

Implementation of the Structural funds in Bulgaria

Monthly Brief, October 2012

Horizontal issues and legislative procedures

- Two meetings of the Working Group for drafting the EU Funds Law were held during the reported period. The WG members discussed the first draft proposals for provisions in the fields of financial corrections, reporting irregularities, financial instruments, community-led local development, selection of contractors by beneficiaries governed by private law;
- One focus group on optimization of the rules and procedures for implementation of programmes under the CSF Funds for next programming period were conducted with representatives of the business. The main issues and proposals discussed by the WG for drafting the EU Funds Law were presented at the focus group with aim to receive feedback form this important group of potential beneficiaries;
- In October held second informal meeting of high level. Subject of discussion were the future OP for regional development. The meeting was held jointly with Minister of EU funds management, Minister of Regional Development and Public Works, Minister of Environment and Water, Minister of Transport, Information Technology and Communications, Minister of Economy, Energy and Tourism; representatives of the Central coordination unit, Managing Authorities, Certifying Authority;
- The contractor elaborated draft country summary socio-economic analysis and an analysis of the regional disparities and development needs. The project team also formulated draft strategy for the purposes of the Partnership Agreement, to be discussed during the Fourth Meeting of the Working Group for drafting the Partnership Agreement, scheduled for 7th November 2012.
- Operational review of the progress on implementation of the ex-ante conditionalities for EU funds (Annex IV of the draft general regulation), performed in the Secretariat of the national Working Group on the Partnership Contract.
- Draft version of the National Programme for Development: Bulgaria 2020 was sent to the members of the Council: all ministers of the government. The draft has been prepared by the Working Group at the Council for Development. The current procedure is final preparatory step for the meeting of the Council for Development for official approval of the document.
- Brochure on the “Cohesion Policy and Social-Economic Development of Bulgaria” was elaborated and issued both in English and Bulgarian languages. The brochure includes information about the impact from the Structural funds on the Social-Economic Development of Bulgaria, estimated model SIBILA (Simulation (model) of Bulgaria's Investment in Long-term Advance), financial information about the implementation and the results achieved by the Operational programmes.
- On 25.10.2012 in the Council of Ministers the Third technical meeting with the International Financial Institutions, the European Commission and the relevant Bulgarian authorities was held. During the meeting the progress in the implementation of the measures, included in the IFT's Action Plan, future steps and the possible solutions of problems have been discussed.

Operational Programmes

OP Regional Development

- On 24.10.2012 was signed the grant contract "Development of high-speed broadband in the Republic of Bulgaria, by building critical, secure, safe and reliable public ICT infrastructure" under the scheme BG161PO001/2.2-01/2011 amounting to 20 MEUR. The beneficiary is EA "Electronic communications networks and information systems" within the Ministry of transport. These funds will provide a next generation broadband access for the needs of an e-government. The project will ensure the development of services for citizens and businesses in economically disadvantaged areas of the country.
- On 25.10.2012, were sign grant contracts on approved proposals of municipalities of Genral Toshevo, Godech, Kotel, Tervel and Malko Tarnovo under Component 2 "Hospital for active treatment, with the possibility of separation of medical centers" under the scheme BG161PO001/4.1-05/2011 "Support for reconstruction/renovation and equipment of municipal hospitals in communities outside the urban agglomerations." On the territory of this 5 municipalities there are small hospitals (with less than 1,200 patients) which under the decision of the owner /municipal council of the municipality/ will be closed. The creation of municipal health centers (hospitals for specialized outpatient care at least three doctors with different specialties recognized with ten beds for patients staying up to 48 hours) will be funded under this condition. The investment will be focused on the supply of appropriate equipment (including the purchase of ambulances/ambulances) and construction and repair of buildings/premises of old the municipal hospitals for differentiation of medical centers in accordance with the Concept of restructuring of hospital care system of the Republic of Bulgaria for the period 2010-2017. The grant amount is 2.5 MEUR.
- During the September 2012 the Directorate General "Programming of Regional Development" published a notice in order to hire premises for a period of three (3) years with a net usable area of 1,700 square meters in order to ensure smooth and successful implementation work processes linked to the implementation of the Operational Programme "Regional development" 2007-2013. The evaluation commission has completed its work with the selection of a suitable building which meets the requirements. The building is on "Todor Alexandrov" boulevard, № 109.
- Two written procedures of the Joint Monitoring Committee were held as following:
 - ✓ In the period 04-09.10.2012 a decision was took for reallocation of funds under the Priority Axis 5 "Technical Assistance". The amount of 6.3 MEUR was redirected to Operation 5.3. "Capacity Building of OPRD beneficiaries" in order to increase the total financial resources under the scheme BG161PO001/5-02/2012 "In support of the next programming period" to 14,03 MEUR.
 - ✓ In the period 17-25.10.2012 a decision was took for determining the directorate "Technical regulations and standards" within the MRDPW as a beneficiary under ORRD. The directorate will perform analyses, issue studies and update the current regulations in order to support the future operational program Regional Development 2014-2020. The directorate will be responsible for the development of modern regulatory framework in the design and construction of buildings for public services and energy efficiency.

OP Environment

- On 02.10.2012 the National Directorate for Conservation of Nature within the MOEW submitted draft proposal for technical support implementation of activities in protected areas which are exclusively state property. The specific objective is to ensure the implementation of activities under the structure and management of the protected areas of the National Parks and the Regional Inspectorates of Environment and Water. The total amount of the grant is 3, 78 MEUR.
- On 05.10.2012 the ground breaking ceremony of Phase 3 of water project for Gabrovo was held.
- On 05.10.2012 was open tender procedure for preliminary environmental assessment of the OP Environment, which will be implemented during programming period 2014-2020. Deadline for submission is 26 November 2012.
- On 08.10.2012 was held the ground breaking ceremony under the water project in Parvomayci within Gorna Oryahovitsa Municipality. The total amount is 6, 1 MEUR.
- On 19.10.2012 the 4th construction contract was signed within the water project of Gabrovo. Time for implementation of the activities is two years.
- On 19.10.2012 was held the second meeting of the working group for the preparation of the OP for Environment for the next programming period.
- In accordance with Art. 33 of Regulation (EO) № 1083/2006, the proposal for amendments of the OPE was submitted for review and approval by the European Commission via SFC on 26.10.2012. Before that, the proposal has been approved by the Monitoring Committee of the OPE by written decision-making procedure, held during the period 27.09 - 10.10.2012.
- On 27.10.2012 a contract for construction of waste water treatment plant of Petrich was signed. The total project value is 12, 27 MEUR.
- On 31.10.2012 a contract for "Reconstruction of water supply system and sewerage reconstruction of Vratsa – Stage I" within the Integrated Water Cycle Project of Vratsa. The contract value is approximately 18 MEUR.

OP Transport

- On 10.10.2012 REA commenced an open procedure for awarding of contractor for design and construction of the project "Northern Speed Tangent from km 0 +000 to km 16 +540" (Lot 2 from Construction of Kalotina-Sofia Motorway project). The deadline for submission of offers is 19 November 2012.
- On 17.10.2012 the Council of Ministers has agreed that the Minister of Transport and Communications and the Head of the Managing Authority of OPT to sign a contract for the provision of EC grants to "Metropolitan" JSC before the final approval of the project by the European Commission and subject to overbooking of the budget of priority axis 3 "Improvement of intermodality for passengers and freight". The contract is for the implementation of the "Sofia Metro Extension Project: Stage III Lot 1 "Tsarigradsko Shose Blvd. – Sofia Airport" and Lot 2 "Mladost 1 RD – Business Park in Mladost 4". Related Decision Ref. No 910 of the Council of Ministers was issued on 05 November 2012.
- On 25.10.2012 the Chairman of the RIA Mr. Lazar Lazarov and Mr. Peter Harrold, Country Director of the World Bank for Central Europe and the Baltic States, signed

an agreement to provide consulting services between the Road Infrastructure Agency and the International Bank for Reconstruction and Development. The agreement is under the initiative of Bulgarian government to use EU funds to cover the cost of analytical and advisory services provided by the European Investment Bank, European Bank for Reconstruction and Development and the World Bank. The approval of the related AF for the World Bank TA to RIA, funded under OPT, is expected. The event was attended by Lilyana Pavlova, Minister of Regional Development and Public Works, Tomislav Donchev, Minister of EU Funds Management and Lazarinka Stoichkova, board member of the RIA.

- On 29 October 2012 the tender for rehabilitation (design, supply and construction works) of Sofia Railway Station project was opened. 6 offers in total were received. The deadline for completion of the work of the committee is 15 February 2013. Duration of the contract with the awarded company will be 26 months.
- The offers of seven out of eight short-listed companies for awarding of contract for design and construction works for Struma Motorway, Lot 2 project were opened on 31 October 2012 in Road executive Agency. One of the offers were not accepted and opened due to non-conformity with the requirements (transparent envelope).