

# Implementation of the Structural funds in Bulgaria

## Monthly brief, May 2012

### Horizontal issues and legislative procedures

- The first evaluation under the CCU project “Evaluation of the Structural funds’ implementation in Bulgaria according to the objectives set in the National Strategic Reference Framework 2007-2013” has been concluded. The project is funded under OP “Technical assistance”. The scope of the evaluation was the level of achievement of NSRF’s strategic objectives and priorities and the separate OPs’ contribution to them. The evaluation report also provides for analysis of the existing institutional and legal framework; assessment of the system of indicators used to measure the progress achieved in the implementation of NSRF and OPs and identification of potential problems and risks in the implementation of OPs. Based on these conclusions recommendations for the institutional and legal framework to be established for the next programming period have been drawn. The results of the evaluation were presented to the members of the NSRF Monitoring Committee during a public discussion held on May 29<sup>th</sup>, 2012.
- The second meeting of the Working group for preparation of the Partnership Contract which was held on May 10<sup>th</sup>. During its meeting the WG adopted Internal Rules for its work, as well as an indicative timetable of the items to be discussed by it by March 2013. The other important topic on the agenda was the information on the current state of play of the ex-ante conditionalities, foreseen in Annex IV to the proposal for General Regulation. The responsible institutions for the implementation of the separate conditionalities were also discussed and agreed upon.
- The topic for discussion for the next working group session will be the demarcation lines between OPs for the next programming period. In this regard CCU is organizing preliminary meetings with the line ministries for the preparation of the future OPs with the aiming the establishment and coordination of the demarcation lines.
- In May 2012 the CCU started the setting up of a Working group for the preparation of a draft for the EU funds management Law. It is expected the working group to start its work by the end of June 2012. In accordance with the Concept for its preparation, the bill of the EU funds management Law shall be prepared by the end of December 2012.
- A project proposal “Supporting the process of elaboration of the rules and the procedures for the EU funds management for the programming period 2014-2020” is prepared in order to assist the Central Coordination Unit in the process of preparing the legal basis for the implementation of the next programming period. The project proposal will be submitted for approval under OP Technical Assistance by the end of July 2012.
- In the period 2<sup>nd</sup>-3<sup>rd</sup> May 2012 in Pravetz an experts’ working meeting with representatives of the European Commission was conducted for discussion of Annex IV “Ex-ante conditionalities” of the General Regulation of the European Council where the main issues were related to the necessary steps that the country needs to make in order to fulfill the conditionalities for the next programming period. Experts from DG “Regional policy”, DG “Employment” and DG “Agriculture and Rural Development” in the European Commission presented the conditionalities in the different thematic objectives. Experts from all ministries responsible for the

implementation of the respective conditionalities were invited to participate at the meeting.

- On 19<sup>th</sup> May 2012 a meeting of the Working group for development of the National Development Programme (NDP) was conducted. Proposals for final reorganization of the activities in the 8 priorities of the NDP were discussed at the meeting. The working group was informed for the future steps for the development of the NDP and the terms for their fulfillment. A decision was taken that the relevant ministries will update their parts of the socio-economic analysis of the Bulgarian economy until the 5<sup>th</sup> June and the next draft of the eight priorities of the strategic part of the National Development Programme will be prepared by 10<sup>th</sup> June including the relevant measures and financial data.

### **Information and Publicity**

- Members of the National Network of Information and Publicity Officers attended the meeting of INFORM – the official network of DG Regional Policy, consisting of the communicators of the Operational Programmes, financed by the European Regional Development Fund and the EU Cohesion Fund. The meeting took place in Warsaw, Poland on 10-11 May 2012.
- The participants discussed the preparation of the Information and Communication Guidelines for the next programming period. The representative of the Central Information Office made introductory remarks on the working group for the obligations of the national expert on information and publicity and national information network. The conclusions of all working groups were summarized and published in the relevant sections of the platform Regio Network 2020.
- In May the Central Information Office started the preparation for the second exhibition “Europe for us”, which will take place in Sofia on 16-18 June 2012. All Operational Programmes in Bulgaria, co-financed by the Structural and Cohesion Fund of the European Union, together with the Programme for Rural Development and the Operational Programme for the Development of the Fisheries Sector will be exhibited in separate tents. The event is organised under the auspices of the Ministers of EU Funds Management Tomislav Donchev in cooperation with the EC Representation in Bulgaria, Sofia Municipality and the Bulgarian Economic Forum.

### **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 Burgas, Veliko Tarnovo and Stara Zagora.

- **Activities of DIPs:**

Based on the Monthly reports of DIPs, in April there was a total number of visitors in DIPs – 844; a total of 583 requests for information received, a total of 572 answers of requests of information were sent, there were 425 publications in the media, 146 events with a total number of 8 373 people attended the events organized by DIPs.

- **Trainings and study visits:**

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

1. Introductory training (for the last group of appointed experts) – 14-17 May 2012, in Sofia, with total number of participants amounting to 17.

2. Communication and presentation skills (for the second part of experts, which did not take part in the same training in April) – 28-31 May 2012, in Veliko Tarnovo, with total number of participants amounting to 40.

In addition, the Manager of DIP – Smolyan presented the network at the meeting of the INFORM network.

- **Tender procedures:**

Two tender procedures related to the implementation of activities under Project № 0039-CIO-3.3 continued running in May:

- „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”

The tender procedure “Supply of office furniture” was canceled after the amendments of the Procedures Manual for the work of the 27 DIPs and the respective changes made in project 0039-CIO-3.3. The purchase of office furniture was decentralized and now lies within the responsibilities of DIPs.

### UMIS

- In May the Information and Systems for EU Funds Management Directorate hired an external contractor to carry out a gap-analysis of the UMIS IT environment in order to improve it. The conclusions of the analysis will be provided in June.
- The tender procedure for the further development of UMIS is on-going and will be finalized in June. The tender for providing UMIS trainings was canceled.

### LOTHAR

- The CCU held meetings to discuss the implementation of the Operational programmes and the LOTHAR forecasts with all MAs before the forthcoming Monitoring Committees’ meetings. The main topics of the discussion were the N+2/N+3 goals for 2013.

### 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” OP “Technical Assistance”, OP “Transport”, OP “Environment” and OP “Regional Development”.
- Certifying Authority performed in May 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”, “Human Resources Development”, “Regional Development” and “Transport”. 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.
- The Certifying Authority performed three on-the-spot checks at the level of beneficiary for the following OPs: “Transport”, “Administrative Capacity” and “Human Resources Development”. Reports from the on-the-spot checks are under preparation and will be sent to the relevant Managing Authority for implementation of the recommendations;

- In May 2012, 4 interim payments from the EC were received as result of submitted Applications for payment under OP “Transport” – CF and ERDF and OP “Environment” – CF and ERDF amounting to 40 787 780 EUR.

<b>OP / FUND</b>	<b>Certified expenditure up to 30.05.2012</b>	<b>Interim payments received from EC as per 30.05.2012</b>
<b>ERDF</b>	<b>690 656 680 €</b>	<b>542 955 427 €</b>
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 €	155 488 265 €
5. OP Environment	20 125 466 €	17 106 646 €
<b>CF</b>	<b>391 330 888 €</b>	<b>311 963 791 €</b>
1. OP Environment	77 647 074 €	61 016 739 €
2. OP Transport	313 683 814 €	250 947 052 €
<b>ESF</b>	<b>167 053 530 €</b>	<b>138 574 414 €</b>
1. OP Human Resources Development	127 305 542 €	104 797 482 €
2. OP Administrative Capacity	39 747 988 €	33 776 932 €
<b>Total SCF</b>	<b>1 249 041 098 €</b>	<b>993 493 632 €</b>
<b>Total IPA Cross-border Programmes</b>	<b>349 419 €</b>	<b>297 006 €</b>

### **Operational Programmes**

#### **OP Transport**

- The financial offers for awarding of contract for extension of Sofia Metro project, Stage II, Lot 3 in the section from Tsarigradsko Shose to Sofia Airport were opened on 17 May 2012. Under the project it is envisaged 5 km metro line and 4 metro stations to be constructed.
- On 21 May 2012 a Council for Coordination and Management of EU Funds session was held. During the meeting Annual OP Report for the Transport was presented and discussed among the members of the Council. The Report was coordinated with Central Coordination Unit and some recommendations were given to the MA of OPT.
- On 31 May 2012 the financial offers for awarding of contract for Works of Montana Bypass were opened at the premises of Road Infrastructure Agency.

#### **OP Environment**

- For the purpose of the preparation the OPE for the programming period 2014-2020 according to thematic targets and measures to be funded by the program working group will be set up with the participation of NGOs. On 21 May 2012 an invitation to the NGO sector was published for their participation in the working groups.
- On 8 May 2012 the integrated water cycle project for the town of Vratsa was presented by the Municipality of Vratsa on initial public conference. The total project amount is 136 mln. BGN, Completion date is 01/15/2016.
- The MA of OPE draft Annual Progress Report on the program for 2011, has been submitted to the CCU. CCU provided to comments on the report. Annual report was presented at a meeting in the CoM, held on 21 May 2012.

- On 22 May 2012 was held a meeting on which the progress of the OPE, according to the LOTHAR system was presented.
- On 22 May 2012 a meeting with the MA of OPE, CCU, and NAMRB was held aiming to discuss the possibilities of speeding up the implementation of projects under the program and the respective measures in this direction.
- On 16 May 2012 an opening ceremony of a new sewage system constructed in the city Valchi Dol was held. The project is worth at about EUR 5 million
- On 16 May 2012 started the implementation of the rehabilitation and modernization of the WWTP in Provadia.

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

- It is envisaged a Working group to be formed in order to develop an operational program for regional development for the next programming period in connection with the launch preparation for participation in the Cohesion Policy of the European Union for the programming period 2014-2020. The NGOs were officially invited on 28 May 2012 to apply for participation in activities under preparation of operational program for regional development.
- On 21 May 2012 a Council for Coordination and Management of EU Funds session was held. During the meeting Annual OP Report for the OPRD was presented and discussed among the members of the Council. The Report was coordinated with Central Coordination Unit and some recommendations were given to the MA of OPRD.
- On 21 May 2012 was held a meeting on which the progress of the OPRD according to the LOTHAR system was presented.

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

- In early May 2012 construction works the construction of the 27 regional information centers have been completed.
- Council of Ministers adopted Decision № 328 of April 25, 2012 approving the list of thematic priorities to be included in the Partnership Agreement of the Republic of Bulgaria for the programming period 2014-2020, as well as a list of programs and leading institution for elaboration of each program.
- The Minister for the of EU funds will manage a Working group to develop objectives, priorities and measures in the field of technical assistance and administrative capacity, to be funded during the program period 2014-2020.
- During the period the process of verifying costs received with payments claims of the beneficiaries continued.

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

- On the 1st of May 2012 the structures of the Managing Authority and the Intermediate Body of Operational Programme "Development of the Competitiveness of the Bulgarian Economy" 2007 – 2013 was unified into a single body – Directorate General “European funds for competitiveness”;
- Under the initiative and in cooperation with DG REGIO Ministry of Economy, Energy and Tourism organized and hold a seminar on Smart Specialisation Strategy. The seminar took place in Sofia on the 10th - 11th of May 2012. The presentations made

during the first day were concentrated on the topic of Research and innovation strategies for smart specialisation / RIS-3, more specifically:

1. The EU Policy context for RIS-3;
2. The economic fundamentals of smart specialization;
3. Smart Specialisation: the guide and steps In addition, some good practices from Member states were presented.

The second day was dedicated to a discussion of the local challenges and opportunities in the specific case of Bulgaria:

1. A possible vision for Bulgaria;
2. Strengths, weaknesses and opportunities for Bulgaria;
3. Challenges for research and universities in Bulgaria;
4. Priorities and key actions for 2013-2020;
5. "Sofia Tech" park: A pilot for the future

Nassos Sofos (DG Regional Policy, European Commission), Delian Dobrev (Minister of Economy, Energy and Tourism, Bulgaria), Tomislav Donchev (Minister for EU Funds, Bulgaria) and Kiril Geratliev (DG EFC, MEET) were present and took part in the two-day event.

- The seminar was accompanied by the technical meeting of DGREGIO representatives and MA of OPC during which were discussed the progress in the implementation of the Programme, according to LOTHAR, the future calls and steps concerning the optimization of the implementation process after the administrative reform, as well as future steps, parameters and engagements of MA and MEET in the process of preparation of Smart Specialization Strategy;
- The Minister of Economy, Energy and Tourism, Delian Dobrev, appointed Elitsa Panayotova as a CEO of "Sofia Tech" park, which is the new subsidiary of the national company "Industrial Zones"

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

- In the period 30-31 May was conducted X official meeting of the OPHRD Monitoring Committee. The Annual Implementation Report for 2011 was approved as well as 6 new operations (mainly under Pas 1 and 2) with total budget of 159,485 mln.leva. Further to these were approved amendments in 12 ongoing operations, mainly related to extension of the periods for implementation as well as changes in the budget. One operation was cancelled. In the course of the Agenda was presented the progress of the Programme, the results from the evaluation of the first 6 schemes under OPHRD, information on conducted audits from AA and checks by the CA.
- At its meeting on 21 May the Council for Coordination in EU Funds Management formally conformed to the OPHRD Annual Implementation Report for 2011. The comments provided by the CCU should be reflected in the final version of the Report before its formal submission to EC.
- The annual information event for OPHRD for 2012 was launched on 21 May 2012 in Sofia. The event will took form of a traveling exhibition which will be presented in all 28 towns – district centers. The exhibition show real cases of OPHRD project which significantly had changed the life of Bulgarian citizens.

- The written procedures for decisions of the Monitoring Committee related to approval of amendments of ongoing and approval of new operations that were launched respectively in February and April 2012 were formally completed in late May 2012.
- On 16 May 2012 the Deputy Minister of Labor and Social Policy – Ms. Zornitsa Roussinova presented the progress of OPHRD in front of the Commission on European Affairs and Control of EU Funds of the National Assembly. The significant progress of the Programme in comparison with the last reported data in late 2011 was acknowledged by the members of the Commission.
- In May 2012 the following procedure was launched:
  - BG051PO001-1.2.03 “Stimulation of the start of projects for self-dependent economic activity – Component 2”. The objective is to provide grants for the development of the enterprises registered by the persons who successfully had completed trainings or were provided with support under Component 1 of the scheme. The budget of the operation is 50 mln. BGN, without deadline for submission of project proposals but not later than 31 May 2013;

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

- On 28 May the Minister for EU Funds Management approved amendments in the OPAC Annual Working Programme for 2012 related to inclusion of two new procedures under Priority Axis II (with direct beneficiaries – Ministry of Interior, Court of Auditors and Commission for Information Security) and setting deadline in June for launching the call with direct beneficiary – National Association of the Municipalities in the Republic of Bulgaria.
- On 14 May was conducted regular working meeting with OPAC MA organized by the CCU. At the meeting were discussed the progress and problems detected in the implementation of the Programme, 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 21 May was conducted working meeting on the OPAC progress between the Minister for EU Funds Management, OPAC MA and Mr. Jorgensen and Mr. Hatt from DG “Employment” of the European Commission. The main topics of discussions were the progress in OPAC Implementation Plan, mechanisms to speed up contracting and absorption under the Programme, future challenges, incl. the preparations for the new programming period.
- At its meeting on 21 May the Council for Coordination in EU Funds Management formally conformed to the OPAC Annual Implementation Report for 2011. The comments provided by the CCU should be reflected in the final version of the Report before its formal submission to EC.
- In May 2012 the following procedure was launched:
  - BG051PO001-2.4.08 “Competent Judiciary System and Effective Human Resources Management”. The objective is to increase the qualification of the judges and court assistants for work on cases within the competences of the respective court, as well as to increase the qualification of the administrative management, court servants and administration for better implementation of their functions. The budget of the operation is 7 mln. BGN and is targeted to the courts. The deadline for submission of project proposals expires on 09 July.

- In the reporting period the respective evaluation committee completed its work under the procedure BG051PO002/11/1.5-03 “Transparent and Effective Judiciary” where project proposals from the direct beneficiaries – Ministry of Justice, Public Prosecutor Office, Supreme Judicial Council and Supreme Administrative Court 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 there is potential overlap with preaccession assistance for the projects of Supreme Judicial Council and Supreme Administrative Court thus the MA could proceed with additional information and comparative tables.

Data on OPs financial progress is attached.

**OP Implementation as of 31.05.2012**  
**EURO**

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.05.2012	% implementation	EU funding	% implementation	Total as of 31.05.2012	% implementation	EU funding	% implementation
<b>OP Transport</b>	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 844 550 505 €	92.07%	1 487 465 494 €	91.57%	589 476 102 €	29.42%	480 129 232 €	29.56%
<b>OP Environment</b>	1 800 748 085 €	1 466 425 481 €	334 322 604 €	1 291 235 628 €	71.71%	1 045 518 095 €	71.30%	225 387 250 €	12.52%	182 907 197 €	12.47%
<b>OP Regional Development</b>	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 303 386 045 €	81.40%	1 107 878 138 €	81.40%	385 324 340 €	24.06%	330 753 255 €	24.30%
<b>OP Competitiveness</b>	1 162 215 551 €	987 883 219 €	174 332 332 €	520 832 524 €	44.81%	442 707 645 €	44.81%	291 224 624 €	25.06%	247 540 930 €	25.06%
<b>OP Technical Assistance</b>	56 819 427 €	48 296 513 €	8 522 914 €	32 865 618 €	57.84%	27 935 775 €	57.84%	14 008 487 €	24.65%	11 907 213 €	24.65%
<b>OP Human Resource Development</b>	1 213 869 575 €	1 031 789 139 €	182 080 436 €	918 155 303 €	75.64%	780 432 644 €	75.64%	256 422 149 €	21.12%	218 116 200 €	21.14%
<b>OP Administrative Capacity</b>	180 789 087 €	153 670 724 €	27 118 363 €	122 934 618 €	68.00%	104 494 425 €	68.00%	56 163 272 €	31.07%	47 738 781 €	31.07%
<b>TOTAL SCF</b>	<b>8 019 197 650 €</b>	<b>6 673 628 244 €</b>	<b>1 345 569 406 €</b>	<b>6 033 960 240 €</b>	<b>75.24%</b>	<b>4 996 432 216 €</b>	<b>74.87%</b>	<b>1 818 006 223 €</b>	<b>22.67%</b>	<b>1 519 092 808 €</b>	<b>22.76%</b>
<b>Rural Development</b>	3 278 771 726 €	2 642 248 596 €	636 523 130 €	1 766 061 716 €	53.86%	1 423 269 137 €	53.87%	1 033 650 873 €	31.53%	833 019 239 €	31.53%
<b>OP Fisheries</b>	106 679 611 €	80 009 708 €	26 669 903 €	50 550 810 €	47.39%	37 913 108 €	47.39%	14 810 391 €	13.88%	11 107 793 €	13.88%
<b>TOTAL AGRICULTURAL FUNDS</b>	<b>3 385 451 336 €</b>	<b>2 722 258 304 €</b>	<b>663 193 032 €</b>	<b>1 816 612 527 €</b>	<b>53.66%</b>	<b>1 461 182 245 €</b>	<b>53.68%</b>	<b>1 048 461 265 €</b>	<b>30.97%</b>	<b>844 127 032 €</b>	<b>31.01%</b>
<b>TOTAL</b>	<b>11 404 648 986 €</b>	<b>9 395 886 548 €</b>	<b>2 008 762 438 €</b>	<b>7 850 572 767 €</b>	<b>68.84%</b>	<b>6 457 614 461 €</b>	<b>68.73%</b>	<b>2 866 467 488 €</b>	<b>25.13%</b>	<b>2 363 219 840 €</b>	<b>25.15%</b>