

## Standard Project Fiche

### 1. Basic Information

**1.5 CRIS Number (Year 3): 2006/018-164.04.01**

**1.5 Title: Unallocated Institution Building Envelope**

1.3 Sector: PAR

1.4 Location: Bulgaira

1.5 Duration: 24 months

Phase 1 – 2004

Phase 2 – 2005

Phase 3 -2006

### 2. Objectives

2.5 Overall Objective(s):

Strengthening the institutions and administrative capacity for the full application of the *acquis communautaire*

2.5 Project purpose:

- Assist the adoption and implementation of *acquis* in particular areas where assistance is still necessary
- Strengthen the institutional and operational capacity of public administration bodies in view of the future role in the implementation of the EU *acquis*
- Develop human resources of public administration institutions responsible for the implementation of the EU *acquis*
- Ensure the ability of Bulgaria to take on the obligations of the EU membership, including adherence to the aims of political, economic and monetary union

2.5 Accession Partnership (AP) and NPAA priority (and implementing measures envisaged by the Action Plan for AP priorities related to strengthening administrative and judicial capacity)

The Accession Preparation 2003 states: “Prepare a fully comprehensive; public administration reform strategy, including an action plan, in 2003. The strategy should involve a twin track approach combining; continuing to support institution building directly relevant to the *acquis* and management of EC funds; and horizontal reform designed to improve the effectiveness of the public administration more generally”.

“Give more attention when the EC *acquis* is transposed, to how this can be implemented and enforced, including in the court system, at national, regional and local levels, in a way appropriate to the situation in Bulgaria”.

In addition, the Bulgaria AP contains requirements to:

1. “Make progress in implementing the Bulgarian National Strategy for preparation on Structural Funds and the Cohesion Fund. Continue to adopt the framework legislation needed to implement the *acquis* under “Regional policy and co-ordination of structural instruments”.

2. “Bring administrative capacity for the units within the ministries designated or to be designated as future managing or paying authorities up to the level required for efficient and correct implementation of Structural Funds assistance (in terms of recruitment, career profiles and training)”.
3. “Make progress in ensuring compliance with acquis requirements for monitoring and evaluation of the Structural Funds, in particular for ex-ante evaluation and for the collection of the relevant statistical information and indicators”.

## 2.5 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)

Not applicable

## 2.5 Cross Border Impact

Not applicable

## **3. Description**

### 3.5 Background and justification:

Bulgaria has been the beneficiary of accession related PHARE institution building projects since 1998. A number of institution building projects have been or are being completed successfully in the form of full scale twinning with the assistance of Member States experts. However at this stage of Bulgaria’s preparation for EU membership there is a clear demand to establish a more flexible institution building instrument to address specific well-circumscribed self contained subjects of limited scope. The unallocated institution building envelope will provide the possibility to respond to emerging tasks in a more flexible and immediate way. In particular projects will be supported in those areas identified in the Comprehensive Monitoring Report and other strategic documents issued by the European Commission in which urgent and/or unforeseen tasks arise unexpectedly. No investments are eligible under this facility.

### 3.5 Sectoral rationale

Not applicable

### 3.2.1 Identification of projects

Not applicable

### 3.2.2 Sequencing

Not applicable

## 3.5 Results

### 3.3.1 Project 1

#### 3.3.1.1 Purpose

To provide Institution Building through assistance (twinning, twinning light, or other form of technical assistance) to meet the requirements related to specific urgent and unforeseen needs identified in the course of the accession negotiation process.

#### 3.3.1.2 Results:

##### **Phase 1 (2004)**

- Concrete administrative structures and management systems in place which satisfy the requirements of the *acquis communautaire* in a number of areas.
- Institutional reform and capacity building to ensure effective implementation of Bulgaria's strategy for management of pre-accession assistance and transition to Structural Funds

##### **Phase 2 (2005)**

- Concrete administrative structures and management systems in place which satisfy the requirements of the *acquis communautaire* in a number of areas.
- Institutional reform and capacity building to ensure effective implementation of Bulgaria's strategy for management of pre-accession assistance and transition to Structural Funds

##### **Phase 3 (2006)**

- Concrete administrative structures and management systems in place that satisfy the requirements of the *acquis communautaire* in a number of areas.

#### 3.4 Activities (including Means)

##### Phase 1 (2004)

An envelope for as yet unspecified **institution building** projects will be established. Funded projects will rest on a number of fundamental principles:

Projects will be based on priorities identified in the Accession Partnership, the NPAA and the Action Plan for Administrative and Judicial capacity, or emerge from the ongoing negotiation process. There will be cases where the relationship with the *acquis* will be concretely established, but there might also be cases, where a focused institution building project will be the most suitable method for the achievement of a desired result in a broader sense of the *acquis* or in fulfillment of the Copenhagen criteria

The project will target very specific areas where Institution Building support is required in relation to the challenges and requirements of the EU integration process and to the negotiation chapters: preparation for future structural and regional policies (including participation in Structural Funds), preparation of relevant administrative structures for future accession.

The project targets a concrete, operational guaranteed result.

The beneficiary lays out a clear work programme, how it intends to achieve the result and what means it will deploy. The project should make the commitment of the beneficiary to achieve the guaranteed result explicit.

Size and budget of projects will be subject of individual assessment, subject to PHARE guidelines including on Twinning and Twinning light

All projects should be in full compliance with the Commission's PHARE guidelines

Projects can be implemented in the form of twinning, twinning light and technical assistance

Funding will be allocated as required for monitoring and interim evaluation of Phare projects after the end of the current EU centrally funded contract

A Steering Committee for Institution Building under the Chairmanship of the NAC will be created that will define the detailed criteria for application, the timing of call for proposals, the minimum - maximum size and duration of projects, the practical working method and if necessary the proportion between the different tools of support. The Steering Committee shall have the first meeting at the time of the signature of the Financing Memorandum 2004. It shall decide about the first allocation not later than the following three months. The applications for Twinning, Twinning Light and Technical Assistance will be received to the NAC services not later than 31 May 2005. After this period the SC shall guarantee that an amount of 1 Meuro will be available for allocation of Twinning Light projects in order to meet some urgent needs of the Bulgarian Authorities. The part of funds should be available until the signing of the Financing Memorandum 2005. The SC shall also guarantee that a clear timetable is defined in a way to ensure that the IB assistance is in place before the end of 2004. The SC shall meet on regular basis in order to make sure that the timetable is implemented or projects are designed in accordance with the defined needs. An indicative timetable is included in Annex 1.

#### Phase 2 (2005)

The management of the Envelope shall be done following the principles below:

The projects applying for assistance should be justified with reference to the EC Regular Report, latest Accession Partnership and National Programme for the Adoption of the Acquis (NPAA).

The projects should be targeted to very specific areas where Institution Building support is required in relation to the challenges and requirements of the EU integration process and to the negotiation chapters: preparation for future structural and regional policies (including participation in Structural Funds), preparation of relevant administrative structures for future accession. The projects must yield a concrete, operational result in terms of the beneficiary country meeting a requirement in connection with EU acquis. Projects can be implemented in the form of twinning, twinning light and technical assistance **but preferable form will be twinning light**.

#### Phase 3 (2006)

The management of the Envelope shall be done following the principles below:

Projects will be based on priorities identified in the Comprehensive monitoring Report, other strategic documents, warning letters, etc.

- The projects will target very specific areas where Institution Building support is required in relation to the challenges and requirements of the EU integration process.
- The projects target a concrete, operational guaranteed result.
- Size and budget of projects will be subject of Criteria for project selection.
- Projects can be implemented through the most appropriate instrument, i.e. twinning, twinning light and/or technical assistance

### 3.5 Linked Activities:

- All institution building projects financed by PHARE since 1998
- The TAIEX Multi-beneficiary Programme, which acts as a complement to the national Phare programmes and is coordinated with them, responding to individual requests not covered in these programmes by tailor-made actions for each country in all fields of the *acquis*.
- SIGMA Muti-beneficiary Programme, which advises on the modernisation of general management systems of public institutions, oriented to accession priorities and complementing National Programmes for Institution Building and twinning.
- BG 0205.02 – Unallocated Institution Building Envelope.
- BG 2003/004-937.10.05 Unallocated Institution Building Envelope
- BG2004/016-711.10.05 Unallocated Institution Building Envelope
- BG 2005/017-353.11.02 Unallocated Institution Building Envelope

### 3.6 Lessons learned:

Large number of institution building projects have been completed successfully in the form of Twinning or Twinning light with the assistance of Member States experts. The experience shows that this type of assistance has been particularly useful to respond quickly to urgent needs in preparation towards accession. This IB envelope is expected to provide Bulgaria the possibility to respond to the remaining tasks linked to the further strengthening of the administrative capacity for the full implementation of the *acquis*.

## 4. Institutional Framework

For the execution of contracts of the Unallocated Institution Building Envelope (UIBE) under 2006 Financing Memorandum the following rules shall be observed:

The amount of 5.0 MEURO shall be used to finance Twinning, Twinning Light and Technical Assistance projects. According to the EC recommendations Twinning Light shall be preferable. National Aid Coordinator's (NAC) services shall circulate criteria for project selection and rules for implementation to the Sectoral Coordinators who shall inform the beneficiaries on the base of identified needs. Each application shall meet the requirements of the Project Fiche (PF) for UIBE and the approved Criteria for project selection. A Steering Committee (StC) for UIBE under the Chairmanship of the NAC shall be created. The Steering Committee includes the National Aid Coordinator, the National Authorizing Officer and the Central Finance and Contracts Unit (CFCU) representatives as voting members as well as the European Commission

Delegation (ECD) representatives as non-voting members. The Steering Committee shall decide about the allocations for projects as per the Criteria for project selection. From there on the procedures will follow what is provided for in the Common Twinning Manual and the Practical Guide.

## 5. Detailed Budget

	Phare	Co-financing			Total Cost
Year 2006 €M		National Public Funds (*)	Other Sources (**)	Total Co-financing	
Investment support jointly co funded					
Investment support – sub-total	N/A	N/A	N/A	N/A	N/A
% of total public funds	max 75 %	min 25 %			

Year 2006 Institution Building support					
IB Envelope	5.000				5.000
IB support	5.000				5.000

Total project 2004 (a)	5.000				5.000
Total project 2005 (b)	6.322				6.322

(\*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(\*\*) private funds, FIs loans to private entities

(a) 100% contracted

(b) Under implementation

## 6. Implementation Arrangements

The Implementing Agency will be the Central Finance & Contracting Unit (CFCU) in the Ministry of Finance. CFCU will work closely with both the NAC and each beneficiary institution that receives assistance under the facility. The NAC will be responsible for overseeing implementation of general training provided under the facility. The relevant beneficiary institution will be responsible for overseeing project-specific assistance provided under the facility.

The Programme Authorising Officer will be the Secretary General of the Ministry of Finance.

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1000 Sofia  
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6.5 Twinning

Beneficiary institutions are not determined, due to the nature of the envelope.

6.5 Non-standard aspects

The Practical Guide and the specific twinning and twinning light rules will strictly be followed.

6.5 Contracts

Due to the nature of the envelope for the time being it is not possible to foresee the number and value of contracts.

**7. Implementation Schedule**

7.5 Start of tendering/call for proposals

**Phase 1:** As defined in Annex 3

**Phase 2:** As defined in Annex 3.1

**Phase 3:** As defined in Annex 3.2

7.5 Start of project activity

**Phase 1:** Contracts may be signed only after the signature of the Financing Memorandum for the Phare 2004 National Programme

**Phase 2:** Contracts may be signed only after the signature of the Financing Memorandum for the Phare 2005 National Programme

**Phase 3:** Contracts may be signed only after the signature of the Financing Memorandum for the Phare 2006 National Programme

7.3 Project completion

**Phase 1:** Projects for each year must be completed before the expiry date of the execution of contracts period in the Financing Memorandum for the Phare National Programme 2004, ie 30 November 2007.

**Phase 2:** Projects for each year must be completed before the expiry date of the execution of contracts period in the Financing Memorandum for the Phare National Programme 2005, ie 30 November 2008.

**Phase 3:** Projects for each year must be completed before the expiry date of the execution of contracts period in the Financing Agreement for the Phare National Programme 2006, ie 30 November 2009.

## **8. Equal Opportunity**

Equal opportunity for men and women will be guaranteed.

## **9. Environment**

Not applicable

## **10. Rates of return**

Not applicable

## **11. Investment criteria**

Not applicable

- 11.5 Catalytic effect
- 11.5 Co-financing
- 11.5 Additionality
- 11.5 Project readiness and size
- 11.5 Sustainability
- 11.5 Compliance with state aids provisions

## **12. Conditionality and sequencing**

The envelope will be actually used only if there are enough concrete applications fulfilling the criteria identified.

The beneficiary institutions are bound to provide the twinning partner with adequate staff and other resources (including translation and interpretation) to operate effectively. The full commitment and participation of senior management of the beneficiary institution is required for the implementation of the projects.

The sequencing is subjected to the deliberations of the Steering Committee meetings.

## **ANNEXES TO PROJECT FICHE**

1. Logframe in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
4. For all projects: reference list of feasibility/pre-feasibility studies, indepth ex ante evaluations or other forms of preparatory work. For all investment projects, the executive summaries of economic and financial appraisals, environmental impact assessments, etc, should be attached – Not applicable



5. Reference list of relevant laws and regulations – Not applicable
6. Reference list of relevant strategic plans and studies (may include institution sector strategies, development plans, business development plans, etc) Not applicable
7. Annex 7: Indicative timetable of the Steering Committee

LOGFRAME PLANNING MATRIX		Programme name and number	Unallocated IB envelope
UNALLOCATED INSTITUTION BUILDING ENVELOPE		Contracting period expires: 30 November 2008	End of execution of contracts period expires:  30 November 2009
		Total budget : 5.000 meuro	Phare budget : 5.000 meuro
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
Strengthening the institutions and administrative capacity for the full application of the <i>acquis communautaire</i> •	<ul style="list-style-type: none"> <li>Increasing number of Bulgarian institutions completely ready to apply the <i>acquis communautaire</i></li> </ul>	Comprehensive Monitoring Report	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p>Assist the adoption and implementation of <i>acquis</i> in particular areas where assistance is still necessary</p> <p>Strengthen the institutional and operational capacity of public administration bodies in view of the future role in the implementation of the EU <i>acquis</i></p> <p>Develop human resources of public administration institutions responsible for the implementation of the EU <i>acquis</i></p> <p>Ensure the ability of Bulgaria to take on the obligations of the EU membership, including adherence to the aims of political, economic and monetary union</p> <p>•</p>	<ul style="list-style-type: none"> <li>Acceleration of the progress within ministries/institutions towards meeting the requirements of the <i>acquis</i></li> </ul>	<ul style="list-style-type: none"> <li>Minutes of the monthly progress meetings</li> <li>Monitoring reports</li> <li>EC Monitoring report</li> </ul>	<ul style="list-style-type: none"> <li>The identified tasks are completed in time and effectively</li> </ul>
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<b>Phase 1</b> <ul style="list-style-type: none"> <li>Concrete administrative structures and management systems in place which satisfy the requirements of the <i>acquis communautaire</i> in a number of areas.</li> <li>Institutional reform and capacity building to ensure effective implementation of Bulgaria's strategy for transition to Structural Funds</li> </ul>	<ul style="list-style-type: none"> <li>Specific identified tasks have been completed with the help of MS experts or TA provided by experts selected through the Practical Guide for Phare procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Twinning experts reports</li> <li>Monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>The beneficiaries allocate appropriate human and financial resources to the specific task</li> </ul>

<p><b>Phase 2</b></p> <ul style="list-style-type: none"> <li>• Concrete administrative structures and management systems in place which satisfy the requirements of the acquis communautaire in a number of areas.</li> <li>• Institutional reform and capacity building to ensure effective implementation of Bulgaria's strategy for management of pre-accession assistance and transition to Structural Funds</li> </ul> <p><b>Phase 3</b></p> <ul style="list-style-type: none"> <li>• Concrete administrative structures and management systems in place that satisfy the requirements of the acquis communautaire in a number of areas.</li> </ul>			
Activities	Means		Assumptions
<p>Phase 1</p> <ul style="list-style-type: none"> <li>• Establishment of a facility providing support for institution building projects</li> </ul> <p>Phase 2</p> <ul style="list-style-type: none"> <li>• Utilisation of the facility providing support for IB projects</li> </ul> <p><b>Phase 3</b></p> <ul style="list-style-type: none"> <li>• Utilisation of the facility providing support for IB projects</li> </ul>	<ul style="list-style-type: none"> <li>• An unattributed envelope will be earmarked from which a number of projects will be financed</li> </ul>		<ul style="list-style-type: none"> <li>• Appropriate twinning partners will be found</li> </ul>
			Preconditions

## ANNEX 3

### Detailed implementation chart

Component	2004						2005												2006												2007												
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Unallocated Institution Building Envelope	D	D	D	D	D	D	T	T	T	T	T	T	T	T	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	

D: Design T: Tendering/ Call for proposals and contracting I: Implementation

Due to the nature of the facility the various phases of the project cycle will in practice run in parallel contract by contract.

## Annex 4

### CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Contracts		03/ 2005	06/ 2005	09/ 2005	12/ 2005	03/ 2006	06/ 2006	09/ 2006	12/ 2006	03/ 2007	06/ 2007	09/ 2007	12/ 2007
Unallocated Institution Building Envelope	Contracted	1.0	2.0	3.0	4.0	4.0	5.0						5.0
	Disbursed	1.0	2.0	2.5	2.75	3.0	3.25	3.5	3.75	4.0	4.25	4.5	5.0

Due to the nature of the facility the contracting and disbursement schedule can be estimation only.

### ANNEX 3.1

Detailed implementation chart

Component	2005						2006												2007												2008											
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Unallocated Institution Building Envelope	D	D	D	D	D	D	T	T	T	T	T	T	T	T	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	

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### Annex 4.1

#### CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Contracts		03/ 2006	06/ 2006	09/ 2006	12/ 2006	03/ 2007	06/ 2007	09/ 2007	12/ 2007	03/ 2008	06/ 2008	09/ 2008	12/ 2008
Unallocated Institution Building Envelope	Contracted	5.0											
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Due to the nature of the facility the contracting and disbursement schedule can be estimation only.

## ANNEX 3.2

### Detailed implementation chart

Component	2006						2007						2008						2009											
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Unallocated Institution Building Envelope	D	D	D	D	D	D	T	T	T	T	T	T	T	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I

D: Design T: Tendering/ Call for proposals and contracting I: Implementation

Due to the nature of the facility the various phases of the project cycle will in practice run in parallel contract by contract.

## Annex 4.2

### CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Contracts		03/2006	06/2006	09/2006	12/2006	03/2007	06/2007	09/2007	12/2007	03/2008	06/2008	09/2008	12/2008
Unallocated Institution Building Envelope	Contracted	5.0											

	Disbursement	1.0	2.0	2.5	2.75	3.0	3.25	3.5	3.75	4.0	4.25	4.5	5.0
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Due to the nature of the facility the contracting and disbursement schedule can be estimation only.

**INDICATIVE TIMETABLE OF THE STEERING COMMITTEE, PHASE 1 (2004)**

December 2004	Kick-off meeting of StC in order to define methods and strategy of the use of the funds
From January 2005	Start of StC Decisions of the allocation of the funds
From May 2005	Call for proposals for twinning and twinning light; start of tendering TA based on the StC decision
From September 2005	Start of twinning light/twinning projects or TA
From September 2005	Start of allocation of the last 1 Meuro for Twinning Light Projects
November 2006	Last contracting date
September 2007	Completion of the IB implementation
November 2007	Last execution of contracts date



**INDICATIVE TIMETABLE OF THE STEERING COMMITTEE**

**There shall be two rounds in the work of the Steering Committee:**

For the period January – August 2006 a maximum amount of 4.0 MEURO from UIBE will be allocated;

The remaining 1.0 MEURO from UIBE will be allocated starting from September 2006, covering urgent needs

December 2005	Kick-off meeting of StC in order to define methods and strategy of the use of the funds
From January 2006	Start of StC Decisions of the allocation of the funds
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November 2008	Last contracting date
September 2009	Completion of the IB implementation
November 2009	Execution of contracts period expires