

Implementation of the Structural funds in Bulgaria

Monthly brief, May 2013

Horizontal issues and legislative procedures

- During May high-level bilateral meetings on political and expert level were organized to discuss and further elaborate sectoral developments with respect to the Partnership Agreement analysis and strategy with Ministry of Agriculture and Foods, Agency for Fisheries and Aquaculture, Ministry of Environment and Waters, Ministry of Transport, Ministry of Justice, Ministry of Economy, Ministry of Regional Development. The dialogue in these areas, especially agriculture and fisheries, was additionally intensified to support programming progress.
- On the 30th of May 2013 technical meeting with representatives from EC (DG for Regional and Urban Policy and DG Employment) was held to clarify issues stemming from the comments concerning the draft Partnership Agreement version, submitted on 15th April 2013. The Bulgarian side included representatives from the Council of Ministers Administration, Ministry of Agriculture and Foods, Agency for Fisheries and Aquaculture, OP Technical Assistance, the two consultant teams (TA for the PA and ex ante evaluators).
- In the period 30-31.05.2013 was held regular meeting of DG Regio Evaluation Network. The main topics of the discussions were the preparations for ex-post evaluations of the current programming period, EC feedback on the first submitted drafts of OPs and PAs for 2014-2020, the revised Guidelines on the Performance Framework, MS reports on the use of “jobs created” as an indicator under ERDF, the reporting under AIR 2012.
- In the last two months the coordination of the process of deinstitutionalization of the children in Bulgaria was streamlined through changed High level working group which had two meetings – on 30.04.and 16.05. The high level working group adopted a new Conception of the management of the process of deinstitutionalization as well as Mechanism for participations of representatives of NGOs in the Working Group and the foreseen National Expert Unit.
- On 15th of May 2013 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 first draft Evaluation Report of the full Partnership Agreement. CCU has provided to the Contractor its comments to the draft Report.
- On 11th of June 2013 was held the eighth meeting of the Working Group for the development of the Partnership Agreement of the Republic of Bulgaria for the programming period 2014 – 2020. During the meeting were discussed comments of the Commission on the Partnership Agreement and taking them into account.
- A request for update in the progress of implementation of the ex-ante conditionalities for the European Structural and Investment Funds was sent to the responsible ministries.
- The signed 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 under inter-ministerial consultations

for approval by the Council of Ministers and following sending to the National Assembly for ratification by law.

- The Council of Ministers approved the signed Agreement between the Government of Bulgaria and European Bank for Reconstruction and Development regarding the project implementation support for projects funded through the EU Structural Instruments and it was sent to the National Assembly for ratification by law.
- The template for the individual contracts that will be signed under the Agreement between the Government of Bulgaria and European Bank for Reconstruction and Development regarding the project implementation support for projects funded through the EU Structural Instruments of the Bulgarian Government and the EBRD was under preparation and final consultations are ongoing.
- The preparation process of the seminar with the representatives of the EC, on which the ARACHNE Risk Scoring Tool will be presented, was completed.
- The contribution to the country's position, concerning the negotiations with Turkey on Chapter 22 "Regional policy and coordination of Structural Instruments" was elaborated.

Information and Publicity

- From 21st to 23rd May 2013, the information and publicity officers of the Managing Authorities of the Operational Programmes took part in training on "Preparation of the New Programming Period 2014-2020", organized by the Central Information Office. As part of the training the new Operational Programmes were presented: "Transport and Transport Infrastructure", "Environment", "Regions for Growth", "Human Resources Development", "Science and Education for Smart Growth", "Innovation and Competitiveness", "Good Governance". The information and publicity officers also discussed the evaluation of the Communication Strategy of the National Strategic Reference Framework 2007-2012, which will provide the basis for the National Communication Strategy for the Next Programming Period 2014-2020. They also discussed the current and future opportunities for their cooperation with the Network of 27 District Info Points for the promotion the Cohesion policy of the European Union in Bulgaria.

The training was conducted under project № 0035-CIO-3.1 "Capacity building for the implementation of the information and publicity measures", funded under Technical Assistance Operational Programme.

- In May 2013 the working group for the elaboration of the National Communications Strategy for the next programming period 2014-2020 held one meeting. The meeting was attended by representatives of the professional organizations in the field of PR, communications, sociology and marketing research. The group began the elaboration of the chapters of the Strategy, which will be finalized in June 2013.
- In May continued the regular update of the Single information web-portal www.eufunds.bg with news, information and documents about the next programming period 2014-2020 and the new Operational Programmes as well as information about the activities of the District Information Points.

Central Information and Coordination Office (CICO)

Activities of DIPs:

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

- a total number of visitors in DIPs amounting to 1493 (until now a total of 17 648);
- a total of 1907 requests for information received (until now a total of 18 539),
- a total of 1880 answers of requests of information were sent (until now a total of 18 338),
- 673 publications in media (until now a total of 9 426),
- 110 events with a total number of 22 932 people invited (until now a total of 1478 events/57 417 people invited),
- 4662 were present at organized by DIPs events (until now a total of 42 627).

Trainings, study visits, events, organized by CICO:

- Training “New moments in OP Competitiveness and OP Regional Development and the applicable law” took place on 13-15 May 2013. 21 employees of DIPs attended the seminar.

UMIS

- A new version of the Irregularities module of UMIS was introduced in May 2013.
- The new E-services functionalities for UMIS were finalized and will be introduced in June after they are presented and approved by representatives of the Managing Authorities.
- 4 trainings for UMIS users were organized in May. A total of 52 employees of the MAs and IBs took part in them. The trainings covered different modules of the system.

Certifying Authority

- Certifying Authority finalized in May 2013 seven desk checks on Reports on Certification and Statements of Eligible Expenditures submitted by Managing Authorities of OP “Regional Development”, OP “Competitiveness of the Bulgarian Economy”, OP “Human Resources Development”, OP “Administrative capacity”, OP “Transport” and IPA funded Cross-border Programs Bulgaria – Serbia and Cross-border Program Bulgaria - Macedonia. Two desk checks on Reports on Certification and Statements of Eligible Expenditures submitted by Managing Authority for OP”Technical assistance” and OP “Environment” have been started in Certifying Authority.
- Certifying Authority performed in May 2013 seven on-the-spot checks at the Managing Authorities of the following OPs: OP “Human Resources Development”, OP “Administrative capacity”, OP “Competitiveness of the Bulgarian Economy”, OP ”Technical assistance”, OP “Transport”, OP “Environment” and one general for IPA funded Cross-border Programs. The findings were sent in May to the responsible Managing Authorities with the exception of the reports on OP”Technical assistance” and OP “Environment” that have been sent in June.
- The Certifying Authority performed one on-the-spot check at the level of beneficiary for the IPA funded Cross-border Program Bulgaria – Serbia. The report is under preparation.
- The Certifying Authority submitted to the European Commission eight Certificates – one Certificate for OP “Regional Development” amounting to 44 692 715.05 EUR, one Certificate for OP “Competitiveness of the Bulgarian Economy” amounting to

46 073 984.64 EUR, one Certificate for OP “Human Resources Development” amounting to 45 276 777.87 EUR, one Certificate for OP “Administrative capacity” amounting to 7 129 594 EUR, two Certificates for OP “Transport” – one Certificate for Priority axes co-financed by the European regional development fund amounting to 412 010.29 EUR and second Certificate for Priority axes co-financed by the Cohesion fund amounting to 9 906 212.14 EUR and two Certificates for IPA funded Programs – one Certificate for Cross-border Program Bulgaria – Serbia amounting to 750 134.78 EUR and one Certificate for Cross-border Program Bulgaria – Macedonia amounting to 783 011.32 EUR.

- In May 2013, nine interim payment from the EC were received as a result of submitted Application for payment: two tranches under OP “Regional Development” – first amounting to 17 850 492.65 EUR and second amounting to 48 432 090.88 EUR, one tranche under OP “Competitiveness of the Bulgarian Economy” amounting to 12 513 752.22 EUR, one tranche for OP “Technical assistance” amounting to 462 668.33 EUR, two tranches for OP “Environment” – one for Priority axes co-financed by the ERDF amounting to 4 817 354.34 EUR and one tranche for Priority axes co-financed by the CF amounting to 6 814 988.24 EUR, two tranches for OP “Transport”- one for Priority axes co-financed by the ERDF amounting to 1 373 060.18 EUR and one for Priority axes co-financed by the CF amounting to 19 613 487.61 EUR and one tranche under OP “Human Resources Development” amounting to 37 288 766.19 EUR.

OP / FUND	Certified expenditures up to 31.05.2013	Interim payments received from EC as per 31.05.2013
ERDF	1 450 278 897 €	1 006 690 581 €
1.OP Competitiveness of the Bulgarian Economy	635 334 956 €	406 687 763 €
2. OP Regional Development	485 447 949 €	372 941 366 €
3. OP Technical Assistance	13 489 724€	11 466 265 €
4. OP Transport	263 926 093 €	171 327 038 €
5. OP Environment	52 080 175 €	44 268 149 €
CF	802 560 806 €	618 930 242 €
1. OP Environment	144 091 208 €	113 313 873 €
2. OP Transport	658 469 598 €	505 616 369 €
ESF	441 252 145 €	326 663 568 €
1. OP Human Resources Development	377 688 326 €	278 704 900 €
2. OP Administrative Capacity	63 563 819 €	47 958 668 €
Total SCF	2 694 091 848 €	1 952 284 391 €
Total IPA Cross-border Programmes	11 599 103 €	8 555 127 €

Operational Programmes:

OP Regional Development

- On 27th of May 2013 the XII meeting of the Monitoring Committee for OPRD 2007-2013 was held. During the meeting the progress of the OPRD was presented by the MA and discussed among the Committee members. The MA has presented, that 257 grant contracts were signed during 2012 at the total value of 411.6 MEUR. There were also discussed the energy efficiency of the buildings in Bulgaria along with the challenges for the next programming period 2014-2020.
- The Managing Authority for OPRD has undertaken the initiative to organize meetings with beneficiaries to discuss the implementation and non-submitted claims for payment under the grant contracts in order to avoid the risk of automatic de-commitment under the N+2/3 rule.

OP Transport

- On 9th of May 2013 the Prime Minister of the Republic of Bulgaria Marin Raykov and the Minister of Transport, Information Technology and Communications Christian Krastev opened officially the railway line between Svilengrad and Turkish border that is the first fully completed railway project under OP Transport.
- On 16th of May 2013 the official ground breaking ceremony for the Bypass of Gabrovo was held. The project will be implemented for 540 calendar days.
- In the period 21-22nd of May 2013 Monthly Progress Meetings for monitoring the progress achieved under OP projects were held in the premises of Ministry of Transport, Information Technologies and Communications.
- In the period 30-31st of May 2013 DG Regio mission was held in the premises of the Ministry of Transport, Information Technologies and Communications regarding the OP implementation.

OP Environment

- On 8th of May 2013 the ground-breaking ceremony of the integrated water project for Kostinbrod was held. The total project amount is MEUR 49 595 312.
- On 14th of May 2013 the construction of regional waste management systems of Pernik has been started. The total project amount is MEUR 10 737 129.5.
- On 16th of May 2013 under the procedure for air quality improvement 1 project proposal by the Burgas Municipality and 3 - by the Sofia Municipality, were submitted, at the total amount at nearly MEUR 199 403 833.
- On 17th of May 2013 the implementation of water project in Lovech has started. The total project amount is MEUR 4192593. The project implementation period is 22 months.
- On 22nd of May 2013 the ground breaking ceremony of "Modernization of integrated water cycle city Peshtera" was held. It is worth MEUR 13 395 847.
- On 29th of May 2013 the construction of the water project of Pomorie has been started. The project is worth MEUR 49084020.5. The official ground breaking ceremony was attended by Mr. Renaldo Mandmets.

- On 30th of May 2013 the 14th Monitoring Committee was held in Bourgas. Among the official guests at the event were representatives of the European Commission - Mr. Renaldo Mandmets and Ms. Irina Vangele. During the Monitoring Committee the OPE Annual Progress Report for 2012 was presented and approved by the Committee members. It will be submitted to the European Commission for approval. During the meeting the progress of the two major projects in "water" sector – for Gabrovo and Vratsa, were presented.

OP “Technical Assistance”

- During the period the process of verifying the costs of beneficiaries from the received requests for payments continued.
- In May 2013, 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:
 - 110 information events was carried out with a total of 4 662 participants;
- During the period 21th to 23th of May 2013, information and publicity experts from the OP Managing Authorities took part in training on "Preparation of the new programming period 2014-2020." During the training were presented the Operational Programmes "Transport and transport infrastructure", "Environment", "Regions of growth", "Human resources", "Science and Education for smart growth", "Innovation and Competitiveness" and "Good governance".

OP “Development of the Competitiveness of the Bulgarian Economy”

- On the 4th of June the 12th Meeting of the Monitoring Committee of OP Competitiveness took place in the city of Sandanski. There were discussed the Annual Report for the OPC implementation in 2012, the Programme’s progress for 2013, including gas pipeline Bulgaria-Serbia project and Sofia Tech Park project. Information on the results, conclusions and recommendations from the audits performed of the OPC as well as the Annual Communication Plan for 2013 were presented. In addition, selection criteria for a procedure with a fixed deadline for application under JEREMIE Priority Axis 3, operation 3.1.3. “Support for creation of risk capital funds, investing predominantly in SMEs” were approved. The budget of EUR 20 million is envisaged for implementation of funds for co-financing where there is no implicit requirement for preliminary raising of private funds but only for co-financing of the eligible investment. The private investors will invest at a level of end-users thus keeping the possibility of key investment decisions.
- During the period 20-31 May 2013 an Information campaign on the changes in the Terms of Reference for application under the “Energy efficiency and green economy” procedure took place in the cities of Vratza, Veliko Tarnovo, Russe, Varna, Plovdiv, Bourgas and Sofia. The event was attended by more than 450 representatives of the business environment. The changes are related to more relaxed conditions for application under the procedure concerning the selection of subcontractor – through 3 offers and argumentation for the selection made. In addition, the activities and expenditure related to the auxiliary materials and equipment, necessary for the equipment of the materials in a working system were approved for eligible.

- On 29 May a Decision for approval for funding of 5 project proposals under the procedure “Energy efficiency and green economy” was issued. The total amount of the grant accounts for EUR1 987 630. Up to date there are 6 contracts signed under the procedure totaling to EUR 558 496.
- On 8 May 2013 the procedure BG161PO003-1.1.07 “Introduction of innovations in the enterprises” was announced for application with a deadline till 10 July 2013. The total amount of the grant under the procedure is EUR 45 million. On 11 May the MA published a table with the comments received within the public consultation under the procedure, held during the period 1-14 April 2013.
- On 10 May a Decision for approval for funding of 2 additional project proposals under the “Energy efficiency and green economy” procedure was published. The total amount of the grant is EUR 113 910.
- On 14 May the MA published an updated list of the 318 project proposals, financed under the procedure № BG161PO003-2.1.13 “Technology upgrade in SMEs”.

Programming 2014-2020:

- On 27 May 2013 the Managing Authority published a first draft of the common strategy and investment priorities under the new Operation Programme “Innovations and competitiveness”2014-2020, together with the materials presented during the first Meeting of the Thematic Working Group, held on 26 April 2013.
- In May the World Bank presented an updated Report on Smart Specialization Strategy which is subject to discussions and comments by the counterparts till 26 June 2013.

OP “Human Resources Development”

- At its meeting on 16.05.2013, the Council for coordination in EU Funds management approved the Draft OPHRD AIR for 2012 with some (mainly technical) comments of the Central Coordination Unit.
- On 31.05.2013 was conducted XII official meeting of OPHRD Monitoring Committee. The OPHRD AIR for 2012 was approved and will be submitted for EC approval in due time. Further to this were approved amendments in 6 ongoing operations related to changes of their budget. The OPHRD Managing Authority presented its view on the ongoing and forthcoming steps for mitigation of the risk of automatic decommitment by the end of 2013.
- In the period 25.04-20.05.2013 was conducted written procedure for decision of the Monitoring Committee on proposed changes in 23 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. One operation is proposed for cancellation. The coordination procedure is completed and the respective amendments approved.
- On 08.05.2013 in the Ministry of Labour and Social Policy was conducted a joint meeting between OPHRD MA, CCU and representatives of all socio-economic partners for discussions on the possible changes in the ongoing operation “Increase of the flexibility and effectiveness of the labour market through active measures of the social partners”. Due to the short period to the Monitoring Committee meeting it was decided the respective decisions on this particular operation to be taken through written procedure, which to be launched most probably in June.

OP “Administrative Capacity”

- At its meeting on 16.05.2013, the Council for coordination in EU Funds management approved the Draft OPAC AIR for 2012 with some (mainly technical) comments of the Central Coordination Unit.
- The proposed amendments in the Operational Programme related to reallocation of 11,683 MEUR from PA2 to PA1 (1,908 MEUR) and PA3 (9,775 MEUR) and changes in the target values of the indicator “Total number trained administration employees” as well as completion of the reporting under two PA3 indicator, were officially approved by EC on 29.05.2013.
- In the reporting period the following procedures were launched:
 - BG051PO002/13/3.2-04 “Standard information-communicational environment and interoperability” which was launched in March was extended until 14.06.2013;
 - BG051PO002/13/3.2-05 “Standard information-communicational environment and interoperability”. The objective is to support the improvement of the existing capacity of the administration for interministerial information exchange through new registers for official access. The call is for direct awarding for the Ministry of Transport, Information Technologies and Communication. The deadline for submission of project proposals is 12.07.2013, the total budget of the procedure is 6,647 MEUR;
 - BG051PO002/13/3.3-05 “Improvement of the service delivery of the judiciary through development of information technologies”. The objective is to support the analysis of the current related legislation, development of methodologies and instructions, development and introduction of integrated information systems. The call is for direct awarding for the Supreme Judicial Council and Supreme Administrative Court. The deadline for submission of project proposals is 01.07.2013, the total budget of the procedure is 1,687 MEUR

Programming period 2014-2020:

OP Human Resources Development – the fifth meeting of the Thematic Working Group took place on 10.05.2013. There were presented the third draft of the Operational Programme as per 20 April 2013. Also was presented the progress in implementation of the ex-ante conditionalities applicable to the OPHRD 2014-2020. It was decided the next meeting of the TWG to take place on 19.06 (to be confirmed) while comments on the presented OP Draft are expected by 23.05.2013.

OP Education and Science for Intelligent Growth – on 27.05.2013, the Secretariat of the Thematic Working Group submitted to the members revised Draft of the Operational Programme as per 21.05.2013. OP Draft is further developed in terms of priority axis, specific objectives and activities. The deadline for comments on the presented draft was 30.05.

Implementation of ISPA/CF (CR 1164/94)

- During the reported period elaboration of the Annual Report under Article 12 has started.

OP Implementation as of 31.05.2013

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted		Payments		Received payments from EC	
	Total	EU Funding	National co-funding	Total as of 31.03.2013	% implementation	Total as of 31.03.2013	% implementation	Received payments from the EC (EU part) as of 31.03.2013	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	1 963 482 804 €	98,00%	935 382 359 €	46.69%	841 981 621 €	51,83%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	2 737 521 371 €	152.02%	418 821 479 €	23.26%	304 970 810 €	20,80%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 545 474 924 €	96.52%	677 644 142 €	42.32%	495 438 885 €	36,40%
OP Competitiveness	1 162 215 552 €	987 883 219 €	174 332 333 €	982 490 276 €	84.54%	545 810 087 €	46.96%	495 597 252 €	50,17%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	53 847 361 €	94.77%	23 370 695 €	41.13%	15 812 951 €	32,74%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	1 136 121 087 €	93.59%	498 631 830 €	41.08%	371 565 922 €	36,01%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	145 836 630 €	80.67%	81 599 833 €	45.14%	61 789 033 €	40,21%
TOTAL SCF	8 019 197 651 €	6 673 628 244 €	1 345 569 407 €	8 564 774 453 €	106.8%	3 181 260 424 €	39.67%	2 587 156 475 €	38,77%
Rural Development	3 231 343 097 €	2 603 359 120 €	627 983 976 €	2 454 519 193 €	75,96%	1 524 308 031 €	47,17%	1 354 768 083 €	52,04%
OP Fisheries	101 168 996 €	75 876 747 €	25 292 249 €	85 916 813 €	84,92%	31 361 777 €	31,00%	24 502 674 €	32,29%
TOTAL AGRICULTURAL FUNDS	3 332 512 093 €	2 679 235 867 €	653 276 225 €	2 540 436 007 €	76,23%	1 555 669 808 €	46,68%	1 379 270 757 €	51,48%
TOTAL	11 351 709 744 €	9 352 864 111 €	1 998 845 632 €	11 105 210 459 €	97,83%	4 736 930 233 €	41,73%	3 966 427 232 €	42,41%