” service, to provide opportunities for people with disabilities to participate in the planning of the services; to provide options for professional development of the people engaged with care for people with disabilities in their own family; to decrease the risk of dependency of institutional type of social services.
- On 06.10.2010, the Ministry of Labor and Social Policy launch a procedure for direct awarding BG051PO001-6.1.05 “Increasing the quality of the Employment Agency services to citizens and business with focus on the vulnerable groups at the labor market”. The overall objective of the procedure is to increase the quality of the Employment Agency intermediary services through ensuring of individual approach to the specific needs of the vulnerable groups and the needs of the key employers in the relevant regions of the country. The budget of the project is nearly 3 MEUR and the deadline for submission of the respective project proposal is 08 November 2011.

OP “Administrative Capacity”

- The Council for coordination in management of EU Funds at its meeting on 26.10.2010 agreed on the OPAC Indicative Working Programme for 2011. The Programme initially comprises of 14 procedures in total, amounting to 26,6 MEUR. The procedures are under all main Priority Axis of the Programme. The Council had recommended to reschedule the plan for launching the procedures as too many of them (7 out of 14) were scheduled for January-February 2011 which will impose sufficient burden on the MA to prepared the respective procedures and guidelines and could compromise the creation of the evaluation committees in terms of attracting sufficient expertise. In addition it was recommended to withdraw the procedure under subpriority 2.1 for training of the administration with direct beneficiary – the Institute for Public Administration as IPA just launched similar project under the same Priority Axis. However, it is expected that after the Monitoring Committee meeting (planned for 12.11.2010), the Working Programme for 2011 to be further expanded.
- On 26.10.2010 was conducted the first official meeting of the Subcommittee for evaluation of OPAC. The subject of the discussions was the draft ToR for “midterm” evaluation of OPAC and especially the representatives of CCU and OPHRD provided substantial comments for improvement of the quality of the specifications. The intention is to finalize the ToR by the end of the year and to start the respective procurement in early 2011.
- Due to the sufficient interest from the potential beneficiaries, the majority of questions and proposals from the stakeholders asked during the information days, as well as due to recommendation from EC, the Managing Authority prolonged the deadline for submission of

project proposals under the procedures for transnational and interregional cooperation – subpriorities 1.6 and 2.5. The initial deadline – 12.11.2010 is extended to 15.12.2010.

- In the course of October, the Managing Authority conducted seven information days on the procedures for grant awarding under subpriorities 1.3, 1.6, 2.5 and 3.1 which were launched in early September 2010.
- The evaluation committees for the procedures under subpriorities 1.1, 2.1 and 3.1 that which deadline for submission of project proposals expired in June 2010 had completed their work and the portfolio of approved projects 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 2.1 and 3.1 potential overlap was identified with other EU Programmes (Phare and OP Competitiveness) and the respective coordination procedure is ongoing.

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.

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.

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.

Implementation of ex-ISPA/CF 1164

- Monthly progress meetings in Transport and Environment sectors were held respectively on 19 and 20 October 2010.

- The Modification Proposals for Sliven and Shoumen water circles projects have been submitted to the EC.
- On-the-spot checks for Danube Bridge and Plovdiv-Svilengrad projects were held on 12-13 October 2010 and 21-22 October 2010 respectively with participation of Managing Authority, Paying Authority and National Coordination Unit representatives.
- Meeting with representatives from the European Commission were held in the period 13-14 October 2010. Recommendations for revision of the modification proposals for Danube Bridge and Plovdiv-Svilengrad Financing Memoranda were given to the MA. The documentation will be submitted to EC by the middle of November 2010.

Data on OPs financial progress is attached.

OP Implementation as of 31.10.2010

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.10.2010	% implementation	EU part	% implementation	Total as of 31.10.2010	% implementation	EU part	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	599 382 184 €	29,92%	489 974 229 €	30,16%	103 704 993 €	5,18%	87 099 286 €	5,36%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	489 669 861 €	27,19%	394 249 713 €	26,89%	94 413 434 €	5,24%	75 933 814 €	5,18%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	699 309 645 €	43,67%	594 413 198 €	43,67%	121 076 878 €	7,56%	102 915 346 €	7,56%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	368 306 514 €	31,69%	313 060 537 €	31,69%	220 007 180 €	18,93%	187 006 103 €	18,93%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	13 531 742 €	23,82%	11 501 981 €	23,82%	5 462 618 €	9,61%	4 643 226 €	9,61%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	557 589 107 €	45,93%	473 950 741 €	45,93%	89 041 738 €	7,34%	75 696 856 €	7,34%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	82 922 276 €	45,87%	70 483 934 €	45,87%	42 366 660 €	23,43%	36 011 661 €	23,43%
TOTAL	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	2 810 711 330 €	35,05%	2 347 634 333 €	35,18%	676 073 502 €	8,43%	569 306 292 €	8,53%