

Implementation of the Structural funds in Bulgaria

Monthly brief, December 2011

Horizontal issues and legislative procedures

- A 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 has been drafted by the CCU. The Decree sets the key programming stages, the participants in this process, their responsibilities and the coordination mechanisms for their work. An inter-ministerial coordination procedure has been launched in the end of December 2011 and the Decree is expected to be adopted by the Council of Ministers by the end of January 2012.
- On 12 December 2011 the European Affairs Council approved the preliminary national positions on the Connecting Europe Facility and the Project Bonds draft regulations.
- On 14 December a seminar was held in Sofia on which representatives of the European Commission, DG Regional Policy and DG Employment, Social Affairs and Inclusion, presented the new legislative package for the Cohesion Policy in the next programming period 2014-2020. The seminar was organized jointly by the Central coordination unit and the European Commission. From the Bulgarian side, participation in the seminar took representatives of the Managing Authorities, Certifying Authority, Audit Authority and Central coordination unit.
- On 16 December 2011 the Minister for Management of EU Funds took part in a General Affairs Council meeting in Brussels for Cohesion policy ministers.
- On 21 December 2011 the government adopted Decree (prepared by the CCU) for amendment of Decree 85/2007 for Coordination of the matters concerning the European Union. According the amendment, the Minister for management of EU funds is designated to have a leading role within the "Structural measures" Working Group.
- The negotiations with the World Bank and the European Investment Bank on the proposed Memorandums of understanding (MoUs) were successfully concluded and interministerial coordination procedure has been started. The official signing of the MoUs will be held on 23 January 2012.
- In December 2011 was held a meeting of the expert working group that was established with aim to analyze specific cases of financial corrections. On this meeting were analyzed cases presented by the IBs and MAs under the Structural and Cohesion Funds.
- On 8 December and on 19 December the 14th and 15th meeting of the Inter-institutional Working group for the elaboration of the National Development Programme: Bulgaria 2020 were carried out. Drafts of the strategies under the eight priorities of NDP were elaborated and are now under discussion.
- The contract for Ex-ante evaluation of NDP was signed on 20.12.2011 in implementation of the project 0036 "Support of the whole process of elaboration of the new programming strategic document of the Republic of Bulgaria" under the Technical Assistance OP.

The Unified Management and Information System (UMIS)

- After transferring UMIS from the Ministry of Finance to the Council of Ministers, the system continued its functioning. The CCU submitted the documentation on the public procurement procedure for the further development of UMIS to the MA OF OPTA for an ex-ante control. The procedure will be opened for submission of offers in January. The public procurement procedure for providing trainings in UMIS was approved by the MA and will be launched in the beginning of 2012. The public procurement procedure for the further development of UMIS was canceled and will be relaunched in December.

Information and Publicity

- In the period 7-8 December 2011 Bulgaria participated in the eighth official meeting of the INFORM network, coordinated by the Directorate General for Regional Policy of the European Commission, which was held in Brussels, Belgium.
- On 20 December 2011 the National Network of Information and Publicity Officers of the Operational Programmes held its regular meeting. Representatives of OP Competitiveness, OP Transport, OP Technical Assistance, OP Human Resources Development, OP Environment and the Rural Development Programme as well as the staff of the Central Information and Coordination Office took part in the meeting. For the first time a communication's adviser from the European Commission Representations in Sofia was present pursuant to the efforts to improve coordination of communication activities related to EU funds.
- The agenda of the meeting was the following:
 - Informing members of the network on the outcome of the INFORM network meeting, held in Brussels on 7-8 December 2011.
 - Presentation of the project "Promotion of best practices of the operational programs, financed by the EU Structural and Cohesion Funds and preparation of the next programming period 2014-2020" of the Central Information Office, financed under Technical Assistance Operational Programme.
 - Discussion of the Commission's proposals for new regulations for the programming period 2014-2020 in the part information and publicity.
 - Discussion of communication activities in 2012 and submission of best practices by the OPs
 - Updating the Single information portal www.eufunds.bg by the separate OPs .
- In December 2011, a new subpage of the Single information web-portal www.eufunds.bg dedicated to the District Information Centres on Cohesion Policy was created, where a press release for an event of DIC Silistra was uploaded.
- The social networks Facebook, Twitter and You tube continued to be an essential tool of the Central Information Office for providing updated information related to EU

Central Information and Coordination Office (CICO)

- In December 2011, the efforts and activities of the Central Information and Coordination Office (CICO) on the personnel selection procedures for DICs continued. Representatives of CICO took 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.

- The CICO started communicating with the first teams of DICs appointed: a database with contact information was created and is being updated; first guidelines for activities were given to the teams; a temporary intranet space was created and the necessary documents were published there for the personnel of DICs. They also have the opportunity to share information, materials and good practices from the conducted events. All data will be transferred to the constant space that CICO will create after a public procurement procedure. CICO commenced distributing information materials to those DICs, where teams were already appointed: packages comprised of up-to-date publications of DG REGIO, posters, publications provided by the OPs, and additional materials provided by the Representation of EC to Bulgaria.
- The first information event took place: DIC – Silistra held an initial press-conference for the center. The prepared materials, the program and the entire organization of the event were coordinated with CICO.
- On December 9, the public procurement procedure for the supply of office furniture for DICs was announced and the session for submission of tender offers was opened. The procedure is designated for providing office furniture to the 27 DICs as well as to the reception room of CICO and is part of Activity 2 of Project № 0039-CIO-3.3. The deadline for submission of offers is January 6, 2012.

LOTHAR

- After the meetings of the Monitoring Committees of the different OPs, the CCU organized meetings with the MAs to discuss their LOTHAR forecasts for 2012. The discussions were productive and the MAs will submit their revised forecasts in January.

Certifying Authority

- Desk checks on the Reports on Certification and Statements of Eligible Expenditure for IPA Programme carried out by Certifying Authority were finalized in December.
- Certifying Authority performed in December on-the-spot check at the Managing Authority of IPA Cross-border Programme Bulgaria – Macedonia. Report from the on-the-spot check was prepared and sent to the Managing Authority for implementation of the recommendations.
- The Certifying Authority carried out two on-the-spot checks at the level of beneficiary – one under OP “Administrative capacity” and one under IPA Cross-border Programme Bulgaria – Turkey. Reports from the on-the-spot checks were sent to the respective Managing Authorities for implementation of the recommendations.
- The Certifying Authority submitted to the European Commission three Certificates for IPA Cross-border Programmes amounting to 349 419 EUR.
- In December 2011, 10 interim payments from the EC were received as result of submitted Applications for payment under all 7 OPs. The total amount of funds received in December is 270 352 639 EUR.

OP / FUND	Certified expenditure up to 31.12.2011	Interim payments received from EC as per 31.12.2011
<i>ERDF</i>	669 940 007 €	531 600 579 €
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 €
CF	343 267 127 €	274 613 702 €
1. OP Environment	67 735 591 €	54 188 473 €
2. OP Transport	275 531 536 €	220 425 229 €
ESF	157 088 445 €	130 241 508 €
1. OP Human Resources Development	120 232 919 €	98 922 111 €
2. OP Administrative Capacity	36 855 526 €	31 319 397 €
Total SCF	1 170 295 580 €	936 455 789 €
Total IPA Cross-border Programmes	349 419 €	-€

Operational Programmes

OP Transport

- The tenth OP Transport Monitoring Committee was held in the period 7-8 December 2011 in the town of Pravetz. Representatives from EC, CCU, MA within MTITC, MRDPW, the main beneficiaries of the OP and Jaspers have participated during the two-day discussions.
- Tripartite meeting among EC, Jaspers and the responsible Bulgarian institutions was held on 9 December 2011 within the Council of Ministers.
- On-the-spot visit for Sofia Metro extension project was held in the beginning of December 2011.
- On 15 December 2011 the annual OPT public event was held in Sofia. The aim of the forum is to present/report to the media the progress achieved under the OP as a whole as well as for each of the projects during year 2011.
- Revised Application Form for “Construction of Struma Motorway, Lot 1, Lot 2 and Lot 4” was submitted to EC for approval on 19 December 2011.
- On 19 December 2011 Lothar meeting for the OPT implementation/reporting was held in the Council of Ministers. The aim of the meeting was to report about the implementation of the OP in 2011 as well as about the future progress under the programme.
- On 19 December 2011 meeting concerning road safety measures project was held under the chair of Minister Tomislav Donchev. The preparation of such project is on-going and will be completed till March 2012.
- Maritza Motorway application for assistance was returned for additional clarification on 22 December 2011.
- EC approval for Parvomai-Svilengrad Railway major project application was received on 22 December 2011. Approval of the modification of the FM for Plovdiv-Svilengrad FM for reducing the scope of the project was received as well in the beginning of December 2011. On 28 December 2011 the Council of Ministers took a decision for financial provision of funds from the state budget if such is needed.

OP Environment

- On 08 December 2011 the MoEW announced two procedures for direct award under the Priority Axis 3 of the OPE, as follows:

- Procedure for implementation of planning and management activities for national parks and reserves. Direct beneficiaries under the procedure are National Parks Directorates and Regional Inspectorates of Environment and Water. The total amount is EUR 42.2 million
- Procedure for implementation of planning and management activities for natural parks. Direct beneficiaries are Nature Parks Directorates. The total amount is 17.7 million EUR.

The project activities will be completed by the end of 2014.

- On 16 December 2011 a contract for construction of sewage network and WWTP in Ihtiman was signed. The investment is worth at EUR 14.6 million. The construction will be completed by the end of 2014.
- On 21 December 2011 three contracts for construction of WWTP in Golden Sands, Albena and Tervel were signed at a total value of nearly EUR 51,1 million.
- On 23 December 2011 Municipalities of Asenovgrad, Gotse Delchev and Svishtov submitted their projects. The total project amount of Asenovgrad is about EUR 56 million. It is the fifth "major" project in the water sector. After assessment, made by the MOEW the project will be sent to the Commission for approval. The water project of Gotse Delchev worth at EUR 32,7 million. Both projects for Asenovgrad and Gotse Delchev were prepared under ex-ISPA.
- Two "major" projects were submitted in December to the MoEW for assess - Plovdiv and Dobrich. On 6 January 2012 both of them were sent to the EC for approval. The above projects were prepared under ex-ISPA. Total project amount is: EUR 63,4 million for Plovdiv and EUR 58,8 million for Dobrich.

OP Regional Development

- On December 29, 2011 an Operational Agreement between the European Investment Bank - Holding Fund JESSICA (Joint European Initiative for Sustainable Investment in City Areas) for Bulgaria and Urban Development Fund (UDF) - a consortium of leading partner Societe Generale Express, was signed. This Operational Agreement amounts to 18.87 MEUR.
- On December 28, 2011 were signed the first part of 23 grant contracts (with deadline for the call - 30 June 2011), amounting to 14.7 MEUR under the scheme BG161PO001/1.1-12/2011 "Support for the deinstitutionalization of social institutions, offering services for children at risk". The second part of the contracts under the same grant scheme with deadline for submission of applications – 30 September 2011, is in a process of evaluation.
- On December 22, 2011 seven (7) contracts under the scheme BG161PO001/4.1-05/2011 "Support for reconstruction, renovation and equipment of municipal hospitals in municipalities outside the urban agglomeration areas" were signed. The total amount of the approved projects is 15.34 MEUR.
- On December 7, 2011, under the scheme BG161PO001/2.1-01/2007 "Support for the rehabilitation and reconstruction of the second and third class roads" 15 grant contracts were signed with the Road Infrastructure Agency. The total amount of the grant contracts is 79,3 MEUR. The projects are covering second and third class roads which that serve the intra-regional connections and provide opportunities to develop

specific economic potential as well as they ensure access to areas with potential for development of tourism.

- There were published drafts of Guidelines for applicants under grant scheme: BG161PO001/2.2-01/2011 "Support for the development of critical, secure, safe and reliable public ICT infrastructure".
- The work of the evaluation committee under BG161PO001/1.1-11/2011 "Support for reconstruction / renovation and equipment of municipal hospitals in urban areas" was completed.
- On December 22, 2011 was held the ninth meeting of the Monitoring Committee of OPRD.

OP Technical Assistance

- On December 12, 2011 in the Granite Hall of the Council of Ministers, was held the ninth meeting of the Monitoring Committee of Operational Programme "Technical Assistance". At the meeting were examined Indicative annual work program OPTA 2012 and approved an action which has to be taken by MA OPTA to identify new beneficiaries. Information was provided for the implementation of the program assessments, audits and major projects.
- On 20.12.2011 the members of the MC are received for consultation, a draft report of the ninth regular meeting of the MC OPTA.
- At the end of December construction and installation works have been completed in 20 of 27 district information centres.
- 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 6th of December 2011 were MA of OPC has published for public consultation project of Guidelines of Applicant and documentation package on Call for Proposals BG161PO003-1.2.04 „Development of applied research in research organizations in Bulgaria”. The scheme is part of Indicative Annual Work Programme (IAWP) of OPC for 2011.
- On 6th of December 2011 CCU held meeting with representatives of MA and IB of OPC in order to discuss the agenda, organization and documents, concerning forthcoming on 13th of December 2011 Nine Meeting of the Monitoring Committee of OP “Competitiveness”. CCU had presented the comments and position on presented documents and discuss thoroughly all issues from the Agenda of the Meeting.
- On 12th of December 2011 in Pravec city (Rio Pravec Resort Hotel) was held technical meeting before forthcoming Meeting of MC of OPC. There representatives of EC, CCU, Certification Authority (CA), Odit Authority (OA) discussed the documents, presented and the Agenda of the Meeting.
- On 13th of December 2011 in Rio Pravec Resort Hotel was held Nine Meeting of the Monitoring Committee of OP “Competitiveness”. The MC took the following decisions: approved the proposal of MA of OPC for modification of OP, approved the proposal for Indicative Annual Work Programme (IAWP) of OPC for 2012; approved selection criteria for the following calls: „Creation and development of regional

business incubators”, „Creation of science and Technology Park” and “Energy Efficiency and green economy”. The Committee approved also Annual Communication Plan of OPC for 2012.

- On 19th of December 2011 MA of OPC published approved by MC of OPC IAWP of OPC for 2012. The Programme envisaged launching of two schemes “Creation of regional business incubators” and “Energy Efficiency and green economy”. MA planes to propose the modification of the IAWP for 2012 after the approval by EC of the proposal for Modification of OPC. In addition in 2012 will be launched calls form IAWP for 2011, not launched, as follows: Call for proposals "Development of applied research in the research organizations in Bulgaria", Call for proposals "Creating a science and technology park" and Call for proposals "Strengthening the international market positions of the Bulgarian economy".
- On 19th of December 2011 MA and IB of OPC had published list with contracts under the call for proposals BG161PO003-2.1.10 „Support for enterprises and cooperations of disabled people”. The contracted projects are 17 with total budget of the projects 4 546 922,62 BGN.
- On 22nd of December 2011 MA of OPC have published Invitation for public procurement procedure with the following subject: "Work with media, related to OP “Development of the competitiveness of the Bulgarian Economy”.

OP “Human Resources Development”

- According to the requirements of CoM Decree No121, in December the Employment Agency published Draft Guidelines for applicants for consultation with the general public on the procedure BG051PO001-1.1.09 “Qualification services and stimulation of employment”. The deadline for provision of comments on the guidelines expired on 19th December 2011 and the procedure should be launched in early 2012.
- In December 2011 the following procedures were launched:
 - BG051PO001-2.1.16 “Qualification services and training for employed – Phase 3”. The objective is provision of general or specific training for acquiring or increasing professional qualification, incl. introductory training for employed; provision of training on key competences – foreign languages, mathematics and basic competences. The direct beneficiary is the Ministry of Education, Youth and Science. The budget of the operation is 34 mln. BGN and the deadline for submission of project proposal expires on 31th May 2012.
 - BG051PO001-4.3.04 “Development of electronic forms for distance training in the system of high education”. The objectives of the operation are: creation of virtual libraries, e-data basis for standardized training components, systems for knowledge management, internal systems for quality control; creation of centers. The beneficiaries are the Universities. The budget of the operation is 30 mln. BGN and the deadline for submission of project proposal expires on 21st February 2012.

OP “Administrative Capacity”

- In December under the Operational Programme were concluded 5 contracts with total budget of 2,3 mln.leva. In process of signing are another 45 contracts at the amount of 24,3 mln.leva. The payments made to the beneficiaries are for 1,65 mln.leva.

- In December was finalized the mid-term evaluation of OPAC. The evaluation was conducted by external consortium by ECORYS South-East Europe, WYG Bulgaria and Prime Consulting (Bulgaria). The whole evaluation report is published on OPAC website.
- In December 2011 the following procedures were launched:
 - BG051PO002/11/1.4-04 “Administration – Partner of the Business”. The procedure was included in the Annual Working Programme for 2011 according to the Decision of the Monitoring Committee taken on its meeting on 10-11 November 2011. The objective is to develop the secondary legislation under the newly adopted Public-Private Partnership Law. The direct beneficiary is the Ministry of Finance, the budget of the procedure is 1,5 mln.BGN, the deadline for submission of project proposal is 31 January 2012;
 - BG051PO002/11/1.2-05 “Transparent and Reputable State Administration”. The procedure was amended according to the Decision of the Monitoring Committee taken on its meeting on 10-11 November 2011 and included additional direct beneficiary of the procedure – the Ministry of Finance. The objectives are to increase the administrative control in the administration, effective prevention and counteraction to the corruption, improvement of the internal and external control over the management and the activities of the administration. The direct beneficiaries are the Council of Ministers’ Administration and the Ministry of Finance, the budget of the procedure is 1 mln.leva, the deadline for submission of project proposals is 31 January 2012
- The procedure for avoidance of overlap under the call for proposals BG051PO002/11/2.4-06 “Competent judiciary system and effective human resources management” was completed as no potential double financing was detected. The conclusion of the contracts with the approved applicants – the National Institute of Justice is forthcoming. The proposed budget is more than 2 mln BGN.

Bulgaria - Turkey IPA Cross-Border Programme

- The Second Call for Proposals was launched on September 8, 2011 with deadline December 8, 2011. Upon the requests received from potential beneficiaries and few members of Parliament from the eligible region an additional written procedure of JMC was held to extend the deadline of the Second call until 16th January 2012 in regards to recent local and presidential elections in Bulgaria. The written procedure was approved and the deadline of the second call for proposals was extended until 16th of January 2012.

Bulgaria – Serbia IPA Cross-Border Programme

- Partner Search Forum under the Second Call for project proposals of the Bulgaria-Serbia IPA Cross-border Programme was held on the 14th of December 2011 at the Pernik Palace of culture. The event has been organized by the Joint Technical Secretariat of the Programme in cooperation with the Managing Authority and the National Authority.
- The Information campaign concerning the Second Call for project proposals of the Bulgaria-Serbia IPA Cross-border Programme has been launched on the 5th of December 2011 at the “Dedeman Princess” hotel in Sofia. The campaign has been organized by the Joint Technical Secretariat of the Programme in cooperation with the Managing Authority and the National Authority.

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

- In order to help the beneficiaries during the project implementation the Managing Authority published a specifications and guidelines for reporting on the progress of projects implementation.

Implementation of ex-ISPA/CF 1164

- Taking over for Phase 1 Kroumovo-Parvomai for Plovdiv-Svilengrad project in accordance with the Bulgarian Legislation and the provisions of the contract: on 20 December 2011, Protocol 15 along was signed. Referring the taking over of Phase 2, Protocol 15 was signed on 21 December 2011. On 22 December 2011 the Prime Minister, the Minister of Transport, Information Technologies and Communications, the Minister of EU Funds and the Minister of Regional Development and Public Works have participated in the testing of the railway line from Kroumovo to Parvomai, as the speed attained during the testing was 165 km/h.
- The preparation of the monitoring sheets in environment and transport sector started in the beginning of December 2011. The deadline for submission the documentation to EC is 9 January 2012. The publicity measures documentation was submitted to EC on 30 December 2011.

Data on OPs financial progress is attached.

**OP Implementation as of 30.12.2011
EURO**

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 30.12.2011	% implementation	EU funding	% implementation	Total as of 30.12.2011	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 742 258 803 €	86.96%	1 405 505 063 €	86.52%	454 039 267 €	22.66%	371 016 680 €	22.84%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	958 605 794 €	53.23%	778 587 831 €	53.09%	198 061 589 €	11.00%	160 507 501 €	10.95%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 137 055 592 €	71.01%	966 497 253 €	71.01%	323 246 021 €	20.19%	274 759 118 €	20.19%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	487 495 883 €	41.95%	414 371 500 €	41.95%	270 764 244 €	23.30%	230 149 607 €	23.30%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	28 654 490 €	50.43%	24 309 021 €	50.33%	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 €	790 768 007 €	65.14%	672 153 442 €	65.14%	196 586 525 €	16.20%	167 098 546 €	16.20%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	107 102 184 €	59.24%	91 036 856 €	59.24%	50 535 366 €	27.95%	42 955 061 €	27.95%
TOTAL	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	5 251 940 752 €	65.49%	4 352 460 967 €	65.22%	1 505 389 322 €	18.77%	1 256 819 376 €	18.83%