

## **Citizens' summary of the Annual implementation report of OP "Transport and transport infrastructure" 2014–2020 for 2017**

The Operational Program "Transport and Transport Infrastructure" 2014-2020 intend the completion of major national and pan-European transport directions on the territory of Bulgaria. The investments are directed to the advanced implementation areas financed under the OPT 2007-2013, aiming at the maximum completion of their modernization or their completion.

The program continues successfully the development line formed in the previous period 2007-2013 with consistent investment and project sustainability. This trend confirms the preliminary expectations for continuity and achievement of the overall goal of the OPTTI 2014-2020, namely: development of a sustainable transport system.

The instruments to achieve the OPTTI's goals are transport system development projects that contribute to the effective connectivity of the transport network and the removal of bottlenecks in it, reducing congestion, noise and pollution levels, improving safety, promoting the use of environmentally friendly modes of transport.

At the end of 2017 the grant awarded under the program is for 33 projects amounting to EUR 1 192 896 174,73 or 63.20% of the total budget. To the beneficiaries were paid EUR 358 101 356,34 or 18.97% of the program budget. The good preparation of the subway projects ensured their timely start-up and successful implementation and again brought Priority Axis 3 first in terms of physical progress and payments made, accounting for 43% of the Axis budget. The design and construction of the section from "Zhitnitsa" Str. through "Ovcha Kupel" R.A. to the Sofia Ring Road is divided into two distinct positions and management systems. The physical performance of Lot 1 is 9.83% and Lot 2 is 14.39%.

Certified expenditure to the EC is EUR 201,84 million. (EUR 84,93 million under the CF and EUR 116,91 million under the ERDF). Under the "N+3" rule for canceling a budget commitment applicable to certified expenditure by the end of 2017 and 2018, the target is met in 2017, and for 2018, given the current expenditure certified by both funds and the forecast by the end of the year, there is no risk of losing funds. At the same time, the implementation of the indicators of the 2018 performance framework for PO 1 and PO 4 is a challenge that the beneficiaries need to overcome.

There has been a progress in the preparation of major rail and road infrastructure projects. The application forms for both major railway projects (Plovdiv - Burgas, Phase 2 and the Modernization of the Elin Pelin - Kostenets section) were submitted for approval to the EC.

The application form on Struma Motorway /Lot 3.1, Lot 3.3 and Zheleznitsa Tunnel/ was approved by the EC on 24<sup>th</sup> of October 2017. Construction works on Lot 3.1 of the Struma Motorway project were launched and Lot 3.3 is in an advanced phase of implementation.

In 2017, a key event for the program was the completion of the project "Developing an Integrated Transport Strategy for the period to 2030", which ensured the implementation of preliminary thematic conditions 7.1, 7.2 and 7.3.

*T 07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.*

*T 07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports*

*infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.*

*T 07.3 – Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.*

In 2017 the second amendment of the program was approved, the main changes being related to the reduction of the scope of the railway projects: “Rehabilitation of the Plovdiv-Burgas railway line, Phase II” and “Modernization of the railway line Sofia-Septemvri”. Also the sections and the status of preparation of the railway projects approved for financing under the Connecting Europe Facility were specified.

The implementation of major projects is a crucial factor for the development of the program and the achievement of its milestones and goals. The delay in the award of the construction contracts poses a serious risk of absorption of the budget for PO 1 and PO 2. The tendering procedure for the construction of the project “Modernization of the Elin Pelin - Kostenets section” is being appealed. There is also a great delay in the award of the construction contract for the Zheleznitsa Tunnel. For two years, the tender procedure was announced three times due to a change in the bidding strategy and by the end of 2017 the bids received were under evaluation. Regarding this and in order to avoid the risk of losing funds and to achieve good financial management of these projects, the beneficiaries NRIC and API should follow the strict commitments made on the proposed deadlines for public procurement and the timetables for their implementation. The MA of OPTTI in cooperation with the beneficiaries prepared action plans on critical projects and the measures being monitored and discussed with the EC each quarter.

It should be noted that appealing at different stages of the procedure is one of the most frequent problems for which there is a delay. There is a tendency for public procurement to be appealed at the stage of preparation of offers, i.e. after the announcement of the procedure, with a significant number of complaints being against the clarifications given by the contracting authority under the terms of the procedure. In most cases, this appeal is accompanied by a request for an interim measure “suspension of the procedure” where the assignor is obliged to stop the procedure until the CPC (Consumer Protection Commission) rejects the request for interim measure or the CPC have to take a decision on the appeal if the provisional measure is imposed. In this way, the procedure stops for a certain period, even if the complaint is incomplete. Due to such actions, there has been a considerable delay (between 1 and 7 months) in construction and surveillance procedures in the railway sector.

Regarding the popularization of the program among the general public, the MA follows the recommendations of the approved National Communication Strategy for the period 2014-2020. The program presents itself to the general public as a real opportunity to improve the development of Bulgaria and the quality of life. In 2017, 3 training sessions and seminars were held among the beneficiaries of the program, OPTTI MA and journalists' experts, as well as promotional materials for the program were distributed. The OPTTI website and the created YouTube channel are up to date. One of the interesting initiatives of the Managing Authority for the promotion of the achievements of the Operational Program in the construction and development of the transport infrastructure in the country, is the organized photo exhibition for the promotion of the achievements of the two Operational Programs (Transport 2007-2013 and Transport and Transport Infrastructure 2014-2020). The photo exhibition was organized in the period 30 October - 12 November 2017, in the City Garden in front of the National Theater “Ivan Vazov” in the capital. With over 120 photos, the exhibition has shown some of the largest and most complex transport projects realized in Bulgaria so far.