

## Implementation of the Structural funds in Bulgaria

### Monthly brief, February 2013

#### *Horizontal issues*

- The Expert Working Group to the Interdepartmental Working Group for resource support of Roma integration with EU Funds has its second meeting on 05.02.2013 and the plan of integration operations for 2014-2020 was clarified to great extent. In this respect on 26.02.2013 was held a special meeting of the Interdepartmental Working Group when the Plan was agreed in its current version, having in mind that the work should continue mainly in terms of clarification of the financial resource needed for supporting the identified interventions.
- In the period 27-28 February in Sofia were conducted pilot tests of the new approach to result indicators post 2014 in the current OP Environment and OP Transport with participation of representatives from DG “Regional and Urban Policy” Evaluation Unit. The tests showed the deficiencies in the current set of indicators and provided substantial background for programming the new OPs in terms of result indicators.

#### *Horizontal issues and legislative procedures*

- On 6 February 2013 was held the first technical meeting with the responsible EC services related to the next programming period. During the meeting were discussed the first drafts of the Analysis and Strategy for the purpose of the Partnership Agreement. The results of the discussions were summarized in a negotiation box that includes the main issues subject of further negotiations between the Republic of Bulgaria and the European Commission;
- In accordance with the provisions of Article 53b(3) of the amended Financial Regulation, on 14 February 2013 the CCU submitted through the SFC 2007 the Annual Summary for 2012 in relation to Structural Actions and the European Fisheries Fund;
- On 1 March 2013 was adopted a new CoM Decree which regulates the Rules on Grants Award and Selection of contractors by private bodies. The Decree provides cancellation of CoM Decree No 55/2007 and optimization and simplification of the process related with contractor selection by the private bodies in order to improve the effectiveness and efficiency of spending of EU funds by these beneficiaries.
- Based on the EU MFF Council decision, the CCU proposed a financial model for the distribution of the financial resource for the country among the 11 thematic objectives. Several meetings and consultations were conducted with the Managing Authorities, in order to clarify the methodological proposals and provide grounds for decision-making. The three scenarios under discussion were tested using the possibilities of the SIBILA model in order to assess investment impact.
- On 28 th February 2013 the international consortium engaged with the technical assistance for the elaboration of the Partnership Agreement completed draft outputs, concerning all the elements of the PA according to the draft Template.

- The contractor to perform “Ex-ante evaluation of the Partnership Agreement” financed under 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” produced Inception Report and first draft evaluation of the strategic elements of the Partnership Agreement.
- The adopted by the Council of Ministers Addendum of the Memorandum of Understanding between the Government of the Republic of Bulgaria and the World Bank on Partnership and Support in the implementation of the EU Structural Instruments was signed by the Minister of Management of EU funds.
- A sub-working group for the ex-ante conditionalities for EU funds (Annex IV of the draft general regulation) with participants from all concerned ministries/directorates was established within the national Working Group on the Partnership Contract.
- Amendment of the Decision № 668 / 06.08.2012 for the ex-ante conditionalities was adopted on the 14 February 2013. The conditionalities for agriculture and rural development and the fishing sector were included in the Decision with this amendment.
- In February further simulations with the econometric model SIBILA were made in order to support the Minister of Management of EU funds for the meeting for the discussions of the Multiannual financial framework, debated in Brussels. Several different scenarios were produced some of them based on the methodology presented by the UIG Consortium as well as others based on “Programming of EU funds directorates” expert estimations.
- The documents for amendment of the Council of Ministers Decision No 110/03/06.2010 for the establishment of the Council for Development were prepared. With the amendment it will be established a mechanism for the management, monitoring and control of the National Development Programme Bulgaria 2020.

### ***Information and Publicity***

- On 12 February 2013 training for the administrators of the new functionality of the Single Information Web Portal [www.eufunds.bg](http://www.eufunds.bg) for uploading tender documentations of procedures under the Procurement Law and Council of Ministers’ Decree 55 took place. 14 participants from the Managing Authorities attended the training. Following the training, the new module of [www.eufunds.bg](http://www.eufunds.bg) became functional on 15 February 2013 thus decentralising the process of publishing tender documentations.
- On 22 February 2013 an interdepartmental working group was established for the elaboration of the new National Communications Strategy for the next programming period 2014-2020. Members of the working group are representatives of all operational programmes as well as representatives of the professional organizations in the field of PR, communications, sociology and marketing research. The intensive work on the elaboration of the strategy will begin in March 2013.

### ***Central Information and Coordination Office (CICO)***

#### **Activities of DIPs:**

Based on the Monthly reports of DIPs, in February 2013 there were:

- a total number of visitors in DIPs amounting to 1 285 (until now total of 13 389);
- a total of 1 496 requests for information received (until now total of 13 159),
- a total of 1 497 answers of requests of information were sent (until now total of 12 949),
- 721 publications in media (until now total of 7 341),
- 105 events with a total number of 3 597 people invited (until now total of 1 076 events/39 554 people invited),
- 2 525 were present at organized by DIPs events (until now total of 30 041).

### ***Trainings, study visits, events, organized by CICO:***

Training for management skills (upgrade) took place during the period. A total of 26 managers divided in two groups participated in the training. The seminars took place on 6-8 February in Stara Zagora and 20-22 February 2013 in Pleven.

### ***UMIS***

- In February the CCU organized a training in Sofia on the „E-services for candidates“ module of the UMIS for different potential users of the system. Additionally, a presentation of UMIS was organized for representatives of the Technical University of Sofia.
- Furthermore, the CCU organized a training for representatives of the “State agency National security”.
- Work on the further development of UMIS is very active. The CCU implemented several new functionalities: Debt register, Timesheets. Additionally, the development of the new functionalities of the “Financial” module and the “E-services” module was very intensive and important steps were taken to secure the adequacy of UMIS to the processes in the Managing authorities.
- The CCU organized a coordination meeting in Kyustendil with representatives of the MAs to discuss the management and information system for the new programming period. During the meeting the participants discussed the analysis of the current information system and the technical requirements for the new system.

### ***Certifying Authority***

- Certifying Authority finalized in February 2013 **three desk checks** on Reports on Certification and Statements of Eligible Expenditures submitted by Managing Authorities of OP “Development of the Competitiveness of the Bulgarian Economy”, OP “Human Resources Development” and OP “Regional Development”. **Four desk checks** on Reports on Certification and Statements of Eligible Expenditures submitted by Managing Authorities for OP “Administrative capacity”, OP “Regional Development”, OP “Technical assistance” and OP “Transport” have been started in Certifying Authority.

- Certifying Authority performed in February 2013 **four on-the-spot checks** at the Managing Authorities of OP “Administrative capacity”, OP “Transport”, OP “Human Resources Development”, OP ”Technical assistance”. The findings of the OP “Administrative capacity” and OP “Human Resources Development” are submitted for implementation of the recommendations to the responsible Managing Authorities. The findings of OP”Technical assistance” and OP “Transport” are finalized in March.
- The Certifying Authority submitted to the European Commission **three Certificates** under the following OPs: **one** for OP “Regional Development”- amounting to **21 022 193** EUR, **one** for “Development of the Competitiveness of the Bulgarian Economy” amounting to **24 660 364** EUR and **one** for OP “Human Resources Development” amounting to **22 432 925** EUR .

<b>OP / FUND</b>	<b>Certified expenditures up to 28.02.2013</b>	<b>Interim payments received from EC as per 28.02.2013</b>
<b>ERDF</b>	<b>1 293 633 232 €</b>	<b>921 241 162 €</b>
1.OP Competitiveness of the Bulgarian Economy	589 260 971 €	394 174 010 €
2. OP Regional Development	383 115 435 €	306 658 782€
3. OP Technical Assistance	12 945 408 €	11 003 597 €
4. OP Transport	261 898 718 €	169 953 978 €
5. OP Environment	46 412 700 €	39 450 795 €
<b>CF</b>	<b>743 487 661 €</b>	<b>592 501 766 €</b>
1. OP Environment	135 572 473 €	106 498 885 €
2. OP Transport	607 915 188 €	486 002 881 €
<b>ESF</b>	<b>340 204 830 €</b>	<b>266 273 408 €</b>
1. OP Human Resources Development	288 520 794 €	222 351 078 €
2. OP Administrative Capacity	51 684 036 €	43 922 330 €
<b>Total SCF</b>	<b>2 377 325 723 €</b>	<b>1 780 016 336 €</b>
<b>Total IPA Cross-border Programmes</b>	<b>10 065 957 €</b>	<b>8 555 127 €</b>

## Operational Programmes

### *OP Regional Development*

- On 20 February 2013 the Head of the Managing Authority of Operational Programme "Regional Development" Mrs. Denitsa Nikolova signed 13 contracts under grant scheme BG161PO001/3.2-03/2012 "Supporting the development of regional tourism product and marketing destinations II " at the total amount of 3 097 348 euro.

## ***OP Transport***

- Two open tenders for awarding of a Contractor and an Engineer for implementation of the project “Kalotina - Sofia Motorway, Lot 1 – Western Arc of Sofia Ring Road” were launched on February 28, 2013. The deadline for submission of tenders for “Determination of the contractor for the construction of Road II-18 SRR - Western arc stretch from km 0+780 to km 6+309” is 25 April 2013. Deadline for submission of tenders for “Determination of contractor advisory services in connection with construction of the project: Road II-18, SRR - Western arc stretch from km 0+780 to km 6+309” is April 11, 2013.
- On February 27, 2013, RIA signed the contract with the Contactor of Lot 2 of Struma Motorway – Consortia “Struma – Lot 2” on the amount of 152 843 039 Euro, VAT excluded. Length of the Section is 37 km with 22 months duration of the implementation.
- The AF for construction of Lots 1, 2 and 3 of Struma Motorway, as well as preparation of Lot 3 was approved by EC on February 26, 2013.
- On February 19, 2013 were opened bids for "Determination of contractor consulting services in connection with the preparation of technical design and construction of Struma Motorway, Lot 2 “Dupnitsa – Blagoevgra” from km 322+000 to km 359+483.52”
- On February 11, 2013 the price bids of the participants in an open procedure for “Determination of the contractor for preparation of the projects for modernization of road I-1 (E79) “Vidin – Botevgrad” were opened. The project is stage I of the preparation of Vidin - Montana Project.

## ***OP Environment***

- On 05.02.2013 three project proposals were submitted for approval to the MA of OP Environment.

General Directorate "Fire Safety and Protection of Population" at the Ministry of Internal Affairs (MIA-GDPBZN) submitted two proposals to combat forest fires and floods. The total value of the proposals is 195 million leva and will be financed by the Operational Programme "Environment 2007 - 2013".

Executive Agency "Exploration and Maintenance of the Danube River" submit project for monitoring and protection of the river from oil spills and control activities seizure of alluvial deposits. The project is 8 million levs.

Activities under the project should be completed by September 30, 2014 and will have a significant effect on biodiversity conservation and sustainable management of water and protective measures in case of natural disasters.

- On 02/14/2013 the European Commission approved an amendment to OP "Environment 2007 - 2013,"

The amendment extends the program by adding new measures that meet the priorities in the sector "Environment". They are designed to improve air quality in cities, preventing and combating floods and forest fires, monitoring and protection of water. The amendment will not result in a change of program objectives and overall financial resources of each axis.

- Launch of the construction activities for the water infrastructure in Targovishte

On March 15, 2013 Started the construction works of water infrastructure in the town of Targovishte. With the implementation of the project will be replaced and complete the 10 km. sewage and about 25 km. water supply networks, which will improve the living environment of the town. One of the benefits arising from the implementation of investment plans is reducing the loss of drinking water, which at this stage is 75%.

- An amendment of the procedures for administration and reporting irregularities was publish on the internet site of OP “Environment 2007 - 2013”

Managing Authority of Operational Programme "Environment 2007-2013" publish amendments to the procedure for administering and reporting irregularities within the Operational Programme "Environment 2007-2013". The amendment applies to irregularities established after 05.02.2013.

Under the new procedure, the beneficiaries should sent to MA only report for irregularities. New applications are introduced, and some older applications have dropped to the procedure and / or amended.

#### **OP “Technical Assistance”**

- During the period the process of verifying the costs of beneficiaries from the received requests for payments continued.
- In February, the regional information centres continued to provide information to their visitors as well as to perform information campaigns in the municipalities throughout the whole country.
  - 2 educational events held with 26 participants;
  - 105 information campaigns carried out with a total of 2525 participants;
- During the regarded period there were held the following events:
  - On 19 February 2013 - Proposed objectives, priorities and measures in the field of administrative capacity and technical assistance for financing through the new programming period 2014-2020 have been made.
  - 19 February 2013 - Decision № 57 of 31 January 2013 supplementing Decision № 328 of 2012 approving the list of thematic objectives to be included in the Partnership Agreement for the Common Strategic Framework 2014-2020, the list of programmes leading institution for the development of each programme.
  - 06.02.2013 – Technical Meeting, regarding negotiations between Bulgaria and EC for the Partnership Agreement, defining the grant provided within the Common Strategic Framework 2014-2020.

## **OP “Development of the Competitiveness of the Bulgarian Economy”**

- On 1 February 2013 five project proposals, submitted under the eleventh session of the procedure BG161PO003-2.4.01 „Support for development of clusters in Bulgaria” were announced as approved for funding. The total amount of the grant requested for the approved project proposals is EUR 627 276.
- On 15 February the renewed procedure BG161PO003-2.4.02 „Support for development of clusters in Bulgaria” was open. The deadline for application is 16th of April 2013. Up to date 1 project proposal has been submitted.
- On 15 February eleven project proposals, submitted under the eleventh session within the procedure without fixed deadline for application BG161PO003-1.1.03 “Development of innovative start-up companies by support for commercialization of innovative products, processes and services” were approved for financing. The total requested amount of the grant is EUR 3 827 235.
- Three more contracts under the procedure BG161PO003-2.1.13 “Technology Modernization in SMEs” were signed.
- During the reported period 25 project proposals were submitted in front of the Project Assistant under the procedure BG161PO003-2.3.02 “Energy effectiveness and green economy” together which the total number of the submitted projects till the end of February reached 65 amounting to EUR 29 273 002. Meantime the MA transferred the functions of Project Assistant under the procedure to the selected “TU-Technologies-Ruveks”.
- Under BG161PO003-1.2.05 “Creation of science and technological park” the beneficiary Sofia Tech Park prepared and submitted for approval by the MA a list of the tender procedures. Meanwhile, comments by JASPERS were received regarding the draft of business plan for implementation of the project, prepared by the beneficiary. The plan is now being finalizing.
- JEREMIE: Under the Acceleration&Seed Fund the third window for applications launched by the Financial Intermediary Eleven was closed in the end of February. 300 project ideas were submitted. During the reporting period the provision of credits under PRSL started.
- **Programming 2014-2020:** in February first draft of the Report on Smart Specialization Strategy was presented by the consultant – the World Bank.

## ***OP “Human Resources Development”***

- On 07.03.2013 the European Commission approved the proposed amendments in OPHRD related to modification of the OPHRD financial plan concerning transferring of financial resources between Priority Axis as follows: 31,8 MEUR from PA2 to PA1; 6,7 MEUR from PA3 to PA4; 7,1 MEUR from PA6 and PA7 to PA5. The modification concerns 3.74% of the Programme budget and is justified with serious changes in the socio-economic environment.
- In the period 20-22 February 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.

- On 22.02.2013 the OPHRD MA initiated written procedure for decision of the Monitoring Committee on proposed changes in 6 ongoing operations. The changes are mainly related to extension of the period for implementation as well as amendments in the respective budgets. Further to these there are amendments of purely technical nature. No comments were received within the set deadline thus the coordination procedure was completed and the respective amendments approved.

### ***OP “Administrative Capacity”***

- On 25 February the Managing Authority initiated written procedure for decision of the OPAC Monitoring Committee for amendments in the Operational Programme. These are related to reallocation of 11,683 MEUR from PA2 to PA1 (1,908 MEUR) and PA3 (9,775 MEUR) and are justified with improvement of the implementation of the Programme and the substantial number of ongoing procedures under PA2 which sufficiently satisfied the demand of the potential beneficiaries. In addition were proposed changes in the target values of the indicator “Total number trained administration employees” as well as completion of the reporting under two PA3 indicators. Some changes of purely technical nature were also presented.
- Further to the above were proposed amendments in the OPAC Annual Working Programme for 2013 with inclusion of three new procedures: sub-priority 1.5 for the Supreme Judicial Council, amounting to 255 546 euro; sub-priority 2.4 for the Supreme Judicial Council, amounting to 332 340 euro; sub-priority 3.3 for the Supreme Judicial Council and Supreme Administrative Court, amounting to 1 687 283 euro. In addition it is proposed to increase the budgets of the procedures 1.1-07 and 1.3-07 (both for Municipalities) due to the sufficient interest of the potential beneficiaries.
- In the reporting period the following procedure was launched:
  - BG051PO002/13/1.3-07 “Effective coordination and partnership in policy making and implementation”. The objective is support projects for introduction of effective tools for monitoring and control of the implementation of Municipal policies. The call is oriented to the Municipal administrations. The deadline for submission of project proposals is 10.04.2013, the total budget of the procedure is 1 278 230 euro (as mentioned above it is proposed that the budget of the procedure to be increased to 3 323 397 euro) ;
- Under the procedure BG051PO002/12/2.4-10 “Competent judiciary system and human resources management” the check on potential overlap and double financing was completed as the Supreme Judicial Council provided additional information on the lack of overlap with previous pre-accession and OPAC projects thus the contract with the beneficiary will be signed in due time.
- Under the procedures BG051PO002/12/2.2-07 “Competent and effective state administration” the check on potential overlap and double financing was completed and no such cases were detected. Thus, the contracts with the Municipal Administrations at the approximate amount of 6,5 MEUR will be signed in due time.

- Under the procedures BG051PO002/12/2.2-08 “Competent and effective state administration” the check on potential overlap and double financing was completed which showed some potential risk with previous projects of some Central and District Administrations. According to the procedures, the beneficiaries should provide additional information on the lack of double financing on which basis will be taken the decision for conclusion of the respective contracts.

**OP Implementation as of 28.02.2013**

**EURO**

OPERATIONAL PROGRAMME	Programme budget			Contracted		Payments		Received payments from EC	
	Total	EU Funding	National co-funding	Total as of 28.02.2013	% implementation	Total as of 28.02.2013	% implementation	Received payments from the EC (EU part) as of 28.02.2013	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 942 009 618 €	96,93%	900 156 751 €	44,93%	820 995 073 €	50,54%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	2 611 075 979 €	145,00%	343 297 386 €	19,06%	293 338 467 €	20,00%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 438 507 001 €	89,84%	603 307 491 €	37,68%	429 156 301 €	31,53%
OP Competitiveness	1 162 215 552 €	987 883 219 €	174 332 333 €	973 908 314 €	83,80%	519 559 101 €	44,70%	483 083 500 €	48,90%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	47 935 023 €	84,36%	19 573 116 €	34,45%	15 350 283 €	31,78%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	1 076 831 328 €	88,71%	424 782 855 €	34,99%	315 212 100 €	30,55%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	140 198 556 €	77,55%	74 811 755 €	41,38%	57 752 695 €	37,58%
<b>TOTAL SCF</b>	<b>8 019 197 651 €</b>	<b>6 673 628 244 €</b>	<b>1 345 569 407 €</b>	<b>8 230 465 819 €</b>	<b>102,63%</b>	<b>2 885 488 455 €</b>	<b>35,98%</b>	<b>2 414 888 420 €</b>	<b>36,19%</b>
Rural Development	3 231 293 532 €	2 603 319 188 €	627 974 344 €	2 368 530 309 €	73,30%	1 482 544 212 €	45,88%	1 072 595 560 €	41,20%
OP Fisheries	101 168 996 €	75 876 747 €	25 292 249 €	74 197 627 €	73,34%	29 573 431 €	29,23%	24 502 674 €	32,29%
<b>TOTAL AGRICULTURAL FUNDS</b>	<b>3 332 462 528 €</b>	<b>2 679 195 935 €</b>	<b>653 266 593 €</b>	<b>2 442 727 936 €</b>	<b>73,30%</b>	<b>1 512 117 643 €</b>	<b>45,38%</b>	<b>1 097 098 234 €</b>	<b>40,95%</b>
<b>TOTAL</b>	<b>11 351 660 179 €</b>	<b>9 352 824 179 €</b>	<b>1 998 836 000 €</b>	<b>10 673 193 755 €</b>	<b>94,02%</b>	<b>4 397 606 098 €</b>	<b>38,74%</b>	<b>3 511 986 654 €</b>	<b>37,55%</b>