

Implementation of the Structural funds in Bulgaria

Monthly brief, April 2012

Horizontal issues and legislative procedures

- On 3 April 2012 was held a public consultation of the priorities and programmes of the Republic of Bulgaria for the next programming period. Subject of discussion were the thematic objectives, operational programmes for the period 2014-2020 and leading ministries for their preparation. In the public consultation took part representatives of the ministries and other institutions at central level, local and regional authorities, socio-economic partners, representatives from the sphere of education, science and research, wide range of non-governmental organisations etc.
- The CoM Decision on the programmes to be funded in Bulgaria under the CSF Funds in the next programming period was adopted by the Council of Ministers on April 11, 2012. The Decision includes a list of the thematic objectives to be financed, a list of the future OPs and the Managing Authority for each of them. It provides for five programmes, i.e. OPs for: transport and transport infrastructure, environment, regional development, human resources development and innovation and competitiveness. A thematic working group for the elaboration of each of these future OPs shall be established.
- The Decree also provides for the establishment of two other working groups. The first one shall be governed by the Minister of EU Funds Management and shall start the programming of the measures in the sphere of technical assistance and administrative capacity. By the end of July 2012 the working group shall propose the financial instrument(s) under which these measures shall be funded during the next programming period.
- The second one shall be governed by the Minister of Education, Youth and Science and shall start the programming of the measures in the sphere of education, science and research. According to the CoM Decision, by the end of September 2012 this working group shall propose the financial instrument(s) under which these measures shall be funded during the next programming period.
- The draft Minutes from the 4th Annual Review Meeting was submitted to the EC for comments. The Minutes reflected the discussions during the joint sessions as well as the discussions held bilaterally under each of the Operational Programmes co-financed by the European Regional Development Fund and the Cohesion Fund.
- On April 23rd the Council on European Affairs approved a revised version of the Bulgarian National position on the Common Provisions regulation. The position was updated to include developments in the negotiations on the functioning of the future Cohesion policy, as well as the negotiations on Section 1 of the Multiannual Financial Framework.
- In April were held discussions on the draft Memorandum of Understanding between the Government of the Republic of Bulgaria and the European Bank for Reconstruction and Development regarding the provision of project implementation support for projects funded through the EU Structural Instruments.
- Implementing of the Memorandum of Understanding between the Government of the Republic of Bulgaria and the World Bank in April was discussed the final version of

the template of Agreement for the provision of advisory services by the World, signed on 22 January 2012. The draft template was submitted for an inter-ministerial consultation and is expected to be approved by the Council of Ministers in the middle of May.

- In April under the OPT was approved CCU project № 0094-CCU-1.1 “Supporting the process of elaboration of the Partnership Contract of the Republic of Bulgaria for the programming period 2014-2020”. Under the ongoing tender procedure for selection of contractor who will support CCU in the preparation of the Bulgarian Partnership Contract for the next programming period two tenders were received and opened.
- On 26th of April, a public discussion on the Strategic Framework of the National Development Programme: Bulgaria 2020 was carried out. The Deputy-Ministers appointed to be responsible for each of the eight development priorities presented their own strategies. A discussion for the content of each priority of the National Development Programme was held. The Secretariat of the Working group for the National Development Programme will summarize the proposals of all stakeholders and will incorporate them in the strategy where relevant.
- On 27th of April was held regular meeting of the National Horizontal Group of Experts on Evaluation of NSRF and OPs. The main topic of the discussions was the Draft Final Evaluation Report on the Analytical Task 1 “Analyze and evaluation of the progress towards achievement of the objectives/priorities of NSRF and the corresponding contribution of the Operational Programmes” from the NSRF evaluation. Many comments were provided by the participants and their reflection in the Draft Report is ongoing.

Information and Publicity

- On 21 April 2012 the National Network of Information and Publicity Officers of the Operational Programmes held a meeting. The meeting was held jointly with representatives of the Bulgarian Economic Forum and the communications officers of OP Environment, OP Competitiveness, OP Administrative Capacity, OP Human Resources Development, OP Transport, OP Technical Assistance, Rural Development Programme, OP Fisheries and State Fund “Agriculture”, as well as representatives of the Central Information Office and the Central Information and Coordination Office.
- The aim of the meeting was to coordinate the organisation of the second exhibition “Europe for us”, which will take place in June 2012. An analysis of the previous exhibition was made and the exact dates of convenience to all participants were discussed. It was decided that the second exhibition will take place in the period June 16-18 and will be located around the National Palace of Culture. All Operational Programmes are willing to take part in the exhibition.
- In April continued the regular update of the Single information web-portal www.eufunds.bg with news, information and documents of the Operational Programmes as well as information about the activities of the District Information Points.

Central Information and Coordination Office (CICO)

- **Site visits:**

The following site visits aiming at verifying the quality of services provided by DIPs were conducted: in Targovishte, Shumen, Razgrad, Silistra, Ruse, Pleven, Plovdiv, Burgas, Dobrich, Veliko Tarnovo and Varna.

In April, the last personnel selection procedures were verified by representatives of CICO and were sent for approval to the MA of OPTA.

- **Activities of DIPs:**

Based on the Monthly reports of DIPs, in April there was a total number of visitors in DIPs amounting to 574; a total of 524 requests for information received, a total of 476 answers of requests of information were sent, there were 274 publications in media, 38 events with a total number of 979 people invited, of which 819 were present at organized by DIPs events.

- **Trainings and study visits:**

Two trainings for representatives of DIPs were organised and carried out by CICO:

1. Communication and presentation skills – 2 – 5 April 2012, in Plovdiv, with total number of participants amounting to 37
2. UMIS public module and procedure “Support of the energy efficiency of multi-family residences” of OPRD – 18 April 2012, in Sofia, 24 participants

Together with these trainings, in April was held the first study visit: it was aimed for managers of DIPs, who visited institutions of the European Union in Brussels in the period 23 – 27 April 2012. Among the institutions visited were DG “Communication” of EC, DG “Regional Policy” of EC, the European Parliament and the Committee of Regions. 26 managers of DIPs took part in the study tour, together with 2 representatives of CICO and the accountant of the project.

- **Tender procedures:**

Three tender procedures related to the implementation of activities of Project № 0039-CIO-3.3 continued running in April:

- „Logistics for the implementation of activities connected with the organization of trainings, seminars and working meetings on projects, carried out by the Council of Ministers on Operational Programme “Technical Assistance” and the Bilateral Framework Agreement between Bulgaria and Switzerland” and
- “Supply of computer and office equipment”
- “Supply of office furniture”

UMIS

- In April the System Audit of UMIS was finalized. All the reviewed recommendations were closed and the Audit Authority has positively evaluated UMIS.
- The OPRD has opened another call for proposals using the e-services of UMIS – “Support for the next programming period”.
- The tender procedures for the further development of UMIS and for UMIS trainings are on-going

Certifying Authority

- The Certifying Authority performed four on-the-spot checks at the level of beneficiary as follows: one under OP “Transport”, two under OP “Regional Development“ and one under OP “Development of the Competitiveness of the Bulgarian Economy”. Reports from the on-the-spot checks are under preparation and will be sent to the relevant Managing Authority for implementation of the recommendations;

- The Certifying Authority submitted to the European Commission two Certificates under OP “Transport” - CF and ERDF amounting to 39 651 568 EUR;
- In April 2012, 2 interim payments from the EC were received as result of submitted Applications for payment under OP “Technical Assistance” and OP “Administrative Capacity”. The total amount of funds received in April is 3 695 339 EUR;
- For all seven OPs the Certifying Authority sent to the EC a provisional forecast of the likely applications for payment for the current year and the subsequent financial year in accordance with the requirements of article 76 (3) of Regulation (EC) №1083/2006;
- In accordance with the requirements of article 122 (3) of Regulation (EC) № 718/2007 the Certifying Authority sent to the EC a provisional forecast of the likely applications for payment for the current year and the subsequent financial year for IPA Cross-border Programmes – External Borders

OP / FUND	Certified expenditure up to 30.04.2012	Interim payments received from EC as per 30.04.2012
ERDF	690 656 680 €	539 517 735 €
1.OP Competitiveness of the Bulgarian Economy	300 009 934 €	211 572 602 €
2. OP Regional Development	178 856 776 €	151 960 849 €
3. OP Technical Assistance	8 031 841 €	6 827 065 €
4. OP Transport	183 632 663 €	154 213 869 €
5. OP Environment	20 125 466 €	14 943 350 €
CF	391 330 888 €	274 613 702 €
1. OP Environment	77 647 074 €	54 188 473 €
2. OP Transport	313 683 814 €	220 425 229 €
ESF	167 053 530 €	138 574 414 €
1. OP Human Resources Development	127 305 542 €	104 797 482 €
2. OP Administrative Capacity	39 747 988 €	33 776 932 €
Total SCF	1 249 041 098 €	952 705 851 €
Total IPA Cross-border Programmes	349 419 €	297 006 €

Operational Programmes

OP Transport

- On 3 April 2012 workshop referring the transport projects in the North-West Planing region was held in the town of Belogradchik. Main issues presented and discussed: implementation of projects in the period 2007-2013 and preparation of project for the new programming period 2014-2020.
- The ground-breaking ceremony of Struma Motorway project, Lot 4 was held on 5 April 2012. On 18 April 2012 meeting regarding the appropriate assessment comments of DG Environment was held in Brussels.
- In the period 24 – 27 April 2012 EC mission regarding OP Transport implementation was held. Part of the agenda was the commissioning ceremony of Stage II of Sofia Metro Extension project, Lot 2. The EC representatives made on-the-spot visits on the following road and railway projects: Trakia Motorway – Lots 2 and 3, Struma Motorway – Lot 1, Hemus Motorway – Sofia Ring Road, Maritza Motorway – Lot 1 and 2, Svilengrad-Turkish border and Plovdiv-Bourgas.

OP Environment

- During the reported period the new conservation multipurpose center "Forest Home" in the Natural Park "Vratsa Balkan" was inaugurated. The centre was build for key conservation activities. It was funded under the priority axis 3 of the OPE. The total project amounted at EUR 255 645.
- Under the procedure BG161PO005/10/1.11/03/19 "Preparation and Implementation of Projects for Improvement and Development of Water and Wastewater Infrastructure in Agglomerations with over 10 000 PE" grand contracts for the construction of water infrastructure in Burgas (district "Dolno Ezerovo"), Krichim, Rakovski, Hissar and Provadia have been undersigned. The Provadia Municipality has already chosen a constructor. The groundbreaking of Provadia project is expecting soon.
- The prioritization of applications after the review of feasibility studies under the procedure for construction of water infrastructure in settlements of between 2 and 10 thousand PE was completed. The list of 72 eligible beneficiaries and agglomerations was posted on the website of the OPE. The procedure is directed towards projects with a high level of readiness. The financial resources, available under the procedure are EUR 153 387 564. The deadline for submission of applications is 15.10.2012.
- On 17.04.2012 the Ministry of Environment and Water announced the procedure for direct award BG161PO005/12/1.20/02/29 "Developing management plans for flood risk." The beneficiaries under the procedure are Basin Directorates for Water Management in Bulgaria. The total procedure amount is EUR 10 251 402. The deadline for submission of applications is 06.15.2012.

OP Regional Development

- Energy efficiency in Bulgarian homes Project was approved by the MA on April 11, 2012. The total budget is EUR 48 500 896,5 BGN (25 620 393,49 BGN ERDF). The duration of the project is 36 months and the energy efficiency measures shall be implemented in residential buildings of the 36 urban centers. As a part of the project documentation has been developed a detailed methodology that contains a concept for implementation and realization of the process of renovation of multifamily buildings, templates of application forms, agreements and any other documentation needed for the process of implementation of the renovation measures. Te grant amount shall not exceed 50% of the project costs, the remaining 50% is envisaged to be provided by the owners (own sources or loans). Eligible activities for energy efficiency in residential buildings include energy efficiency audit, insulation, replacement of windows and doors, local heating plants and/or connection to district heating systems, gas network etc.
- On 9 April 2012 five grant contracts were signed under the scheme BG161PO001/3.3-01/2008 "Support for effective national marketing of tourism product and improvement of the information services." - Budget 10, 2 MBGN. The approved activities build on successful initiatives of the Ministry of Economy and Energy already financed under OPRD, aiming to improve the effectiveness of national marketing and promotion of tourism products and providing reliable, accurate and timely information to interested users.
- The MA extended the deadline for application under BG161PO001/2.2-01/2011 "Support the development of critical, secure, safe and reliable public ICT infrastructure" to 18 May 2012.

- The MA added a second deadline (2 May 2012) for the submission of application form by Rousse Municipality BG161PO001/1.5-03/2011 "Support for integrated urban transport in the five cities" - due to delays in project preparation activities.
- In relation to the reporting of the mandatory own contribution as a part of the eligible project costs by the beneficiaries, the MA published guidelines specifying the possible sources of financing within the municipal budgets (own revenues by local taxes, services provided by the municipality, fines and penalties etc.; General equalization subsidy according to the Municipal Budgets Law etc.).

OP Technical Assistance

- In the period 17 - 20th of April 2012 as part of the working visit of Minister of the EU Funds Management, EC representatives, headed by Mr. Carsten Rasmussen- Deputy Head of Unit "Bulgaria", DG "Regional Policy" visited regional information centers in Shumen, Targovishte, Razgrad, Silistra, Ruse and Pleven.
- 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 11th of April 2012 was held monthly meeting of representatives of CCU and MA of OPC. On the meeting were discussed issues related with the ongoing implementation of the Programme, absorption rate, recent and planned calls, process of preparation of the so called flagship projects under the OPC.
- On 17th of April 2012 was announced written procedure for decision making of the Monitoring Committee of OPC for approval of unifying of the structures of the Managing Authority and the Intermediate Body of Operational Programme "Development of the Competitiveness of the Bulgarian Economy" 2007 - 2013 into a single body; reallocation of the remaining unabsorbed funds under procedure BG161PO003-2.1.11 "Technological Modernization in Small and Medium-Sized Enterprises" from the category "small enterprises" amounting to 3 271 272.17 BGN, between the other two categories of enterprises in the following proportion: 1 104 874.77 BGN for micro-enterprises and 2 166 397.40 BGN for medium-sized enterprises; increase of the budget of grant procedure BG161PO003-1.1.04 „Support for commercialization of innovative products, processes or provision of innovative services” with the size of the grant of all project proposals, successfully passed all stages of evaluation, but with no more than 35 mln. EUR.
- Public procurement procedure was announced for "Preparation, organization and conduct of meetings of the Monitoring Committee of Operational Programme Competitiveness of Bulgarian Economy "2007-2013.
- The documentation on for applying procedure BG161PO003-2.3.02 "Energy efficiency and green economy" was published on the web site for a public discussion. Deadline for submission of proposals and comments, for public consultation documentation was extended to 7th of May 2012.
- European Investment Fund (EIF) and LAUNCHub Eleven chose to manage the financial instrument to support entrepreneurship and provide initial funding (Acceleration & Seed Fund). The initiative is funded with 21 million euro under the JEREMIE within the OP "Competitiveness". Funds are expected to make its first investment in the autumn of this year.

OP Human Resources Development

- In the period 18-23 April were conducted regular working meetings under all OPHRD Priority Axes, organized by MA with representatives from the respective IBs, most 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.
- On 23 April was launched written procedure for decisions of the Monitoring Committee which is related to approval of use of savings (for 5 mln.BGN) under 5 completed operations under Priority Axis 4 and reallocation of the accumulated savings to operation BG051PO001-4.1.05 “Educational integration of children and students from ethnic minorities”. Further to these were proposed technical amendments in three ongoing operations as well as new criteria for selection of operations – “Without Frontiers – Phase 2”. The procedure was completed by the end of April and no substantial comments had been submitted from the MC members. The Managing Authority is ready with its standpoints on the comments received and the procedure should be completed by mid-May.
- In April 2012 the following procedure was launched:
 - BG051PO001-3.1.07 “Actualization of the educational programmes in the high education in compliance with the requirements of the labor market” (e-application). The objective is to create direct connection between management and faculty council of the High Schools on one side and management of employers’ organizations, large enterprises and key experts on other side, who jointly to predefine and update the educational programmes in the high education.. Eligible beneficiaries are the Universities. The budget of the operation is 6 mln.BGN, the deadline for submission of project proposals is 8th of June 2012;
 - BG051PO001-5.1.04 “Help in home”. The objective is to create sustainable model for ensuring deserving way of life and provision of domestic type of services for people who are in partial or full impossibility for self-service and are in risk of social exclusion. Eligible beneficiaries are the Municipal or private entities for provision of social services. The budget of the operation is 30 mln.BGN, the deadline for submission of project proposals is 29th of June 2012;
 - BG051PO001-3.1.08 “Enhancement of the management systems in the High Schools”. The main objectives of the operation are: improvement of the systems for quality management, the systems for information services on the educational activities, systems for administration of the processes, systems for data collection and research activities. Further to these is planned elaboration of criteria, methods and procedures for increasing the quality of the inherent activities of the high schools and the respective results. Eligible beneficiaries are the Universities. The budget of the operation is 15 mln. BGN, the deadline for submission of project proposals is 20th of June 2012;
 - BG051PO001-3.1.09 “System for qualification and career development of the lecturers in the High Schools”. The main objective of the operation is to develop on the results from the first phase of the scheme through update of

the created system for qualification and career development of the lecturers. Continuous trainings are planned on foreign languages, information and communication technologies, modern educational programmes. Eligible beneficiaries are the Universities. The budget of the operation is 4 mln.BGN, the deadline for submission of project proposals is 25th of June 2012;

- BG051PO001-5.1.05 “Compassion”. The objective of the operation is to create conditions for active social inclusion of people with disabilities through popularization and real implementation of the policies for equal opportunities and social inclusion. Eligible beneficiaries are Nationally Represented Organizations of and for People with Disabilities. The budget of the operation is 5 mln.BGN, the deadline for submission of project proposals is 22th of June 2012;
- According to the requirements of CoM Decree No121, in April the Managing Authority published Draft Guidelines for applicants for consultation with the general public on the procedures BG051PO001-1.2.03 “Stimulation of the start of projects for development of self-dependent economic activity – Component 2”. The budget of the operation is 50 mln.BGN and the deadline for provision of comments on the guidelines expires 02 May. The procedure should be launched by the end of May.

OP Administrative Capacity

- On 06 April was launched written procedure for decisions of the Monitoring Committee which is related to approval of the following proposals: inclusion of the State Commission of Information Security and the National Audit Office as direct beneficiaries under Sub-priority 2.2; inclusion of the State Commission of Information Security and the Ministry of Interior as direct beneficiaries under Sub-priority 2.4; inclusion in the Annual Working Programme for 2012 of two new procedures for direct awarding under Sub-priorities 2.2.amd 2.4. The procedure was completed by the end of April and no substantial comments had been submitted from the MC members. The Managing Authority is ready with its standpoints on the comments received and the procedure should be completed by mid-May.
- In March 2012 the following procedures were launched:
 - BG051PO001-1.1.05 “Effective Structure of the State Administration”. Eligible beneficiaries are the central administrations and the objectives of the procedure are identification of mechanisms for decreasing of the expenses for administration, decrease of the size and coverage of the public administration, identification of functions and services which could decentralized or removed. The budget of the operation is 3 mln.leva and deadline for submission of project proposals is 19 June.
- According to the requirements of CoM Decree No121, in April the Managing Authority published Draft Guidelines for applicants for consultation with the general public on the procedures BG051PO001-2.4.08 “Competent Judiciary System and Effective Human Resources Management”. The budget of the operation is 7 mln.leva and is targeted to the courts. The deadline for provision of comments on the guidelines expired on 05 May. The procedure was launched on 07 May.

- In the reporting period the respective evaluation committee completed its work under the procedure BG051PO002/11/2.4-07 “Competent Judiciary System and effective Human Resources Management” where two project proposals from the direct beneficiary – National Institute of Justice was approved. The respective projects were submitted to the Central Coordination Unit for check on potential overlap and double financing with other funds and Programmes. The respective analysis showed that potential overlap exists with previous Phare and OPAC projects of the same beneficiary thus the procedure for avoidance of double financing continues.
- In the reporting period the respective evaluation committee completed its work under the procedure BG051PO002/11/1.2-05 “Transparent and Respectable State Administration” where project proposal from the direct beneficiary – Ministry of Finance was approved. The respective project was submitted to the Central Coordination Unit for check on potential overlap and double financing with other funds and Programmes. The respective analysis showed that no potential overlap exists thus the MA could proceed with signing of a contracted with the approved beneficiary.

Implementation of ex-ISPA/CF 1164

- As part of European Commission, on 24th of April 2012 meeting referring implementation of Danube Bridge 2 project was held in the Ministry of Transport, Information Technologies and Communication. On the same date the Council of Ministers took a decision for giving a concession for Antimovo I area to the Contractor.

Data on OPs financial progress is attached.

OP Implementation as of 30.04.2012

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 30.04.2012	% implementation	EU funding	% implementation	Total as of 30.04.2012	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 842 595 709 €	91.97%	1 485 803 918 €	91.46%	552 341 860 €	27.57%	450 243 893 €	27.72%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	1 251 729 586 €	69.51%	1 013 916 456 €	69.14%	224 166 108 €	12.45%	181 919 230 €	12.41%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 317 639 962 €	82.29%	1 119 993 967 €	82.29%	368 952 650 €	23.04%	316 344 831 €	23.24%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	521 631 008 €	44.88%	443 386 356 €	44.88%	289 396 091 €	24.9%	245 986 677 €	24.9%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	32 731 310 €	57.61%	27 821 613 €	57.61%	13 179 952 €	23.2%	11 202 959 €	23.2%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	917 746 834 €	75.61%	780 085 445 €	75.61%	245 318 047 €	20.21%	208 683 490 €	20.23%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	123 388 887 €	68.25%	104 880 554 €	68.25%	54 520 663 €	30.16%	46 342 564 €	30.16%
TOTAL SCF	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	6 007 463 295 €	74.91%	4 975 888 310 €	74.56%	1 747 875 371 €	21.8%	1 460 723 644 €	21.89%
Rural Development	3 278 771 726 €	2 642 248 596 €	636 523 130 €	1 790 916 693 €	54.62%	1 443 299 763 €	54.62%	1 072 711 934 €	32.72%	864 498 547 €	32.72%
OP Fisheries	106 679 611 €	80 009 708 €	26 669 903 €	49 144 017 €	46.07%	36 858 013 €	46.07%	13 758 959 €	12.90%	10 319 219 €	12.90%
TOTAL AGRICULTURAL FUNDS	3 385 451 336 €	2 722 258 304 €	663 193 032 €	1 840 060 710 €	54.35%	1 480 157 775 €	54.37%	1 086 470 893 €	32.09%	874 817 767 €	32.14%
TOTAL	11 404 648 986 €	9 395 886 548 €	2 008 762 438 €	7 847 524 005 €	68.81%	6 456 046 085 €	68.71%	2 834 346 264 €	24.85%	2 335 541 411 €	24.86%