

Implementation of the Structural funds in Bulgaria

Monthly Brief, July 2015

Horizontal issues and legislative procedures

- The Council of Ministers has adopted amendment to the Decree on the award of grants. The amendments are related to:
 - Introducing systemic projects for funding recurrent uniform activities related to providing services with national or regional coverage to natural persons. One of the requirements for the application of systemic projects is that the beneficiary implements the activities to be funded in pursuance of a legal act. In these cases a simplified application process and shorter project selection deadlines (one month) are foreseen.
 - Further elaborating the provisions regarding the award of grants for integrated projects. The new amendments aim at applying an integrated approach not only at the phase of project selection, but also at the implementation and monitoring phases. In these cases multi-lateral draft award decisions and contracts are to be signed with the MAs of the programmes, funding the project.
 - Supplementing the Decree with more detailed provisions for e-application and e-selection of projects via UMIS 2020.
- The Council of Ministers has adopted amendment to the Decree № 79/2014 for the establishment and functioning of Monitoring Committees of PA and ESIF programmes for the period 2014-2020. The amendments are related to: merging the functions of the Monitoring Committees for the 2007-2013 programming period with the functions of the Monitoring Committees for the programming period 2014-2020.
- The permanent Interdepartmental Working Group for ESIF evaluation held its first meeting on 02 July 2015. At the meeting were discussed the draft internal rules of the WG, the progress in elaboration of OPs evaluation plans for the programming period 2014-2020, as well as the feedback from the DG Regio evaluation network meeting which was held in June in Brussels.
- On 29 July 2015 with Council of Ministers Decision No 592/2015 was approved a Draft 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 is carried out and a summarized Action plan for implementation of the ExAC that are not fulfilled is published at www.eufunds.bg.

A report to the CoM from the Deputy Prime Minister on European Funds and Economic Policy was elaborated.

- 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.
- Draft MoU and Template Agreement with the WB were completed in coordination with the Bank. The inter-ministerial consultations procedure of the documents and the draft CoM Decision for their approval was completed. The draft MoU and Template Agreement with the WB was adopted by the Council of Ministers at its meeting of on 31 July 2015.
- Draft MoU and Template Agreement with the EIB were completed in coordination with the Bank. The inter-ministerial consultations procedure of the documents and the draft CoM Decision for their approval was completed. The draft MoU and Template Agreement with the EIB was adopted by the Council of Ministers at its meeting of on 31 July 2015.

Information and Publicity

- In July the Central Coordination Unit (CCU) continued the media campaign in national TV and radio stations. Within the reported period more than 153 spots - were broadcasted in 2 national radio stations and 4 TV channels. The intensity of the campaign is slowly decreasing due to the summer period.
- On 6-7 July a meeting of the National network of communication officers of MAs took place in Borovets. The main topic of discussion was the forthcoming information campaign of the Network of 28 information points and the cooperation with the MAs.
- 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 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 July 2015 there were:
 - a total number of visitors in DIPs amounting to 1 171 (until now a total of 63 392)
 - a total of 1 349 requests for information received (until now a total of 60 137)
 - a total of 1 365 answers of requests of information were sent (until now a total of 59 772)
 - 404 publications in media (until now a total of 24 592)
 - 72 events with a total number of 3 943 people invited (until now a total of 4 708 events / 190 042 people invited)
 - 1 617 were present at organized by DIPs events (until now a total of 150 831).

Events, trainings, campaigns:

- Training “The new operational programmes” took place on 1-3 July in Sofia. Total of 36 representatives of DIPs separated in 2 groups attended in the seminar. This was the second edition of the training dedicated to the rest 4 of all 9 programmes implemented in Bulgaria until 2020.
- During the reported period the Network of 28 DIPs took part in the information campaign of Operational Programme "Human resources development" 2014-2020 dedicated to 2 open call for proposals. The campaign covered 6 big cities in the country. The experts of the DIPs in those cities provided logistical support for the events. All the rest of them were invited to attend the nearest information day aiming to prolong the campaign in all municipalities.
- Based on the participation of the DIPs in the information campaign OP “Human resources development”, till the end of July the Network was focused on the organization of local events for promotion of the open calls for proposals. In addition they continued to organize series of events dedicated to the work with the Unified Management and Information System for users in terms of compulsory e-submission of project proposals.

Certifying Authority

- In July 2015 the Certifying Authority finalized four checks on Reports on Certification and Statements of Eligible Expenditure submitted by the Managing Authorities for four Operational Programmes: OP “Competitiveness of the Bulgarian Economy”, OP “Regional Development”, OP “Environment” and OP “Human Resources Development”.
- In July 2015 the Certifying Authority performed four on-the-spot checks at the Managing Authorities for four Operational Programmes under SCF - OP “Competitiveness of the Bulgarian Economy”, OP “Regional Development”, OP “Environment” and OP “Human Resources Development”. The findings were sent to the Managing Authorities.
- In July 2015 the Certifying Authority performed four on-the-spot check at beneficiary level under OP “Technical Assistance”, OP “Transport”, IPA CBC Bulgaria – Macedonia and IPA CBC Bulgaria – Turkey.
- The Certifying Authority submitted to the European Commission six Certificates, as follows: two for OP “Human Resources Development”, one for OP “Competitiveness of the Bulgarian Economy”, one for OP “Regional Development” and two for OP “Environment”.
- In July 2015, nine payments from the EC were received as a result of submitted Applications for payment: one tranche under OP “Competitiveness of the Bulgarian Economy” amounting to 11 929 853 EUR, one tranche under OP “Technical Assistance” amounting to 1 603 229 EUR, one tranche under OP “Human Resources Development” amounting to 17 278 169 EUR, one tranche under OP “Administrative Capacity” amounting to 1 900 414 EUR, two tranches under OP “Environment” –one for ERDF priority axes amounting to 20 997 386 EUR and one for CF priority axe amounting to 10 531 395 EUR and three tranches under IPA funded programmes as follows: one for Cross-Border Program Bulgaria – Macedonia amounting to 980 054 EUR, one for Cross-Border Program Bulgaria – Serbia amounting to 1 961 150 EUR and one for Cross-Border Program Bulgaria – Turkey amounting to 1 524 310 EUR.

OP / FUND	Certified expenditures up to 31.07.2015	Interim payments received from EC as per 31.07.2015
<i>ERDF</i>	3 129 253 111 €	2 120 727 417 €
1.OP Competitiveness of the Bulgarian Economy	1 345 849 006 €	763 209 598 €
2. OP Regional Development	1 067 955 526 €	845 031 639 €
3. OP Technical Assistance	40 902 918 €	34 767 481 €
4. OP Transport	392 289 709 €	276 560 674 €
5. OP Environment	282 255 951 €	201 158 026 €
<i>CF</i>	1 843 083 892 €	1 389 459 871 €
1. OP Environment	738 034 652 €	558 308 595 €
2. OP Transport	1 105 049 240 €	831 151 276 €
<i>ESF</i>	1 208 925 943 €	998 835 572 €
1. OP Human Resources Development	1 077 740 824 €	887 338 659 €
2. OP Administrative Capacity	131 185 119 €	111 496 913 €
<i>Total 2007-2013 SCF</i>	6 181 262 946 €	4 509 022 860 €
<i>Total IPA Cross-border Programmes</i>	53 481 431 €	45 365 822 €

Operational programmes 2007 -2013:

OP “Environment”

During the reporting period were conducted official opening ceremonies on the projects, constructed under projects that have been funded under the OPE 2007-2013:

- On July 10, 2015 - WWTP in Momchilgrad. The facility was built under a project worth MEUR 13. Under the project were reconstructed and 15 km sewage pipeline and 10 km water supply network.
- On July 16, 2015 - the new WWTP in Peshtera. Under the project were rehabilitated 18.9 km sewerage and 15.3 km water supply network. The total investment is nearly MEUR 13.
- On July 26, 2015 - WWTP in Rakovski. The official ceremony attended Prime Minister Borisov. Under the project also were constructed 72.4 km sewage network and 74.4 km water supply network rehabilitated. The total investment is MEUR 29.

OP “Transport”

- During the reporting period began the construction of the third and fourth section of the bypass of the town of Gabrovo. The project includes the construction of 23.25 km, a link with the existing road I-5 and elaboration of a project for the tunnel under the Shipka peak. The construction contract is signed with a Consortium PSVT on the amount of 92.940 million BGN, including VAT. The supervision is carried out by DZZD “United Consultants”, and the value of the contract is 1,096,032 BGN, including VAT. The authors supervision is assigned to “Patproekt” Ltd. for 116,640 BGN, including VAT.

- On July 09, 2015 was held a public event to present the project “Technical assistance for preparation of project “Modernization of the railway line Sofia-Plovdiv: railway stations Sofia-Elin Pelin and Elin Pelin-September”. By the end of 2015 is expected to be finalized the preparation of a detailed parcelar plan and the technical projects for Sofia – September railway.
- On July 17, 2015, ahead of the schedule, was opened the right lane of the last three kilometers from Lot 4 (Sandanski – Kulata) of Struma Motorway. This way the traffic was taken out of the villages Kulata, Chuchuligovo and Marino pole. On July 31, 2015, ahead of the schedule, was put into operation the rest part of Lot 4 with a total length of 14.7 km. There are still some finishing works to be done, but they won’t interfere with the traffic. All outstanding activities should be completed by August 20, 2015.
- On July 23, 2015, at a press conference in Sofia, was presented a project for introduction of a system for automated collection and analysis of motorways and first class roads traffic data. It’s expected to be constructed 100 main and additional counting points. Contractor of the project is “Kontrax-Infra” Consortium. The value is 3 997 524.00 BGN without VAT. The system should be operational by the end of November 2015.

OP “Technical Assistance”

- In July 2015, training course with participants from “Good Governance” Directorate was held;
- In July, a final report from system audit on the effective functioning of the management and control system of the Managing Authority was received;
- In July, a report on the implementation of the Action plan until 15.07.2015 in the form of European Commission has been sent to the Central Coordination Unit by the Managing Authority.

OP “Development of the competitiveness of the Bulgarian economy”

- Gas Interconnector Project Bulgaria-Serbia. By Ordinance No ПД-16-609/21.07.2015 of the MA of OPC was carried out a new phasing of the projects, transferring funds and altering the duration of the project. Pursuant to the new ordinance the project duration of the first phase will be 32 months, until 30th November, 2015. The final amended budget for the first phase is 4 476 665.13 BGN.
- Sofia Tech Park Project. On 14th July, 2015 was held a thematic event under the Sofia Tech Park Project on the topic “Open data and smart management”. Opening the data is a step towards e-governance. At the conference the experience of Romania and the UK regarding open data was presented.
- On 20th July, 2015 a visit of representatives of Knowledge Development Institute (KDI), Korea was held at the premises of “Sofia Tech Park” AD concerning the future development of Sofia Tech Park, as well as future opportunities for cooperation with Korea.

- On 20th July, 2015 a coordination meeting between representatives of KDI and representatives of the Bulgarian Academy of Sciences was held at the premises of the Bulgarian Academy of Sciences.

OP “Human Resources Development”

- On 10 July was launched written procedure for decision of the Monitoring Committee, related to amendments in the criteria for selection of operation INTEGRA. Changes are related to increase of the budget of the Component of Devnya Municipality and respective decrease of the budget for Vidin Municipality due to accumulated savings. The proposed amendments were approved by the members of the MC.

OP Administrative Capacity

- With Order of the Prime Minister form 22 July, the Director of “Good Governance” Directorate at the Council of Ministers was appointed as Head of the OPAC Managing Authority.

Programming period 2014-2020:

OP Regions in Growth

- On July 09, 2015 the Managing Authority of the Operational Programme “Regions in Growth” 2014 – 2020 (OPRR) published draft Guidelines for application and documentation on grant procedure BG16RFOP001-2.001 “Energy Efficiency in Peripheral Areas”. The procedure aims at enhancing energy efficiency of public infrastructure and housing sector in the supporting centers of 28 towns from the 4-th level of the National polycentric system in compliance with the National Concept for Spatial Development of Bulgaria for the period 2013-2025.
- The first grant procedure BG16RFOP001-1.001-039 “Implementation of Integrated Plans for Urban development and regeneration 2014-2020” on Priority Axis 1 “Sustainable and Integrated Urban Development” of OPRR 2014-2020 was announced during the information day that took place on July 28, 2015 in the Ministry of Regional Development and Public Works.
- On July 31, 2015 the Managing Authority of the Operational Programme “Regions in Growth” 2014 – 2020 (OPRR) announced grant procedure BG16RFOP001-8.001 „Budget line for 39 municipalities – beneficiaries on Priority Axis 8 of the OPRR 2014-2020”. The procedure aims at supporting 39 municipalities for the towns from 1-st to 3-rd level, in compliance with the National Concept for Spatial Development of Bulgaria for the period 2013-2025 through funding activities related to the management and implementation of their Investment Programmes for the period until 2023 and their functions of Interim Bodies on Priority Axis 1 “Sustainable and Integrated Urban Development” of OPRR 2014-2020. The Guidelines for applicants passed through public discussion in the beginning of July 2015.

OP Environment

- On July 03, 2015 the 1st Monitoring Committee of the OP "Environment 2014-2020" was held. Minister Vassileva has informed about the 1st three upcoming procedures: `Implementation of `early birds` projects`, `Support the effectiveness, management and investment regional planning of WWS sector` (direct award procedure) and `Design and build of composting plants for separately collected green and/or biodegradable waste, incl. providing the necessary facilities and equipment for separate collection of green and biodegradable waste` (selection procedure). During the Meeting the rest of the procedures, according to the Annual Indicative Working Program have been discussed. During the forum internal rules of the Monitoring Committee were adopted and criteria and methodologies for assessing proposals have been discussed.
- On July 27, 2015 the Managing Authority of OP "Environment" presented procedures the new programming period - 2014-2020 in front of representatives of 40 NGOs. The participants in the meeting were informed about their opportunities to submit proposals.
- On July 31, 2015 the Managing Authority of OP "Environment 2014-2020" announced the first grant procedure for the design and build of composting plants for separately collected green and/or biodegradable waste. The measures for providing the necessary facilities and equipment for separate collection of green and biodegradable waste will be funded. Eligible beneficiaries are municipalities. The total amount of funds that can be agreed upon the procedure is MEUR 49, 9.

OP Transport and Transport Infrastructure

- On July 17, 2015, upon acceptance of the work of the commission appointed for the conduct of the open tender procedure with subject: "Supervision of the design and build of Struma Motorway, Lot 3.3", "Patinvest - Injenering" AD has been appointed as a contractor for this tender. The maximum remuneration for the services offered by the participant, appointed as a contractor, is BGN 2 998 161,28 excluding VAT and the time for completion is 60 months.
- On July 29, 2015 National Company Strategic Infrastructure Projects and "LOT 3.2 PROEKT" Consortium signed a contract based on an open tender procedure „Preliminary design for the section of Lot 3.2 of Struma Motorway in the Kresna Gorge“. The maximum contract value is BGN 953 946 excluding VAT and the time for completion is 168 days.

Operational Program "Innovations and Competitiveness" (OPIC)

- On 8th July, 2015 was the first deadline for submission of project proposals under the procedure: BG16RFOP002-2.001 „Improving the Production Capacity of SMEs”, Priority Axis 2 "Entrepreneurship and Capacity for Growth of SMEs", Investment Priority 2.2 "Capacity of SMEs to Grow". Within the first deadline were submitted 844 project proposals for applicants with codes of major economic activity within the low-technology and medium low-technology industrial sectors. The total amount of the requested total eligible costs of the submitted project proposals is 724 599 137.62 BGN, of which 435 720 873.62 BGN is the amount of the requested grant.

The next two deadlines for applying under the call for proposals are 8th September, 2015 – for applicants with codes of major economic activity within the high-technology and

medium high-technology industrial sectors and 9th November, 2015 - for applicants with codes of major economic activity within the knowledge-intensive services sectors.

All project proposals were submitted by filling in a web based electronic application form in the Universal Management Information System (UMIS 2020) without using an electronic signature, through the module “E-applying”, as all other documents required in addition to the electronic form were submitted as hard copies on paper at the address of the Managing Authority. The communication with the applicants during the evaluation of the project proposals will be done by UMIS 2020.

It is envisaged that the process of signing the first grant agreements with candidates approved for funding within the first deadline for submission of project proposals will start during the month of December, 2015.

- On 31st July, 2015 the amended Operational Program “Innovations and competitiveness” 2014-2020 and the new Operational Program “Initiative for Small and Medium Enterprises” 2014-2020 were officially submitted for approval to the European Commission by the SFC 2014.

OP Human Resources Development

- On 20 July was held meeting of the Sub-Committee under Priority Axis 1 which discussed and approved 3 criteria for selection of operations related to active measures at the labor market and improvement of the functioning of EURES network in Bulgaria. The criteria were subsequently presented for approval by the OPHRD Monitoring Committee.
- On 16 July was held the second meeting of the Sub-Committee to OPHRD MC in the area of Roma integrations. The Sub-Committee discussed the received comments and proposals on the Concept for operation “Socio-economic integration of vulnerable groups”. Representatives of Devnya Municipality presented their experience in the implementation of the respective project under INTEGRA operation.
- OPHRD MA launched procedure for direct awarding “Centers for employment and social assistance”. The objective is to pilot a model for integrated administrative service delivery through centers which will provide consulting, orientation and information with the aim to enhance the access to the labor market for unemployed. The centers could provide coordinated interaction between the systems of the social assistance and employment services, seeking opportunities for social inclusion and employment. The direct beneficiary is the Ministry of Labor and Social Policy in partnership with the Employment Agency and the Social Assistance Agency. The budget is 15 mln.leva, the deadline for submission of applications is 28.08.2015. Only e-application is foreseen.
- OPHRD MA launched procedure for direct awarding “Improvement of the quality and effectiveness of public services for vulnerable groups and employers”. The objective is to modernize the activities of the Employment Agency to provide services with better quality. The budget is 28 mln.leva, the deadline for submission of applications is 31.08.2015. Only e-application is foreseen.
- OPHRD MA launched procedure for direct awarding “Prevention of discrimination and provision of equal opportunities”. The objective is to strengthen the capacity of the Commission for Protection against Discrimination and its regional representatives and to increase the effect of its activities on prevention and identification of discrimination of

groups and communities at risk. The budget is 1 mln.leva, the deadline for submission of applications is 10.09.2015.

- In the period 01-13 July in five Bulgarian towns was conducted information campaign on the launched operations “Active” and “New working place”.

OP Science and Education for Smart Growth

- In the course of the month, the Ministry of Education and Science continued the information campaign on the opportunities for financing under the OP. Together with experts from the OPSESG Managing Authority, in the campaign participate experts from the Ministry of Economy for presentation of the priority for technological development and innovations under OPIC, in line with the synergies between the two OPs in the light of the Smart Specialization Strategy. In July information days were conducted in Burgas (02.07) and Varna (03.07). In addition, information day was held in the premises of the Bulgarian Academy of Science on 01 July.

OP Good Governance

- On 31 July OPGG MA launched first procedure under the Operational Programme “Structuring of data and analytical activities in implementation of the strategic document for development of the state administration, e-government and introducing e-government in the judiciary. The objective is to ensure data and analysis for strategic project in implementation of the national strategies in the area of state administration and e-government. Eligible applicants are: Council of Ministers’ Administration; Ministry of Justice, Executive Agency “Electronic communication networks and information systems” and National Statistical Institute. The budget is 9 mln.leva, the deadline for submission of applications is 31.09.2015. Only e-application is foreseen.

Data on OPs financial progress is attached.

OP Implementation as of 31.07.2015

EURO

OPERATIONAL PROGRAMME	Programme budget			Contracted		Payments		Received payments from EC	
	Total	EU Funding	National co-funding	Total as of 31.07.2015	% implementation	Total as of 31.07.2015	% implementation	Received payments from the EC (EU part) as of 31.07.2015	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	2 039 827 927 €	101.81%	1 556 961 857 €	77.71%	1 272 750 164 €	78,35%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	2 187 864 583 €	121.50%	1 599 676 315 €	88.83%	906 855 408 €	61,84%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 644 474 111 €	102.70%	1 345 240 289 €	84.01%	967 529 157 €	71,09%
OP Competitiveness	1 162 215 551 €	987 883 218 €	174 332 333 €	1 194 607 656 €	102.79%	1 024 978 312 €	88.19%	852 119 088 €	86,26%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	57 715 897 €	101.58%	50 128 397 €	88.22%	39 114 167 €	80,99%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	1 276 468 165 €	105.16%	1 111 592 330 €	91.57%	980 199 682 €	95,00%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	195 373 086 €	108.07%	153 330 655 €	84.81%	125 327 278 €	81,56%
TOTAL SCF	8 019 197 650 €	6 673 628 243 €	1 345 569 407 €	8 596 331 424 €	107.20%	6 841 908 155 €	85.32%	5 143 894 944 €	77,08%
Rural Development	3 167 917 267 €	2 552 259 588 €	615 657 679 €	3 255 657 647 €	102,77%	2 496 742 132 €	78,81%	2 107 460 398 €	82,57%
OP Fisheries	96 410 995 €	72 308 246 €	24 102 749 €	98 794 777 €	102,47%	62 291 048 €	64,61%	47 274 559 €	65,38%
TOTAL AGRICULTURAL FUNDS	3 264 328 261 €	2 624 567 834 €	639 760 428 €	3 354 452 424 €	102,76%	2 559 033 180 €	78,39%	2 154 734 957 €	82,10%
TOTAL	11 283 525 911 €	9 298 196 077 €	1 985 329 835 €	11 950 783 848 €	105,91%	11 950 783 848 €	105,91%	11 950 783 848 €	128,53%