

# Implementation of the Structural funds in Bulgaria

## Monthly Brief, May 2015

### Horizontal issues and legislative procedures

- A final round of preliminary consultations on the draft ESI-Funds Management Law was conducted. Meetings with the key stakeholders within the administration and among the partners – the National association of municipalities, the nationally representative organizations of employers, workers and employees, were held. Following these discussions the public consultation and the official inter-institutional coordination procedure will be launched by the end of June.
- Amendments in two CoM Decisions have been prepared by CCU with regard to the ongoing unofficial negotiations on the new OP for implementation of the SME Initiative. The list of programmes to be funded by ESIF in Bulgaria was thus extended with the future OP, while the Ministry of economy was determined as the leading institution responsible for the preparation of the programme. It was also decided that the MA of OP “Innovation and competitiveness” will also be MA of the SMEI programme. The amendments were adopted by the Council of Ministers on June 3, 2015.
- 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](http://www.eufunds.bg).
- 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.
  - Preparation and coordination of a national position for the Bulgarian participation in an informal meeting of ministers responsible for cohesion policy in Riga (June 2015).
- With Order of the Deputy Prime Minister for European Funds and Economic Policy from 12 May, was created permanent Interdepartmental Working Group for ESIF evaluation which replaces the existing informal national evaluation network. The main tasks of the Working Group are related to: central coordination of the evaluation activities; provision of support to MAs for elaboration and implementation of OPs 2014-2020 evaluation plans; support to CCU in evaluations of the Partnership Agreement; exchanges of good practices, incl. collaboration with the evaluation networks of DG Regio and DG Employment.
- Draft MoU and Template Agreement with the WB are under final discussions.
- Draft MoU and Template Agreement with the EIB are under final discussions. A meeting was held in Sofia with the EIB team.
- Review and coordination with the line ministries’ of a common position to the World Bank’s report “Systematic Country Diagnostic for Bulgaria. The Potential of Bulgaria for sustainable and shared prosperity” and communication with the Bank.

## ***Information and Publicity***

- In May the Central Coordination Unit (CCU) continued the media campaign in national TV and radio stations. Within the reported period, almost 300 spots were broadcasted in 2 national radio stations and 4 TV channels, as well as 7 different media formats – interviews, live broadcasts, etc.
- During the month several meetings of the National network of information and communication experts from MAs were conducted in Sofia. Main topic of the discussions was the preparation of the major launch event, common for all new Programmes.
- For promotion of the event the CCU organized a contest in Facebook “Take a selfie with Europroject”. More than 60 people published their photos with different projects from all over the country. Tens of thousands people visited the Facebook profile of the event to support the participants and to comment some of the selfies. As a result all of them were informed about the event. The contest also attracted broad media interest regarding the fact that the award ceremony was conducted within the major event. The event itself took place from 10 a.m. to 8 p.m. on 28 of May 2015 in Sofia city centre. More than 10 000 people visited the stands of the Programmes and spoke with the experts of MAs. Except the opportunity for a meeting with the representatives of the new programmes all citizens could enjoy the interesting cultural programme of the event that included theatre, ballet, folklore and jazz.
- 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.

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

### **Activities of DIPs:**

- Based on the Monthly reports of DIPs, in May 2015 there were:
  - a total number of visitors in DIPs amounting to 1 861 (until now a total of 60 879)
  - a total of 2 347 requests for information received (until now a total of 57 656)
  - a total of 1 927 answers of requests of information were sent (until now a total of 57 166)
  - 1 016 publications in media (until now a total of 23 738)
  - 154 events with a total number of 11 568 people invited (until now a total of 4 537 events/183 086 people invited)
  - 9 572 were present at organized by DIPs events (until now a total of 146 235).

### ***Events, trainings, campaigns:***

- The final phase of the national information campaign for the new Programmes 2014-2020 – “Let’s create together Bulgaria 2020” was conducted on 9 of May. Total of 27 major events took place in all 27 cities – municipal centers. During the events the local society had the opportunity to see the future of the Bulgarian cities based on their proposals in 3D graphic projects, films, presentations, etc.

- More than 60 representatives of DIPs separated in 4 groups took part in training for work with the Unified Management and Information system for 2014-2020. Three of the seminars were held in Sofia and the last one took place in Shumen as a webinar.
- The Network organized the first two information campaigns for open calls for proposals. They were joint initiative of the DIPs and the MAs of OP Innovation and Competitiveness and OP Human Resources Development. Each campaign covered 6 big cities in the country. Meanwhile representatives of the rest DIPs attended the nearest information day aiming to prolong the campaigns in all municipalities.
- Also in May the 7 Coordination meeting of the DIPs took place in Gabrovo (14-15.05). More than 40 representatives of CCU and all DIPs gathered to discuss the future the network and the forthcoming initiatives for the second half of 2015.

### **Certifying Authority**

- In May 2015 the Certifying Authority finalized nine checks on Reports on Certification and Statements of Eligible Expenditure submitted by the Managing Authorities for six Operational Programmes: OP “Competitiveness of the Bulgarian Economy”, OP “Regional Development”, OP “Technical Assistance”, OP “Human Resources“, OP “Transport” and OP “Environment” and for the three IPA Cross-Border Programs. The Certifying Authority started the checks on Report on Certification No 2 for Instruments for Financial Engineering under OP “Competitiveness of the Bulgarian Economy”.
- In May 2015 the Certifying Authority performed six on-the-spot checks at the Managing Authorities for six Operational Programmes under SCF - OP “Competitiveness of the Bulgarian Economy”, OP “Regional Development”, OP “Technical Assistance”, OP “Human Resources“, OP “Environment” and OP “Transport”. The findings were sent to the Managing Authorities.
- In May 2015 the Certifying Authority performed three on-the-spot checks at beneficiary level under OP “Human Resources”, OP ”Administrative Capacity” and Bulgaria – Serbia IPA Cross-Border Program.
- The Certifying Authority submitted to the European Commission two Certificates, as follows: one for OP “Human Resources Development” and one Certificate for OP “Technical Assistance”.
- In May 2015, seven interim 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 25 924 038 EUR, two tranches under OP “Human Resources “ amounting to 22 144 144 EUR, two tranches under OP “Administrative Capacity” amounting to 5 017 438 EUR and two tranches under OP “Transport”- one for ERDF priority axes amounting to 6 836 174 EUR and one for CF priority axes amounting to 34 353 390 EUR.
- Increased advance payment for Youth Employment Initiative by the European Structural and Investment Funds (ESIF) 2014-2020, amounting to 16 004 736 EUR was received from the EC in May 2015.

<b>OP / FUND</b>	<b>Certified expenditures up to 31.05.2015</b>	<b>Interim payments received from EC as per 31.05.2015</b>
<b><i>ERDF</i></b>	<b>2 886 649 697 €</b>	<b>2 075 043 402 €</b>
1. OP Competitiveness of the Bulgarian Economy	1 225 867 228 €	740 126 195 €
2. OP Regional Development	1 013 570 218 €	845 031 639 €
3. OP Technical Assistance	40 902 918 €	33 164 252 €
4. OP Transport	394 355 636 €	276 560 674 €
5. OP Environment	211 953 697 €	180 160 642 €
<b><i>CF</i></b>	<b>1 816 862 632 €</b>	<b>1 378 928 476 €</b>
1. OP Environment	685 610 333 €	547 777 200 €
2. OP Transport	1 131 252 299 €	831 151 276 €
<b><i>ESF</i></b>	<b>1 134 883 867 €</b>	<b>957 982 590 €</b>
1. OP Human Resources Development	1 005 934 529 €	848 386 090 €
2. OP Administrative Capacity	128 949 339 €	109 596 500 €
<b><i>Total 2007-2013 SCF</i></b>	<b>5 838 396 196 €</b>	<b>4 411 954 467 €</b>
<b><i>Total IPA Cross-border Programmes</i></b>	<b>48 223 285 €</b>	<b>40 900 309 €</b>

### Operational programmes 2007 -2013:

#### **OP “Environment”**

- The Minister of Environment and Water has participated in the official ceremony on the occasion of the completion of the project "Improvement of urban infrastructure for water and wastewater in Aksakovo". The project has a total budget of EUR 3 524 612. The project met infrastructural measures to improve water supply and sewerage systems of the Municipality. It will serve 8 000 residents.
- On 13 May 2015 the Council of Ministers has approved the final version of the Operational programme "Environment 2014-2020". The final version of the programme was sent via SFC to the European Commission for approval on 8 June 2015.
- On 28 May 2015 was opened the eco path (1.5 km) for disabled people in the "Kirilova polyana", within the "Rilski Manastir" park, which was built under the project "Implementation of activities included in the management plan for the park". The total project amount is 500 050 EUR.
- On 28 May 2015, the OP "Environment" has participated in the exhibition "One direction many possibilities" – which was the first ever public event during the current programming period 2014-2020, which has marked start of work of the new operational programs. The event brought together, the Central Coordination Unit, the Network of 28 Information Centers, the Managing Authorities of all OPs and the citizens. Experts from the OPE were available to citizens for all their questions, concerning the programme. The visitors were acquainted with the current application procedures and received information and materials on the program. During the exhibition were presented some of the most successful projects, which were implemented during the first programming period.

#### **OP “Transport”**

- Lot 1 within the project for extension of Sofia Metro - Phase III was commissioned with an official ceremony on 08 May 2015. The section includes construction of a new metroline from Mladost 1 Resident District to Mladost 4 Resident District business park. The section has a total length of 2.7 km and includes 3 new metro stations.
- On 28 May 2015, with an official ceremony was commissioned Lot 2 of the project for construction of Maritsa Motorway. The rest part of the project, namely Lot 1 is expected to be completed by October 2015.

### ***OP “Technical Assistance”***

- During the period the process of verifying the expenses of beneficiaries from the received requests for payments continued.
- With the Council of Ministers Decision № 125 from 20<sup>th</sup> of May 2015 “OP Technical Assistance” Directorate became “OP Good Governance” Directorate. “OP Good Governance” Directorate performs the functions of the Managing Authority under the OP Technical Assistance for the programming period 2007-2013 and under OP Good Governance for the new programming period 2014-2020.

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

- By the end of May the Managing authority have been made analysis and intensive monitoring of the status of each individual risk projects, financial forecasts for the payments in the forthcoming months and possible savings and respective reallocations.
- Sofia Tech Park Project:
  - ✓ By Decision ПД-16-435/28th May, 2015 the Minister of economy and Head of the Managing Authority of OPIC approved the updated Operational Guideline for the implementation of the grant financial aid contract for Sofia Tech Park project - version 2 and the respective annexes.
  - ✓ All 6 construction contracts are in progress with execution time in the order of 430 days. The latest date for submission is no later than 14th November 2015.
  - ✓ The expected value of potential financial corrections is around 1% of the total amount of the grant contract or 834 844, 52 BGN.
  - ✓ During the reported period regular monitoring by the Managing authority have been made considering phasing of the Sofia Tech Park project. The expected amount of the second phase is considered to be about 6.5 million BGN.
- Gas Interconnector Project Bulgaria-Serbia:
  - ✓ During the reported period the Managing authority was analyzing the possibility of allocation the amount of approximately 3 504 000 BGN from the first phase to the second phase of the project.

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

- The launched on 30 April written procedure for decisions of the Monitoring Committee, related to amendments in 6 criteria for selection of operations was completed in the course of the month. . Changes were mainly related to budget amendments under completed operations at the amount of final verified expenditures and accumulated savings. Respectively, were increased budgets of several operations. Further to these, extension of implementation period under three ongoing operations were approved. In addition were approved technical amendments in the MC Rules of Procedures.

## ***OP Administrative Capacity***

- With Council of Ministers' Decree for amendment of the Rules of Procedures of the Council of Ministers and its Administration, on the base of the existing directorate "Operational Programme Administrative Capacity" in the Ministry of Finance was created "Good Governance" Directorate in the Council of Ministers' Administration which will perform functions of OPAC MA. The abovementioned Decree entered into force on 26 May. The procedure for actualization of the OPAC Management and Control Systems, related to the abovementioned changes, is ongoing.

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

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

- The Council of Ministers approved the final draft of the Operational Programme "Regions in Growth" 2014-2020 (OPRG 2014-2020) and authorized the Minister of Regional Development and Public Works to submit the final draft of the Programme to EC services for official approval. The Operational Programme was approved at a meeting of the Thematic Working Group for the development of OPRG 2014-2020 that took place on April 30, 2015 and at the following session of the Council for Coordinating the Management of EU Funds on May 05, 2015. OPRG 2014-2020 is expected to be officially approved in June 2015.
- A draft of Guidelines for Applicants under the procedure BG16RFOP001-7.001 "Regional Roads" with a direct beneficiary Road Infrastructure Agency were published in the official web-site of the Operational Programme on May 07, 2015. The objective of the ongoing procedure is to improve connectivity and accessibility to TEN-T network for freights and passengers through construction, reconstruction and rehabilitation of the 1-st, 2-nd and 3-rd class road system in the country. The total amount of the grant is 194,5 MEUR.
- A working meeting with the 39 municipalities – direct beneficiaries on Priority Axis 1 of the Operational Programme "Regions in Growth" 2014-2020 took place on May 08, 2015. The main topic of discussions was the new functions of the cities within the scope of Priority Axis 1 "Sustainable and Integrated Urban Development" of OPRG 2014-2020, which is an integrated priority axis including four thematic objectives and five investment priorities from the General Strategic Framework for the Programming Period 2014-2020.

## ***Operational Program "Innovations and Competitiveness" (OPIC)***

- The first call for proposal for provision of financial grant aid under the approved OPIC was opened on 7th May. The General Directorate "European Funds for Competitiveness" – Managing Authority of the OPIC extended an invitation to all concerned persons to submit project proposals under Priority Axis 2 "Entrepreneurship and Capacity for Growth of SMEs", Investment Priority 2.2 "Capacity of SMEs to Grow" by announcing a call for proposals under the name: BG16RFOP002-2.001 „Improving the Production Capacity of SMEs”.
- The total amount of the financial grant aid under the call for proposals is BGN 293 374 500. The envisaged financial grant aid shall be complied with the terms for provision of state aid. The applicable regime of state aid for the present call for proposals is regional investment aid.
- Within the period 11-19 May, 2015, the Ministry of Economy carried out an information campaign for presenting the opportunities for applying under the Call for Proposals BG16RFOP002-2.001 „Improving the Production Capacity of SMEs”. During the information campaign experts from the General Directorate "European Funds for

Competitiveness” presented the Call for Proposals to all who visited the information events. The information campaign events were held in five big Bulgarian cities and have been jointly organized with the Network of 28 Information Centers for spreading the cohesion policy of EU throughout Bulgaria.

- By Decision ПД-16-411/19th May, 2015 the Head of the Managing Authority of OPIC approved the Guideline for the implementation of contracts for grant financial aid under the Operational Program "Innovation and Competitiveness" 2014-2020.
- On 26 May, 2015 in the Great Hall of the Bulgarian Academy of Sciences, Narodno sabranie Sq., Sofia a thematic meeting was held on thematic area "new technologies in creative and recreational industries" in the context of the Innovation Strategy for Smart Specialization. At the meeting were invited the members of the Monitoring Committee of OPIC and all concerned from the business and entrepreneurship, the academia, NGOs and the administrative units with competencies on the topic.

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

- Under written procedure for decision of OPHRD MC were proposed for approval criteria for selection of operation MY COMPETENCE at the total amount of 2,524 mln.leva. The objective is to further extent the activities from the previous programming period for elaboration of professional standards for competences for given profession and position, incl. more adequate assessment of the needs for workforce with certain skills. The operation will be implemented by the Bulgarian Industrial Association in partnership with the Ministry of Labor and Social Policy.
- OPHRD MA launched procedure for direct awarding to Municipalities BG05M90PO001-2.002 “Independent Life”. The objective is to improve the quality of life and access to services for social inclusion of people with disabilities and people over 65 years of age with impossibilities for self-service. In addition, the operation aims to provide opportunities for return to the real labor market for persons who care for relatives with disabilities. The total budget of the operations is 150 mln.leva and there are three deadlines for submission of project proposals in June and July 2015, as well as in January 2016. Only e-application is foreseen. Information days in five Bulgarian towns were conducted in the period 11-21 May.
- On 28 May OPHRD MA opened for public discussion draft Guidelines for Applicants under operation ”Active”. The purpose of the operation is to activate and integrate in employment youths up to 29 years of age who are not in education, training or employment, as well as who are not registered as unemployed in the Employment Agency. The planned activities are related to identification and motivation for inclusion in the labor market of the target group with subsequent measures for inclusion in employment and training, or in education if applicable. Planned budget is 26 mln.leva, 24,5 mln.leva re under Youth Employment Initiative. The deadline for comments on the Guidelines is 12 June.

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

- The second official meeting of the Monitoring Committee took place on 26-27 May in Sofia. The main subject of the discussions and the subsequent approval were 8 criteria for selection of operations at the total amount 266 mln.leva, which should be launched in the course of the current year. 140 mln.leva will be invested for enhancing skill of the students and increasing their motivation for education. Operation at the amount of 7,5 mln.leva is planned for the system for career orientation in the school education, In the area of high education were proposed operations for student practices in real working environment, for additional scholarships in priority areas, as well as for further development and enhancement of the rating system of the High Schools. Mix of operations is planned for

educational integration of children with special educational needs and for children and students from ethnic minorities and refugee families.

- In the course of the meeting was conducted a preliminary discussion on the measures in the field of scientific research which will be supported by the OP.
- In the coming months MA will complete and approve the Guidelines for Applicants for all approved operations and will complete the criteria for two operations under Priority Axis 1 “Research and technological development”, related to elaboration of investment plans for centers of excellence and centers of competences.

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

- With Council of Ministers’ Decree for amendment of the Rules of Procedures of the Council of Ministers and its Administration, on the base of the existing directorates “Operational Programme Administrative Capacity” in the Ministry of Finance and “Operational Programme Technical Assistance” in the Council of Ministers’ Administration was created “Good Governance” Directorate in which will perform functions of OPGG Managing Authority and will complete (incl. closure) the implementation of OPAC and OPTA 2007-2013. The abovementioned Decree entered into force on 26 May.

*Data on OPs financial progress is attached.*



**OP Implementation as of 31.05.2015**

**EURO**

OPERATIONAL PROGRAMME	Programme budget			Contracted		Payments		Received payments from EC	
	Total	EU Funding	National co-funding	Total as of 31.05.2015	% implementation	Total as of 31.05.2015	% implementation	Received payments from the EC (EU part) as of 31.05.2015	% implementation
OP Transport	2 003 481 166 €	1 624 479 623 €	379 001 543 €	2 040 540 325 €	101.85%	1 505 878 726 €	75.16%	1 272 750 164 €	78,35%
OP Environment	1 800 748 085 €	1 466 425 481 €	334 322 604 €	2 837 268 580 €	157.56%	1 510 578 616 €	83.89%	875 326 629 €	59,69%
OP Regional Development	1 601 274 759 €	1 361 083 545 €	240 191 214 €	1 639 567 283 €	102.39%	1 300 386 923 €	81.21%	967 529 157 €	71,09%
OP Competitiveness	1 162 215 551 €	987 883 218 €	174 332 333 €	1 191 236 051 €	102.50%	985 381 287 €	84.78%	829 035 685 €	83,92%
OP Technical Assistance	56 819 427 €	48 296 513 €	8 522 914 €	58 656 104 €	103.23%	49 003 007 €	86.24%	37 510 938 €	77,67%
OP Human Resource Development	1 213 869 575 €	1 031 789 139 €	182 080 436 €	1 270 039 571 €	104.63%	1 077 001 318 €	88.72%	941 247 113 €	91,22%
OP Administrative Capacity	180 789 087 €	153 670 724 €	27 118 363 €	195 800 779 €	108.30%	149 973 831 €	82.96%	123 426 865 €	80,32%
<b>TOTAL SCF</b>	<b>8 019 197 650 €</b>	<b>6 673 628 243 €</b>	<b>1 345 569 407 €</b>	<b>9 233 108 692 €</b>	<b>115.14%</b>	<b>6 578 203 708 €</b>	<b>82.03%</b>	<b>5 046 826 551 €</b>	<b>75,62%</b>
Rural Development	3 167 917 267 €	2 552 259 588 €	615 657 679 €	3 277 579 028 €	103,46%	2 452 299 761 €	77,41%	2 106 969 573 €	82,55%
OP Fisheries	96 410 995 €	72 308 246 €	24 102 749 €	102 075 225 €	105,88%	60 753 584 €	63,02%	47 274 559 €	65,38%
<b>TOTAL AGRICULTURAL FUNDS</b>	<b>3 264 328 261 €</b>	<b>2 624 567 834 €</b>	<b>639 760 428 €</b>	<b>3 379 654 254 €</b>	<b>103,53%</b>	<b>2 513 053 345 €</b>	<b>76,99%</b>	<b>2 154 244 132 €</b>	<b>82,08%</b>
<b>TOTAL</b>	<b>11 283 525 911 €</b>	<b>9 298 196 077 €</b>	<b>1 985 329 835 €</b>	<b>12 612 762 945 €</b>	<b>111,78%</b>	<b>9 091 257 054 €</b>	<b>80,57%</b>	<b>7 201 070 683 €</b>	<b>77,45%</b>