

# Implementation of the Structural funds in Bulgaria

## Monthly Brief, December 2015

### Horizontal issues and legislative procedures

- On 10 December 2015 the National Assembly of the Republic of Bulgaria approved a Law on management of European Structural and Investment Funds. The law outlines the national institutional framework, which establishes clear allocation of responsibilities between the executive authorities, government advisory bodies and units for coordination, management, control and monitoring. The Law regulates the procedure for granting of financial assistance and the relations of the various bodies and beneficiaries in project implementation processes, including verification, certification of expenditure, payments and financial corrections. The Law reduces the administrative burden and provides legal certainty for the beneficiaries, including the protection of their rights. The draft law aims on unification of the basic processes for programs financed by EU Structural and Investment Funds. It introduces legislation at the national level applicable to the management of European structural funds and investment funds not only for 2014-2020, but also for subsequent periods. The specifics and requirements applicable to the current programming period will be regulated in detail with secondary legislative acts on its implementation.
- Monthly update of the ExAC implementation status was carried out and a summarized Action plan for implementation of the ExAC that are not fulfilled was published at [www.eufunds.bg](http://www.eufunds.bg).
- The Memorandum of Understanding with EIB was signed by both Parties on 12th December 2015. With a Council of Ministers Decision №1026 from 28th of December 2015 the MoU was further processed to the National Assembly for ratification.
- Ensuring the functioning of Working group “Regional policy and coordination of Structural instruments”:
  - Bulgarian representatives in SAWP, COESIF and EGESIF were provided with comments and instructions on the discussed documents after coordination with the relevant domestic institutions.
  - Coordination of the activities on implementation of the Peer-to-Peer instrument of the COM.

### *Information and Publicity*

- On 14-15 December a meeting of the National network of communication officers of MAs took place in Bansko. The meeting summarized the work of the network in the past year and identified the forthcoming initiatives for 2016. The representatives of MAs decided to postpone the issuing of the book for the beginning of 2016. All participants were decided as a common annual event to send information on the physical progress of European programs to ministries, NGOs, municipalities, institutes, universities and others.
- In December CCU also continued the regular update of the Single information web-portal with news, information and documents about 2007-2013 and 2014-2020 programming periods as well as with information about the activities of the DIPs for EU Cohesion Policy. The Facebook profile of [Eufunds.bg](http://www.eufunds.bg) has also been actively used to disseminate information about the operational programmes and the work of the DIPs.

### *Activities of DIPs:*

- Based on the Monthly reports of DIPs, in December 2015 there were:
  - a total number of visitors in DIPs amounting to 702 (until now a total of 68 949)
  - a total of 863 requests for information received (until now a total of 66 303)
  - a total of 861 answers of requests of information were sent (until now a total of 65 936)
  - 275 publications in media (until now a total of 26 742)
  - 24 events with a total number of 890 people invited (until now a total of 5 236 events/202 784 people invited)
  - 540 were present at organized by DIPs events (until now a total of 161 573).

In 2015 DIPs have reached 50% growth in the number of visitors and nearly 20% increase in processed requests for information. The conclusion is made on the basis of comparison between the annual reports of 2014 and 2015

### *Events, trainings, campaigns:*

- On 1-3 December 2015 training on “E-correspondence and work with profiles in the upgraded Unified web portal [www.eufunds.bg](http://www.eufunds.bg)” took place in Veliko Tarnovo. Total of 30 representatives of the DIPs attended the seminar.
- On 2-3 December 2015 the third for 2015 and last for the period Coordination meeting took place in Veliko Tarnovo. Total of 30 representatives of the attended the event. During the meeting the participants discussed the preparation of the new project proposals for the second period of the Network as well as the forthcoming activities and common initiatives for 2016.

### *Certifying Authority*

- In December 2015 the Certifying Authority performed checks on Reports on Certification and Statements of Eligible Expenditure submitted by Managing Authorities for six Operational Programs: OP “Regional Development”, OP “Human Resources Development”, OP “Administrative Capacity”, OP “Competitiveness of the Bulgarian Economy“, OP “Transport” and OP “Environment”;
- In December 2015 the Certifying Authority performed on-the-spot checks at Managing Authorities before certification of expenditures for six Operational Programs – OP “Regional Development”, OP “Competitiveness of the Bulgarian Economy“, OP “Administrative Capacity”, OP “Transport”, OP “Environment” and OP “Human Resources Development”. The findings were sent to the Managing Authorities; One on-the-spot check at beneficiary level under OP “Competitiveness of the Bulgarian Economy“ was performed as well;
- The Certifying Authority submitted to the European Commission in December fourteen Certificates: two for OP “Regional Development”, two for OP “Human Resources Development”, one for OP “Administrative Capacity”, one for OP “Competitiveness of the Bulgarian Economy“, four for OP “Environment” – two for CF priority axis and two for ERDF priority axes and four for OP “Transport - two for CF priority axes and two for ERDF priority axes.
- In December 2015, eight payments from the EC for the amount of **129 062 455 EUR** were received as a result of submitted Applications for payment, as follows: one tranche under OP “Environment” for CF priority axis amounting to 65 058 740 EUR, one tranche under OP “Transport” for CF priority axes amounting to 22 139 144 EUR, one tranche under OP

“Competitiveness of the Bulgarian Economy“ amounting to 11 077 635 EUR, one tranche under OP “Regional Development” amounting to 22 040 502 EUR and one tranche under OP “Technical Assistance” amounting to 1 926 988 EUR and three tranches for the three IPA Cross Border Programs amounting to 6 819 446 EUR.

<b>OP / FUND</b>	<b>Certified expenditures up to 31.12.2015</b>	<b>Interim payments received from EC as per 31.12.2015</b>
<b><i>ERDF</i></b>	<b>3 532 531 528 €</b>	<b>2 380 180 712 €</b>
1.OP Competitiveness of the Bulgarian Economy	1 478 156 006 €	835 969 238 €
2. OP Regional Development	1 179 847 995 €	936 121 509 €
3. OP Technical Assistance	45 597 825 €	38 758 152 €
4. OP Transport	413 064 893 €	276 560 673 €
5. OP Environment	415 864 809 €	292 771 139 €
<b><i>CF</i></b>	<b>2 339 647 408 €</b>	<b>1 598 291 531 €</b>
1. OP Environment	1 082 361 289 €	745 001 111 €
2. OP Transport	1 257 286 119 €	853 290 420 €
<b><i>ESF</i></b>	<b>1 304 028 972 €</b>	<b>1 007 996 198 €</b>
1. OP Human Resources Development	1 152 214 868 €	887 338 660 €
2. OP Administrative Capacity	151 814 104 €	120 657 538 €
<b><i>Total 2007-2013 SCF</i></b>	<b>7 176 207 908 €</b>	<b>4 986 468 441 €</b>
<b><i>Total IPA Cross-border Programmes</i></b>	<b>63 652 016 €</b>	<b>52 185 268 €</b>

#### **Programming period 2014-2020:**

- First Report on Certification and Statement of Eligible Expenditure for the 2014-2020 programming period were received by the Managing Authority for OP “Human Resources Development 2014-2020”. The Certifying Authority performed all necessary checks.
- First payment from the EC amounting to 2 876 474 EUR was received as a result of submitted Applications for payment under OP “Human Resources Development 2014-2020”.

<b>OP / FUND 2014-2020</b>	<b>Certified expenditures up to 31.12.2015</b>	<b>Interim payments received from EC as per 31.12.2015</b>
<b><i>ERDF</i></b>	<b>0 €</b>	<b>0 €</b>
<b><i>CF</i></b>	<b>0 €</b>	<b>0 €</b>
<b><i>ESF</i></b>	<b>3 760 097 €</b>	<b>2 876 474 €</b>
1. OP Human Resources Development 2014-2020	3 760 097 €	2 876 474 €
<b><i>Total 2014-2020</i></b>	<b>3 760 097 €</b>	<b>2 876 474 €</b>

## Operational programmes 2007 -2013:

### **OP “Transport”**

- On December 09, 2015 was held a press conference related to the progress of the project “Update of the project design for construction of Vidin-Sofia Railway Line and Preparation of Section Vidin-Metkovets construction”. Representatives from the National Railway Infrastructure Company presented the main challenges in the implementation of the project - coordination procedures with external institutions, land acquisition procedures and overall financing of the project.
- On December 16, 2015 in Vidin was held a seminar to acquaint the media with the progress of the project “Update of the project design for construction of Vidin-Sofia Railway Line and Preparation of Section Vidin-Metkovets construction”. The seminar was attended by experts from the National Railway Infrastructure Company, representatives of the contractors on two lots of the project, representatives of the municipalities concerned, and media representatives.
- The construction of the bypass road of Montana was completed and officially opened on December 29, 2015. The total length of the section is 12.452 km. The bypass is with the parameters of a speed road – with two traffic lanes per direction. There are 4 road junctions on the site and 11 main structures – a bridge over the Ogosta River, 7 underpasses, 2 overpasses, and an overpass above the Boychinovtsi – Montana – Berkovitsa railway line.
- On December 30, 2015 section 1 of the Western Arc of Sofia Ring Road was officially opened. The total length of this section is 3 km. There are two road junctions in the section and two bridges. Slivnitsa is at three levels and is the only similar structure in Sofia at the moment. The first level of the junction is below the level of the existing crossroads. The second one is at the level of the terrain and is a roundabout with two arc-shaped bridges over Sofia Ring Road. The third level is a scaffold bridge above the level of the present crossroads. The transit traffic for Kalotina Cross Border Checkpoint passes along it.

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

- **Sofia Tech Park - official opening ceremony.** The opening ceremony was organized by Sofia Tech Park JSC within the project "Science and Technology Park" and took place on the 10th and 11th December 2015 in the Innovation Forum of the Science and Technology Park in Sofia.

The official opening ceremony took place during the second day of the forum. Official guests were HE Rosen Plevneliev, President of the Republic of Bulgaria, HE Andrej Kiska, President of the Slovak Republic, Mr. Boyko Borissov, Prime Minister of the Republic of Bulgaria, Mr. Bozhidar Loukarsky, Minister of Economy of the Republic of Bulgaria and European commissioners.

The two-day investment forum was dedicated to innovation support policies and the role of science and technology parks in the creation of a knowledge-based economy.

The main goal of the event was to give an opportunity to Bulgarian startups and SMEs in the sphere of information and communication technologies (ICT), cybersecurity and agro-and biotechnologies to meet potential partners from the Slovak academic communities and industry. The format of the professional forum gave the opportunity to the participating

companies and research organizations from Bulgaria and Slovakia to present their activities. The ultimate goal of the event was to create conditions for professional collaboration between the two countries.

### **Programming period 2014-2020:**

#### ***OP Regions in Growth***

- In the period December 09-10, 2015 the Managing Authority of the OP “Regions in Growth” 2014-2020 conducted training on electronic application through Unified Management Information System for the EU Structural Instruments in Bulgaria (UMIS 2020). The training addressed employees from the municipalities, beneficiaries on priority axis 2 “Support for Energy Efficiency in peripheral geographic areas most affected by poverty”.
- On December 15, 2015 the Managing Authority announced a procedure for grant support BG16RFOP001-7.001 „Regional Roads”. The procedure aims at improving the connectivity and accessibility to TEN-T network for freights and passengers through the construction, reconstruction and rehabilitation of the first, second and third class roads. The Road Infrastructure Agency is direct beneficiary. The total budget amounts to 194,5 MEURO. The deadline for the submission of project proposals is April 30, 2017. The beneficiary is obliged to submit project proposals for minimum 50% of the total budget not later than Sept. 30, 2016.
- On December 17, 2015 the Managing Authority published Application Guidelines and documents for applying for grant support on procedure BG16RFOP001-3.001 „Culture and Sport at School” and BG16RFOP001-3.002 ”Support for Vocational Schools in the Republic of Bulgaria” on Priority Axis 3 “Regional Education Infrastructure”.
- The Ministry of Culture and the Ministry of Youth and Sports are direct beneficiaries on procedure BG16RFOP001-3.001 „Culture and Sport at School“. The total amount of the grant is 7, 6 MEURO and the deadline for application is May 31, 2016.
- The procedure BG16RFOP001-3.002” Support for Vocational Schools in the Republic of Bulgaria“ aims at supporting the prioritized vocational schools of national and regional significance. The Ministry of Education and Science and municipalities are direct beneficiaries in this procedure. The total amount of the grant is 85,1 MEURO and the deadline for application is September 30, 2016.
- On December 22, 2015 the Managing Authority published detailed internal rules for the evaluation of the project proposals on procedure BG16RFOP001-1.001-039 „Implementation of Integrated Plans for Urban Regeneration and Development 2014-2020”. These internal rules are part of the Management and Control System of the OP “Regions in Growth” 2014-2020, which are currently under compliance audit conducted by the Audit of EU Funds Executive Agency.

#### ***OP Environment***

- On 17.12.2015 the direct aware procedure for realization of a pilot project for creation of a national system of water management in real time has been launched. The total grant amount of the procedure is MEUR 3, 5. The direct beneficiary of the procedure is the "Water Management" Directorate in the MOEW. The deadline for submission of proposal is March 31, 2016.

- On 23.12.2016 direct aware procedure for implementation of second phase of water projects in 8 Municipalities has been launched. These are the municipalities of Bansko, Varna (Golden Sands), Vidin, Vratsa, Radnevo, Tervel, Shumen and Yambol, who started their projects under OPE 2007-2013 and now will be able to finish them with funds from new programming period. The procedure of so called `fazed` projects has indicative value MEUR 116. The deadline for submission of proposals is 1 February 2016.
- On 30.12.2015 MA of OPE has been invited the municipalities of Asenovgrad, Dobrich, Pleven and Plovdiv to submit their projects for construction of water treatment plants and sewerage system. The procedure has indicative value MEUR 202. The deadline for submitting proposals is March 1, 2016.
- The establishment of Information system for air quality will be funded under the OPE 2014-2020. The system will submit data to the European Environment Agency (EEA) and the European Commission. It is a part of the National System for monitoring air quality in real time. Through the information system Bulgaria will fulfil its commitments to the EU to provide information on the levels of air pollution. The total amount of the procedure is EUR 350 000. Direct beneficiary is the Executive Environmental Agency within the MoEW, which is the focal point of the European Environment Agency and is committed to report data on air quality at national level to the EEA and to the European Commission. Deadline for submission is 29 February 2016.

### ***OP Transport and Transport Infrastructure***

- On December 10, 2015 National Company Strategic Infrastructure Projects has launched an open tender procedure with subject: “Supervision of design and build of Struma Motorway Lot 3.1 Zhelezniitsa tunnel”. The estimated value is EUR 3 500 000 excluding VAT and the time for completion is 60 months.
- On December 30, 2015 National Company Strategic Infrastructure Projects and “SN AM Struma Lot 3.1” JV signed a contract based on a restricted tender procedure with subject: „Supervision of the design and build of Struma Motorway, Lot 3.1“. The amount of the contract is EUR 1 040 120 including VAT and the time for completion is 60 months.
- On December 30, 2015 National Company Strategic Infrastructure Projects and “AM Struma 3.1” JV signed a contract based on a restricted tender procedure with subject: „Design and build of Struma Motorway, Lot 3.1“. The term of the signed contract is three and a half years.

### ***Operational Program “Innovations and Competitiveness” (OPIC)***

- On 12<sup>th</sup> December, 2015 package of documents under procedure: “Support for development of innovation in start-up companies” under Priority Axis 1” Technological development and Innovation” were published for public discussion on the internet address of the Operational Program: [www.opcompetitiveness.bg](http://www.opcompetitiveness.bg).  
The objective of the procedure is provision of investment support of increasing innovation activity of start-up companies in the thematic areas identified in Innovation Strategy for Smart Specialization. The total amount of the financial grant aid under the call for proposals is BGN 19 558 300.
- On 23<sup>rd</sup> December, 2015 The General Directorate “European Funds for Competitiveness” – Managing Authority of the Operational Program “Innovations and Competitiveness” extends an invitation for submitting project proposals under Priority Axis 1” Technological

development and Innovation’, by announcing a call for proposals under the name: “Support for introduction of innovation in enterprises”.

The objective of the procedure is provision of investment support of increasing innovation activity of enterprises in the thematic areas identified in Innovation Strategy for Smart Specialization. The total amount of the financial grant aid under the call for proposals is BGN 97 791 500. The Call for Proposals is with deadline for applying - 04<sup>th</sup> April, 2015.

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

- In December the OPHR MA launched two new procedures:
  - BG05M9OP001-1.010 “Education and employment” with budget 81 mln. leva and deadline for application 16.12.2015
  - BG05M9OP001-2.004 “Services for early child development” with budget 30 mln. leva and deadline for application 29.01.2016
- Five procedures are in process of evaluation:
  - BG05M9OP001-1.003 “New workplace 2015”
  - BG05M9OP001-2.002 “Independent life”
  - BG05M9OP001-2.004 “Services for early child development”
  - BG05M9OP001-3.004 “Optimisation and innovation at Executive Agency General Labour Inspectorate”
  - BG05M9OP001-3.005 “New standards for social services”
- The MA of the OP is at the final stage of contracting the assessment of the measures under Youth Employment Initiatives within priority axis 1.
- In the field of communication and publicity on the 10th of December has been held an information day for the launch of “Early child development services”. Representatives from the 66 municipalities of Bulgaria took part in the event as among the eligible beneficiaries for the procedure.

### ***OP Science and Education for Smart Growth***

- In December under OPSESG procedure BG05M20P001-3.003 “Ensuring conditions and resources for building and developing a supportive environment in kindergartens and schools for the implementation of inclusive training– Phase I” one project was approved for financing amounting to 17,5 mln. leva;
- In December under OPSESG procedure BG05M20P001-4.001 “Technical Assistance” 1 project was approved for financing projects amounting to 11,068 398 mln. leva;
- One new procedure has been launched during the reporting period: BG05M20P001-2.004 “Development of students’ capacity and increasing learning motivation for development of specific knowledge and competences (“Your hour”) – Phase I”
- Two procedures are open for applications until 29.01.2016: BG05M20P001-2.005 BG05M20P001-2.003
- Three procedures are in the process of evaluation:
  - BG05M20P001-3.002 “Educational integration of students from ethnic minorities and/or searching or having received international protection”
  - BG05M20P001-3.001 “Support for preschool education and preparation of children in disadvantaged situation”
  - BG05M20P001-2.001 „Career guidance system in school education”

### ***OP Good Governance***

- In December OPGG MA launched a grant procedure **BG05SFOP001-4.002** “Technical assistance for horizontal structures for programming, monitoring, managing, control, coordination, certification and audit of ESIF” with budget of 45 mln. leva and deadline for application 31.12.2018.
- The following procedures are in the process of assessment:
  - BG05SFOP001-4.002 “Structuring data and analytical activities in the implementation of strategic documents for the development of public administration, development of e-governance and introducing e-governance in the justice sector
  - BG05SFOP001-4.001 “Ensuring the functioning of the national network of 27 regional information centers.”
- On 9.12.2015 the “Council for administrative reforms” approved the Analysis of the needs for education of the government administration for 2015 – 2018 which fulfills the precondition under Thematic Objective 11 “Enhancing the institutional capacity of public authorities and stakeholders and efficient public administration”. This allows the start of the procedures for trainings in the administration.
- On 1st and 16th of December the MA held two public events in the justice area in order to present the calls for proposals that were launched in November:
  - BG05SFOP001-3.002 “Increasing the competence of the magistrates and court officials through effective training at the National Institute of Justice”
  - BG05SFOP001-3.001 “Strategic projects under the updated Strategy for continuing the reform of the judiciary and Strategy for introduction of e-governance and e-Justice in justice sector for the period 2014-2020”

The events were attended by more than 30 representatives of the Ministry of Justice, Supreme Judicial Council, Supreme Administrative Court, Prosecutors Office, National Legal Aid Bureau and other relevant institutions.

*Data on OPs financial progress is attached.*



**OP Implementation as of 31.12.2015**

**EURO**

OPERATIONAL PROGRAMME	Programme budget *			Contracted		Payments		Received payments from EC	
	Total	EU Funding	National co-funding	Total as of 31.12.2015	% implementation	Total as of 31.12.2015	% implementation	Received payments from the EC (EU part) as of 31.12.2015	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	2 000 074 024 €	99,83%	1 687 364 055 €	84,22%	1 294 889 308 €	79,71%
OP Environment **	1 717 164 786 €	1 395 379 676 €	321 785 110 €	2 081 686 947 €	121,23%	1 792 220 757 €	104,37%	1 185 161 038 €	84,93%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 689 192 662 €	105,49%	1 569 539 096 €	98,02%	1 058 619 028 €	77,78%
OP Competitiveness	1 162 215 551 €	987 883 218 €	174 332 333 €	1 174 812 356 €	101,08%	1 114 014 766 €	95,85%	924 878 728 €	93,62%
OP Technical Assistance	54 658 454 €	46 459 686 €	8 198 768 €	58 516 587 €	107,06%	54 544 616 €	99,79%	43 104 838 €	92,78%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	1 274 272 047 €	104,98%	1 166 796 982 €	96,12%	980 199 682 €	95,00%
OP Administrative Capacity	174 057 556 €	147 948 923 €	26 108 633 €	186 955 714 €	107,41%	169 686 445 €	97,49%	134 487 903 €	90,90%
<b>TOTAL SCF</b>	<b>7 926 721 847 €</b>	<b>6 595 023 810 €</b>	<b>1 331 698 037 €</b>	<b>8 465 510 337 €</b>	<b>106,80%</b>	<b>7 554 166 717 €</b>	<b>95,30%</b>	<b>5 621 340 525 €</b>	<b>85,24%</b>
Rural Development	3 102 663 943 €	2 500 837 171 €	601 826 772 €	3 253 028 153 €	104,85%	3 072 991 628 €	99,04%	2 253 817 136 €	90,12%
OP Fisheries	83 710 892 €	62 783 169 €	20 927 723 €	93 909 970 €	112,18%	77 113 640 €	92,12%	49 409 196 €	78,70%
<b>TOTAL AGRICULTURAL FUNDS</b>	<b>3 186 374 835 €</b>	<b>2 563 620 340 €</b>	<b>622 754 495 €</b>	<b>3 346 938 123 €</b>	<b>105,04%</b>	<b>3 150 105 267 €</b>	<b>98,86%</b>	<b>2 303 226 332 €</b>	<b>89,84%</b>
<b>TOTAL</b>	<b>11 113 096 682 €</b>	<b>9 158 644 150 €</b>	<b>1 954 452 532 €</b>	<b>11 812 448 460 €</b>	<b>106,29%</b>	<b>10 704 271 985 €</b>	<b>96,32%</b>	<b>7 924 566 857 €</b>	<b>86,53%</b>

\* The budgets of OPE, OPTA, OPAC, RDP and OPF are decreased with the amounts of decommitments for 2013 and 2014

\*\* The amount of payments under OP Environment exceeds 100% as per the terms of CM Decision 682/2015