

Implementation of the Structural funds in Bulgaria

Monthly brief, July 2012

Horizontal issues and legislative procedures

- On 10th July 2012 a meeting of the Inter-institutional Working group for development of the National Development Programme: Bulgaria 2020 (NDP: Bulgaria 2020) was carried out. At the meeting the current draft of the NDP was under consideration. It was decided that the final comments of the ministries will be implemented in the strategic part of the document. In addition, the system of indicators of the NDP: Bulgaria 2020 was also discussed and it was decided that the latest available statistical data would be forwarded to the secretariat of the Working group not later than 13th July 2012 in order to be included in the document.
- The third meeting of the Working Group for drafting the EU Funds Law was held during the reported period. The WG members discussed and agreed upon main issues regarding the structure of the future law. The drafting of the separate sections has also been initiated. The Bill is to be presented to the Council of Ministers by the end of 2012.
- On 11 July 2012 the Council of Ministers approved the Agreement between Republic of Bulgaria and European Bank for Reconstruction and Development regarding the provision of project implementation support for projects funded through the EU Structural Instruments.
- On 16th and 17th July 2012 consultations on the financial distribution of the resources for each priority of the NDP: Bulgaria 2020 were held with representatives of the socio-economic partners, syndicates, academic society and non-governmental organizations. The discussions were very useful as a draft of the financial allocations amongst the priorities of the NDP: Bulgaria 2020 was presented and all different partners were able to express their opinion on the fields, where the majority of the resources should be distributed in the period until 2020.
- During the period 16th – 19th July 2012 meetings between the Chairmen of the Inter-institutional Working group and the responsible deputy-ministers of the line ministry for each priority of NDP: Bulgaria 2020 were held. These meetings were very important as the representatives of the ministries were asked to make the final corrections of the strategic part of their priorities, after which it will be officially finalized in the next meeting of the Inter-institutional Working group.
- On 19th July 2012 a seminar for two of the strategic evaluations of the NDP: Bulgaria 2020 was carried out. Representatives from socio-economic partners, syndicates, academic society and non-governmental organizations were invited. The consultant's team for analytical support of the elaboration of NDP: Bulgaria 2020 presented their analysis on the compatibility of the document with other strategic documents on European and national level, including Europe 2020, Convergence Programme and National Reform Programme. In addition, evaluation of completed national strategies, including their results and recommendations was also presented at the seminar.
- On 20 July was held meeting of the National Horizontal Steering Group of experts for evaluation of NSRF and OPs. The main subjects of discussions were the Final version of the evaluation report "Analysis of the procedures for calls for proposals and projects evaluation criteria under the 7 Bulgarian OPs" which was prepared in the

scope of the ongoing evaluation of the NSRF. Further to these with representatives of the National Statistical Institute was discussed the fulfillment of the horizontal ex-ante precondition №7 on the availability of reliable statistical data for the new programming period.

- On 25 July 2012 the Council of Ministers approved the template of Project Implementation Support Service Agreement with the European Investment Bank in implementing the Memorandum of Understanding between the Government of the Republic of Bulgaria and the European Investment Bank, signed on January 22, 2012.
- On 26 July 2012 were signed the first two Agreement for the provision of advisory services by the World Bank. One of the signed Agreements was between the World Bank and the Ministry of Regional Development and Public Works for support of the preparation of strategic documents in the water sector. The second one was between the World Bank and the Ministry of Economy, energy and tourism for support in the elaboration of Smart Specialisation Strategy.
- On 27-28 July, the Minister, responsible for management of EU Funds and CCU representatives took part in an informal meeting of high level regarding the future OP Regional Development. The main topics of discussion were the scope, activities, beneficiaries and the establishment of the demarcation line with the other programs. In the meeting took part also the Minister of Regional Development and Public Works, Minister of Environment and Water, Minister of Economy, Energy and Tourism, deputy-ministers and of the Managing Authorities, Certifying Authority etc.
- During the reported period a project proposal “Support to the CCU in the elaboration of the procedures and the rules for the EU funds management for the programming period 2014-2020” was submitted for approval under OP Technical Assistance. The main aim of the project is to support the Central coordination unit in the process of preparing the legal basis for the implementation of the CSF Funds in the next programming period.
- On 26th July 2012 a seminar for presentation of the ex-ante evaluation of the NDP: Bulgaria 2020 was held for the members of the Inter-institutional Working group. The consultant’s team introduced the whole process of the ex-ante evaluation, which was made in parallel with the actual elaboration of the document. It was followed by a discussion on the main findings of the evaluation.
- On 26th July 2012 the final draft of the NDP: Bulgaria 2020, analysis of the financing of the document, the system of indicators, the mechanism for monitoring and control of NDP: Bulgaria2020 and the plan for further evaluation of the document were discussed and approved by the members of the Inter-institutional Working group for development of the NDP: Bulgaria 2020.
- A draft of Council of Ministers Decision for the implementation of the ex-ante conditionalities in Bulgaria, included in the Proposal for General Regulation for the next programming period and the terms for their fulfillment was elaborated.

Information and Publicity

- On 19th and 20th July 2012 a discussion forum/training “Effective Communication Campaigns Pursuant to the Public Procurement Law” took place. The forum was designed to present the view of the professionals in the field of integrated communication campaigns for effective planning, organization and implementation of information and publicity measures of the operational programmes and the use of data from sociological studies by the public administration.

- The presentations were delivered by representative of the Bulgarian Association of PR Agencies, Bulgarian Association of Communications Agencies, Bulgarian Public Relations Society and Bulgarian Association of Marketing and Opinion Researchers.
- The information and publicity officers of the operational programmes, representatives of the Managing Authorities of the OPs, the PR Departments and the policy cabinets of the ministries with OPs took part in the training. Representatives of the Public Procurement Agency and the Audit Authority were also present.
- Both parties concluded that the forum was a success and the initiative should be continued.
- In July a contract for the development of the Single Information Web Portal www.eufunds.bg was signed. It regards the update of the functionalities the portal.

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 Lovech (2 visits), Veliko Tarnovo, Targovishte, Varna, Shumen, Plovdiv (2 visits), Stara Zagora, Sliven, Burgas.

Activities of DIPs:

Based on the Monthly reports of DIPs, in July 2012 there were:

- a total number of visitors in DIPs amounting to **1091**;
- a total of **1166** requests for information received,
- a total of **1130** answers of requests of information were sent,
- **742** publications in media,
- **86** events with a total number of **3180** people invited,
- **1801** were present at organized by DIPs events.

Trainings and study visits:

Representatives of DIPs took part in the Annual meeting of information networks organized by the Representation of the European Commission in Bulgaria. The meeting took part in Plovdiv in the period 4-6 July.

DIP – Plovdiv and DIP – Lovech accepted the Minister of EU Funds Management, Tomislav Donchev as a visitor this month. The aim of the visit in DIP - Plovdiv was to check the status of the office – its furniture and technical equipment, availability of information materials, as well as the information services provided. In Lovech, Minister Donchev took part in a meeting with the mayors from the municipalities in the district. The visits of the minister met large public interest.

Tender procedures:

The tender procedure “Supply of computer and office equipment” was finalized in July, a supplier was selected. The contract is to be signed and supply of the computer and office equipment to be carried out in the following two months.

UMIS

The CCU organized a meeting of the working group for the development of UMIS to discuss the modifications proposed by the MA’s. The approved modifications will be presented to the developer of UMIS once the contract is signed. Representatives of the CCU took part in discussion with the OP HRD on how to best reflect the new “Integra” procedure in UMIS. The CCU undertook its first steps towards the development of the Information system for the

next programming period with the preparation of the tender procedure “Analysis of the development of UMIS 2020”.

Certifying Authority

- Certifying Authority finalized the desk checks on Reports on Certification and Statements of Eligible Expenditures, submitted by Managing Authorities of OP “Human Resources Development”, OP “Administrative Capacity”, OP “Development of the Competitiveness of the Bulgarian Economy” and OP “Regional Development”. The desk checks on Report on Certification and Statements of Eligible Expenditures of OP “Transport” is on-going.
- Certifying Authority performed in July on-the-spot checks at the Managing Authorities of OP “Transport” and OP “Development of the Competitiveness of the Bulgarian Economy”. The report from the on-the-spot checks at the OP “Development of the Competitiveness of the Bulgarian Economy” is sent to the Managing Authority for implementation of the recommendations. The report from the on-the-spot checks of the OP “Transport” is under preparation.
- The Certifying Authority performed five on-the-spot checks at the level of beneficiary for the following OPs: “Environment”, “Human Resources Development”, “Technical Assistance” and two on-the spot checks for IPA Cross-border Program Bulgaria - Macedonia. Reports from the on-the-spot checks with the exception of the report for OP “Environment” are submitted to the relevant Managing Authority for implementation of the recommendations.
- The Certifying Authority submitted to the European Commission three Certificates under the following OPs: one for “Administrative Capacity”- amounting to 4 794 685 EUR, one for “Human Resources Development” amounting to 27 089 828 EUR and one for OP “Regional Development” amounting to 71 080 074 EUR as well as three Certificates under the following IPA Cross-border Programs: one for IPA Cross-border Program Bulgaria – Turkey amounting to 336 802 EUR, one for IPA Cross-border Program Bulgaria – Macedonia amounting to 240 940 EUR and one for IPA Cross-border Program Bulgaria – Serbia amounting to 249 839 EUR.
- In July 2012, six interim payments from the EC were received as a result of submitted Application for payment under: OP “Environment” – ERDF amounting to 7 354 457 EUR, OP “Environment” – CF amounting to 16 906 519 EUR, OP “Regional Development” amounting to 59 845 393 EUR, OP “Technical Assistance” amounting to 838 142 EUR, OP “Transport” – ERDF amounting to 536 230 EUR and OP “Transport” – CF amounting to 43 575 054 EUR.

OP / FUND	Certified expenditure up to 31.07.2012	Interim payments received from EC as per 31.07.2012
ERDF	827 829 369 €	611 529 717 €
1.OP Competitiveness of the Bulgarian Economy	339 072 070 €	211 572 602 €
2. OP Regional Development	249 936 850 €	211 806 242 €
3. OP Technical Assistance	9 017 890 €	7 665 206 €
4. OP Transport	201 024 791 €	156 024 564 €
5. OP Environment	28 777 768 €	24 461 103 €
CF	467 326 421 €	372 445 364 €
1. OP Environment	98 874 113 €	77 923 258 €
2. OP Transport	368 452 308 €	294 522 106 €

ESF	226 833 411 €	161 926 021 €
1. OP Human Resources Development	182 290 738 €	128 149 089 €
2. OP Administrative Capacity	44 542 673 €	33 776 932 €
Total SCF	1 521 989 201 €	1 145 901 102 €
Total IPA Cross-border Programmes	1 176 999 €	297 006 €

Operational Programmes

OP Transport

- On 5 July 2012 Monthly Progress Meeting regarding railway projects implementation was held at the premises of the Ministry of Transport, Information Technologies and Communications. Representatives from MA, CA and AA have participated during the meeting.
- On 1 July 2012 Trakia Motorway Lot 2 (Stara Zagora to Nova Zagora) was officially opened and set into operation. On 12 July 2012 Trakia Motorway Lot 3 (Nova Zagora to Yambol) was also set into operation.
- On 23 July 2012 on-the-spot check on Sofia Metro Extension project, Stage II was performed by the Minister of Transport, Information Technologies and Communications and Sofia Municipality Mayor.
- On 30 July 2012 the Central Coordination Unit sent letters to Jaspers for issuing of completion notes for two AFs (Vratsa By-pass, and Sofia Metro Extension project, Stage II Lot 3).

OP Environment

- On 11th July 2012 grand contracts for construction of regional systems for waste management in Lukovit and Razlog regions have been signed. The total project value for Razlog is EUR 6,23 M and for Lukovit – EUR 7,98 M)
- On 12th July 2012 have been signed grand contracts for the improvement and development of water and wastewater infrastructure for Veliki Preslav and Svishtov municipalities. . The total project amount for Veliki Preslav is EUR 5,57 million and for Svishtov – EUR 14,93 M.
- On 13th July 2012 the Minister of Management of EU funds, the Minister of Environment and Water and the Mayor of Gabrovo attended the groundbreaking ceremony for the water infrastructure project in Gabrovo. The value of the grant is EUR 60,03 M.
- On 17th July 2012 three grant contracts for construction and reconstruction of the sewage networks Cherven Briag and Novi Pazar Municipalities have been signed. The project total value for Cherven Briag is EUR 12,78 M and for Novi Pazar – EUR 18,92 M.
- On the same date grant contract for construction of a regional waste management system of Aksakovo has been signed. The total project value is EUR 16, 36 M.
- Under the initiative of the MOEW have been developed guidelines for the integration of environmental policy during the programming period 2014 – 2020. The document suggests priority measures that have to be funded under the operational programs during the new programming period. The document is being coordinated with the relevant authorities and will be subjected of public consultation before being submitted for approval by the Council of Ministers.

- On 22nd July 2012 the project for planning and management of the natural park "Golden Sands" of the Nature Park "Golden Sands" was approved. Its value is almost EUR 1,5 M.
- On 27th July 2012 the second contract for the reconstruction of WWTP under the major project for the water cycle in Gabrovo has been signed. Its duration is 42 months.
- In July a draft of Order of the Minister of the environment and water aiming to set up a working group was prepared according to the Decree № 5/18.01.2012, for development of operational program in sector "environment" for the programming period 2014-2020.

OP Regional Development

- The second Evaluation Committee under the scheme BG161PO001/1.1-04/2008 "Support to ensure adequate and efficient infrastructure of the labor offices, contributing to sustainable development of urban areas" with specific beneficiary Employment Agency completed its work in July 2012. Two project fiches were approved for funding in the total amount of EUR 362 622. One project was included in the reserved list due to budget limitations.
- On 12 July 2012 the scheme BG161PO001/3.2-03/2012 "Support for Regional Tourism Product Development and Marketing of Destinations II" has been launched. The specific objectives of the scheme are: support for tourist destinations with significant potential, promoting the natural, cultural and historical heritage; economic diversification of the area or region; attracting new market segments for specific regional products and the potential use of domestic demand; effective use of modern tools and techniques to reach the tourist markets. Eligible applicants are all 264 municipalities in Bulgaria. Important requirement is that the applicants should apply under partnership between at least two municipalities aiming at formation of tourist area, formation of joint tourist product and implementation of regional marketing and advertising. Projects under the scheme will be implemented in the Republic of Bulgaria as well as in UK, Germany, Greece, Romania, Russia, Serbia, Turkey, Ukraine, Czech Republic and Sweden. The budget of the scheme is EUR 3 M.
- With regard to the preparation of the future regional development programme 2014 - 2020, on 17 July 2012 was organized a seminar with the participation of the Partnership Agreement Working Group members. During the seminar the draft analysis of regional development in Bulgaria was presented and discussed.
- The grant contracts for Integrated Urban Transport Projects of Varna, Stara Zagora, Pleven and Plovdiv under the scheme BG161PO001/5.1-03/2011 "Support for integrated urban transport in the five cities" were signed in July 2012. On 26 July the AF of Varna Integrated Urban Transport Project was submitted to the EC for approval through the SFC 2007 System.

OP Technical Assistance

- During the period continued process of verifying the costs of beneficiaries from the received requests for payments;
- During the period the first contracts for the supply of furniture and Multitouch surface units in the regional informational centers were signed;

- The documents from the Tenth Official Meeting of the Monitoring Committee were published on the section of the "OP Technical Assistance" in the information portal for structural funds - www.eufunds.bg and the whole section was actualized;
- Mrs Livia Chirita, director of Technical Assistance directorate in the Ministry of European Affairs in Romania, was on a working visit to the Operational Programme "Technical Assistance" in Bulgaria. The purpose of the visit was to share experience in managing EU funds, progress in implementation of operational programs, problems and measures to address their programming for the next programming period, and others.
- The presented institution in the working group for development objectives, priorities and measures in the field of technical assistance and administrative capacity presented their proposals for the objectives, priorities and measures in the field of administrative capacity and technical assistance which have been summarized and sent electronically to members of the working group for notes and comments. Currently the working group members send their comments on the proposal summary.

OP Development of the competitiveness of the Bulgarian economy

- In the period 9-25 July 2012 were held information days across the country to present opportunities for submitting proposals under Operational Programme "Competitiveness of Bulgarian Economy" 2007-2013: BG161PO003-2.3.02 "Energy efficiency and green economy". The Managing Authority (MA) of Operational Programme "Competitiveness of Bulgarian Economy" 2007-2013, and the Contracting Authority under the procedure presented to all stakeholders, incl. citizens and media program "Energy efficiency and green economy" in Vratsa, Veliko Tarnovo, Varna, Burgas, Stara Zagora, Plovdiv and Sofia.
- The Managing Authority of Operational Programme "Competitiveness of the Bulgarian economy" 2007-2013 published a call for participation of NGOs in the selection of representatives of the NGO sector working group preparing the new Operational Programme for Innovation and Entrepreneurship for the programming period 2014-2020 .
- The Managing Authority of Operational Programme "Competitiveness of the Bulgarian economy" 2007-2013 published the results of the written procedure for decision making (on 04.07.2012 - 16.07.2012). The Monitoring Committee took the following decisions:
 1. The beneficiaries of the contracts procedure for granting financial assistance BG161PO003-2.1.06 "Technological modernization in small and medium enterprises", on an individual basis and where justified, will be given the opportunity to extend to six months the deadline for implementation of activities.
 2. The beneficiaries of the contracts procedure for granting financial assistance BG161PO003-2.1.12 "Internationally recognized standards and implementation of management systems in enterprises", on an individual basis and where justified, will be given the opportunity to extend to 6 months of the completion period of activity.
 3. OP "Competitiveness" authorize MA to take further appropriate responses on collective and individual basis to extend the terms of contracts for financial assistance under priority axes 1, 2, 4 and 5 of the operational program in accordance with the rule N +3 / N +2 in accordance with Art. 93 of Regulation (EC) №

1083/2006 and these actions should be treated as a permissible amendment of an approved criteria by the Monitoring Committee in place procedures for grants.

4. OP "Competitiveness" approved the proposal to increase the budget of the procedure BG161PO003-1.1.05 "Development of innovation start-ups" with the value of the grant needed to fund project proposals passed all stages of assessment for which no funding reaches.

5. The Monitoring Committee of OP "Competitiveness" authorized the MA under the available funds under the priority axis of the operational program and according to the quality of submitted proposals, passed all stages of assessment, for which funding is not reached, to increase the budget of the procedures announced in the period 2011 - 2013, including over 50%,. The MA has to conclude additional contracts for the provision of grants, and these actions should be treated as a permissible modification of criteria approved by the Monitoring Committee in place procedures for grant financial assistance.

- On the website of the program was published updated operational guidance for the implementation of contracts for grants under the procedure for granting financial assistance BG161PO003-2.1.13 "Technological modernization in small and medium enterprises";
- On the website of the program was published updated operational guidance for the implementation of contracts for grants under the procedure for granting financial assistance BG161PO003-2.3.01 "Investment in" green industry ".

OP Human Resources Development

- In the course of the month were conducted regular working meetings under the respective OPHRD Priority Axis 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.
- In July 2012 the following procedures were launched:
 - BG051PO001-7.0.07 "Without Frontiers – Component 1" – Phase 2. The procedure was opened on 25.07.2012. The objective is to create platform which to allow all key organizations and institutions to use EQUAL experience and to exchange ideas and plans for better utilization of ESF funds in the areas of employment, education and training, social inclusion. The deadline for submission of project proposals is 25.10.2012, the total budget of the procedure is 26,7 mln.BGN;
 - BG051PO001-1.1.10 "Qualification and motivation for competitive inclusion at the labor market". The total budget of the operation is 6,9 mln. BGN and the objective is to provide training for unemployed on key competences and for achieving or increasing professional qualification. The participants will also undergo motivation training and plans for their professional development will be provided which to support the process of their integration on the labor market. The deadline for submission of project proposals is 28.09.2012.

- BG051PO001-1.1.11 “Support for employment”. The total budget of the operation is 80 mln. BGN and the objective is to stimulate the employers to ensure employment people from risk groups on the labor market. The deadline for submission of project proposal is 03.09.2012.

OP Administrative Capacity

- In July 2012 the following procedures were launched:
 - BG051PO002/12/2.2-05 “Competent and effective State Administration. The objective is increasing through trainings the qualification of the servants in the local administrations of the Municipalities. Direct beneficiary of the procedure is the National Association of the Municipalities in the Republic of Bulgaria. The deadline for submission of project proposal is 03.09.2012, the total budget of the procedure is 5 mln. BGN;
- In the beginning of July the Minister for EU Funds Management approved amendments in the OPAC Annual Working Programme for 2012 related to inclusion of 2 new calls under PA 2 with total budget of 40 mln. BGN (for trainings of central, regional and local administrations) as well as amendments in 2 operations planned for launching in June 2012, related to change of the respective beneficiaries.
- Under the procedure BG051PO002/11/1.5-03 “Transparent and Effective Judiciary” the check on potential overlap and double financing with other funds and Programmes was completed as the Supreme Judicial Council provided additional justification on the lack of overlap with projects of the same beneficiary under Phare and Transition Facility. The Managing Authority will proceed with signing of contract with the selected beneficiary.

Implementation of ex-ISPA/CF 1164

- On 1 July 2012 Plovdiv-Svilengrad railway project – Plovdiv-Dimitrovgrad section was officially opened and set into operation.

Data on OPs financial progress is attached.

OP Implementation as of 31.07.2012

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted				Payments			
	Total	EU Funding	National co-funding	Total as of 31.07.2012	% implementation	EU funding	% implementation	Total as of 31.07.2012	% implementation	EU funding	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 899 593 918 €	94,81%	1 532 626 249 €	94,35%	663 942 264 €	33,14%	540 106 442 €	33,25%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	1 552 457 942 €	86,21%	1 260 772 609 €	85,98%	240 904 643 €	13,38%	195 677 444 €	13,34%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 401 578 751 €	87,53%	1 191 332 945 €	87,53%	421 716 737 €	26,34%	362 740 338 €	26,65%
OP Competitiveness	1 162 215 551 €	987 883 219 €	174 332 332 €	632 474 514 €	54,42%	537 603 336 €	54,42%	311 270 529 €	26,78%	264 579 950 €	26,78%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	34 763 013 €	61,18%	29 548 561 €	61,18%	16 069 909 €	28,28%	13 659 423 €	28,28%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	926 701 817 €	76,34%	787 697 180 €	76,34%	286 090 829 €	23,57%	243 328 975 €	23,58%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	124 414 590 €	68,82%	105 752 401 €	68,82%	58 281 078 €	32,24%	49 538 916 €	32,24%
TOTAL SCF	8 019 197 650 €	6 673 628 244 €	1 345 569 406 €	6 571 984 544 €	81,95%	5 445 333 282 €	81,59%	1 998 275 990 €	24,92%	1 669 631 487 €	25,02%
Rural Development	3 279 564 409 €	2 642 248 596 €	637 315 813 €	1 839 542 975 €	56,09%	1 482 064 588 €	56,09%	1 066 351 804 €	32,52%	859 127 658 €	32,52%
OP Fisheries	101 168 996 €	75 876 747 €	25 292 249 €	52 536 864 €	51,93%	41 150 855 €	54,23%	15 968 802 €	15,78%	13 658 520 €	18,00%
TOTAL AGRICULTURAL FUNDS	3 380 733 405 €	2 718 125 343 €	662 608 062 €	1 892 079 839 €	55,97%	1 523 215 443 €	56,04%	1 082 320 607 €	32,01%	872 786 179 €	32,11%
TOTAL	11 399 931 055 €	9 391 753 587 €	2 008 177 468 €	8 464 064 383 €	74,25%	6 968 548 725 €	74,20%	3 080 596 596 €	27,02%	2 542 417 666 €	27,07%