

Standard Summary Project Fiche for the Transition Facility

1. Basic Information

1.1 CRIS Number : 2007/019-303.03.07

1.2 Title: Support for the implementation of the Common market organizations in the meat sector

1.3 Sector: Agriculture

1.4 Location: Bulgaria, Ministry of Agriculture and Food Supply, Agrarian Development Directorate

2. Objectives

2.1 Overall Objective(s):

- Implementation of the Common Market Organization for beef and veal, sheep and goat and pig meat by implementing the (S)EUROP system for classification of pig, beef and sheep carcasses;

2.2 Project purpose:

The project purposes are:

- Improvement of the quality of the meat products placed on the market;
- Improvement of the quality of the different types of meat by implementing the (S) EUROP classification system for different animal carcasses;
- Stabilizing and improvement the achievements reached by the (S) EUROP implementation.

2.3 Justification

The Monitoring report on the state of preparedness for EU membership of Bulgaria and Romania from 26.9.2006 point out that in the meat sector the legal framework for carcass classification was completed and the pig carcass classification system started to operate.

However, the present classification system needs further improvement mainly in terms of organisation, training and authorisation of persons performing classification, as well as the adequate control of the classification services.

The implementation of the classification system for carcasses will further enable running of price quotation for carcasses on dead weight basis, current control of the situation on meat market, assurance of a just system of payment for slaughtered animals, and standardisation of the intervention price for the particular quality grades of carcasses admitted to intervention for the entire EU.

3. Description

3.1 Background and justification:

The (S)EUROP system represents a part of the Common Market Organization.

Reaching high quality standards will raise production costs, in future producers will gain benefits from better market access. That is why introduction of carcass qualification is so important. Bulgarian government, industry and scientists are pooling their efforts to find a way of solving existing problems in the area of quality standards and to propose options.

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According to EU legislation Bulgaria has the obligation to fully implement (S) EUROP system and to report on a weekly basis the prices to the EU Commission. In order to fulfil the above Bulgarian authorities have to continue to build capacity in the structures responsible for the implementation of (S)EUROP system and the control a carcass classification. Furthermore this EC base system for specification of carcasses is eligible for EC intervention programmes.

Therefore even a well described classification system needs to be further monitored regularly by the Agrarian Development Department within the Ministry of Agriculture and Food Supply in order to provide the farmer and slaughter plant with a descriptive language of quality which is the basis of dialogue between producer and meat plant, to prevent fraud in favour or disfavour of the individual farmer or slaughter plant etc.

In December 2006 an information system on reporting from slaughterhouses to Agrarian Development Department within the Ministry of Agriculture and Food Supply and from the Ministry of Agriculture and Food Supply to the European Commission the average weighted prices of red meat, classified by the (S) EUROP system has been design and installed. However the system needs to be further improved in order to achieve a good traceability of the raw material (the animal) to the final product (carcasses).

3.2 Linked Activities

- PHARE project BG9806-01-03/TA to Integration Policy Directorate of MAF. This project has included an activity for preparation of feasibility studies with recommendations for introduction of the Common Agricultural Policy for all sectors, including the meat sector.

3.3 Results

- Improved administrative capacity of the “Agrarian Development Directorate” (ADD) of the Ministry of Agriculture and Food Supply (MAFS), the Regional Directorates of Agriculture and Forestry and slaughterhouses representatives with respect to the implementation of the Common Market Organization for beef and veal, sheep and goat and pig meat;
- Increased awareness among stakeholders of the (S)EUROP system and its implementation;
- A practical guide for the implementation of EU and national regular framework provisions in the field of the “Common Market Organization for beef and veal, sheep and goat and pig meat” is printed in 1000 copies and distributed among the stakeholders; *(this is an activity)*
- Strengthened cooperation between the administrative structures and the representatives of meat sector and clearly defined cooperation mechanisms and division of responsibility;
- Upgraded and extended information system on reporting from the 3 pilot slaughterhouses to the Ministry of Agriculture and Food Supply and from the Ministry of Agriculture and Food Supply to the European Commission of the average weighted prices of red meat, classified by the (S) EUROP system.

3.4 Activities

- Organizing and carrying out of six seminars (NUTS II level) in Republic of Bulgaria for representatives of the meat sector (slaughterhouses and experts from Regional Directorates of Agriculture and Forestry) in the field of:
 - Practical implementation of (S)EUROP carcass classification system;
 - Implementation of the Common Market Organization of beef and veal, sheep and goat and pig meat in Bulgaria;

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- Training of 10 experts of ADD of MAFS, the National Centre for Agrarian Sciences (NCAS) and representatives of the Association of Meat processors in Bulgaria (AMB) in qualification and classification of pig, beef and sheep by the (S) EUROP system;
- Drafting, publishing and distribution of a practical guide for the implementation of EU and national regular framework provisions in the field of the “Common Market Organization for beef and veal, sheep and goat and pig meat”;
- Review, assessment and recommendations for improvement the functionality of the information system on reporting from the slaughterhouses to the Ministry of Agriculture and Food Supply and from the Ministry of Agriculture and Food Supply to the European Commission of the average weighted prices of red meat, classified by the (S) EUROP system.

3.5 Lessons learned:

The tender procedure for contract 5 “Technical Assistance for support to the Milk and Meat Sectors” of project 03 “Approximation and implementation of the legislation - CAP and CFP mechanisms and strengthening the administrative capacity of MAFS to meet future responsibilities” has been unsuccessful. Contract 5 has comprised three components – one for milk, one for meat sector and a third one for horizontal training in project cycle management (PCM) and communication strategies for the relevant staff of the Ministry of Agriculture and Food Supply. However it happened that most of the applicants had no technical capacity with respect to training in relevant management information systems, PCM and communication skills. Considering the importance of the project for successful accession preparation in the milk and meat areas, the EC Delegation (now Representation to EC in Bulgaria) has recommended to reprogram the project. The project has been reprogrammed as three separate projects in order to avoid the problem of a not successful tender because of applicants incapacity to perform very different scope of activities (no interest for consortium as well).

The experience acquired through implementation of projects was helpful not only in the approximation of legislation but also in the setting up of the necessary administrative structures, responsible for the implementation of the newly adopted legislation. In addition to introduction and implementation of CAP, the training, provided to the IPD staff was very helpful.

In future it is very important to secure the following elements:

- 1- full cooperation of the beneficiaries;
- 2- allocation of sufficient resources by the beneficiaries to “absorb” the aid;
- 3- clear definition of the respective roles;
- 4- full cooperation and coordination of the local stakeholders to avoid misunderstandings or exclusion of important partners;

4. Institutional Framework

Agrarian Development Directorate ADD (ex. Animal Breeding Directorate)

The key institution for implementing EU law relating to the Meat CMO is the Ministry of Agriculture and Food Supply. A particular responsibility was assumed for the meat sector is carcass classification by Carcass classification unit within Agrarian Development Directorate.

Agrarian Development Directorate is responsible for the introduction and implementation of (S)EUROP system in Bulgaria, collecting, processing and reporting of prices to the EU Commission.

Currently carcass classification is controlled by 4 experts from the Ministry of Agriculture and Food Supply, from a specialised unit dealing only with classification (Carcass classification unit) within Agrarian development directorate,

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5. Detailed Budget

	TF Instrument support	Co-financing			Total Cost
€M		National Public Funds	Other Sources	Total Co- financing of Project	
Institution Building support					
TA contract	200 000 euro				200 000 euro
IB support	200 000 euro				200 000 euro

6. Implementation Arrangements

6.1 Implementing Agency

The CFCU (Ministry of Finance) will be the Contracting Authority responsible for tendering, contracting, payments and financial reporting and will work with close co-operation with the beneficiary. The acting PAO of the project is Mrs Gergana Beremska, National Treasurer within the Ministry of Finance. Her contact details are:

Address: 102 Rakovski Str.

1040 Sofia

Tel: 359 2 9859-2490

Fax: 359 2 9859-2499

The PIU at the Ministry of Agriculture and Food Supply will be responsible for monitoring of project implementation and coordination of the activities at all stages of the project cycle. Contact details of the PIU:

Director of European and International Programs and Projects Department

Ministry of Agriculture and Food Supply

Address: 55 Hristo Botev blvd.

Sofia

Tel: 359 2 981 6163

Fax: 359 2 981 75 42

E-mail: demina@phare-agr.orbitel.bg

The beneficiary of the project is the **Agrarian Development Directorate - ADD (ex. Animal Breeding Directorate)**

Contact details:

Director of Agrarian Development Directorate at MAFS,

Address: 55 Hristo Botev Blvd.

Sofia

Tel: + 359 2 985 11 340

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e-mail: tz.dimitrov@mzgar.government.bg

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6.2 Twinning

Not applicable

6.3 Non-standard aspects

Not applicable

6.4 Contracts

One Technical Assistance Contract at the amount of 200 000 euro.

6.5 Project management

The project management structure includes the Project Manager, Senior Project Officer for Agriculture and the Project Steering Committee. Decisions related to the technical implementation of the project will be taken by the Project Manager after the approval of the Senior Project Officer and/or the Project Steering Committee. Decisions related to financial issues, may be taken by the Project Manager alone.

The Phare PIU will be responsible for the project control and monitoring on behalf of the Senior Programme Officer for Agriculture.

The Consultant shall propose an appropriate project management methodology which embodies an established and proven best practice in project management. The proposed method of project management shall encourage formal recognition of responsibilities within the project and shall focus on what the project is to deliver, why, when and for whom. The use of proper project management shall provide the project with:

- A controlled and organised project start, middle and end;
- Regular reviews of progress against plan;
- Flexible decision points;
- Automatic management control of any deviations from the plan;
- Good communication channels between the Contractor, the Contracting Authority and the Beneficiaries.

For the operational day-to-day management is responsibility of the Consultant's Team leader.

A Steering committee shall be established with the overall responsibility for the project comprising of representatives of the Consultant, the Contracting Authority, the Beneficiaries' Institutions - ADD at MAFS and the PIU at MAFS as a controlling and monitoring body. Representatives of the NAC Services and CFCU will be invited as observers of the Steering committee's meetings.

Monitoring instruments

The principal internal monitoring instruments shall be management meetings and management reports.

- Management meetings

The management meetings will include Checkpoint meetings and the meetings of the Steering committee.

The Checkpoint meetings will have the purpose to review actual work progress against planned and to identify issues. They will be attended by the Team Leader - the CFCU contract manager, the PIU Project controller and representatives of the Beneficiary Institutions and will be held once each month.

The Steering committee meetings will convene on a quarterly basis for presentation of the Quarterly reports (QR) and also ad hoc, if there is a special issue raised by the Checkpoint meetings requiring a Steering committee decision to be taken.

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BC Project Leader

The Director of “Agrarian Development” Department at the Ministry of Agriculture and Food Supply will act as Bulgarian Project Leader of the project.

7. Implementation Schedule

7.1 Start of tendering/call for proposals

For the current project a revised extract from the ToR already approved by EC Delegation (now the Representation to the EC in Bulgaria) on 19.08.2006 for Contract 5 TA for support to the Milk and Meat Sectors of project BG2004/016-711.03.03 “Approximation and implementation of the legislation following the mid-term review of the acquis - CAP and CFP mechanisms and strengthening the administrative capacity of MAF to meet future responsibilities” will be used.

Therefore the expected date of publishing the Procurement Notice is January 2008.

7.2 Start of project activity

The expected date of commencement of contract activities is September 2008.

7.3 Project Completion

The expected date of last payment under the contract is July 2009.

8. Sustainability

The Livestock breeding Act of Bulgaria determine the rules for reporting to the European commission the average weighted prices of red meat and the set an obligation for the Ministry of Agriculture and Food Supply to perform this function. In the Internal rules of the Ministry of Agriculture and Food Supply this function is explicitly awarded to Carcass classification unit within the Agrarian Development Directorate.

Sustainability of project results will be secured through the involvement in the project of both responsible institutions and representatives of the professional organisation of meat processors that will allow:

- wide dissemination of the practical guide for the implementation of EU and national regular framework provisions in the field of the “Common Market Organization for beef and veal, sheep and goat and pig meat”;
- organisation of subsequent training of trainers and of representatives of meat producers and processor.

9. Compliance with state aids provisions

Not applicable

10. Conditionality and sequencing

ADD at MAFS ensures that will provide the supervision and necessary coordination between all stakeholders involved in the project and will guarantee their contribution to the project implementation.

ANNEXES TO PROJECT FICHE

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1. Logical framework matrix in standard format
 2. Detailed implementation chart
 3. Contracting and disbursement schedule by quarter (including disbursement period)
 4. Reference to feasibility/pre-feasibility studies
 5. List of relevant Laws and Regulations
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ANNEX 1 TF LOG FRAME MATRIX

SUPPORT FOR THE IMPLEMENTATION OF THE COMMON MARKET ORGANIZATIONS IN THE MEAT SECTOR		Programme name and number	Contracting period expires:	Disbursement period expires:
			15 December 2009	15 December 2010
Overall objective		Objectively Verifiable Indicators	Total Budget:	TF budget:
Implementation of the Common Market Organization for beef and veal, sheep and goat and pig meat by implementing the (S)EUROP system for classification of pig, beef and sheep carcasses;		All country's obligations related to the EU aquis in sector agriculture are met;	200 000 euro	200 000 euro
Sources of Verification		Assumptions		
		<ul style="list-style-type: none"> The relevant reports drafted within the mechanism of EU Commission' monitoring and within the framework of the further assistance after accession; MAFS' Reports 		
Project Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions	
<ul style="list-style-type: none"> Improvement of the quality of the meat products placed on the market; Improvement of the quality of the different types of meat by implementing the (S) EUROP classification system for different animal carcasses; Stabilizing and improvement the achievements reached by the (S) EUROP implementation. 	<ul style="list-style-type: none"> Implementation of EC Regulation 852/2004, 853/2004 and MAF' Ordinance No 36/2006; Implementation of the provision of the Bulgarian Animal Breeding Act (including the Enforcement of Article 38 (e) of the Bulgarian Animal Breeding Act); Implementation of EU Regulations: 315/2002, 	<ul style="list-style-type: none"> MAF' Reports on a weekly basis to DG "Agri" of EC on beef, pig, sheep meat prices; MS Experts' Reports MAFS' official letters and reports; CFCU, PIU, ECR' official letters and reports; Other EU authorities' 	<ul style="list-style-type: none"> Fulfilment of the obligations of Bulgaria arising from the Treaty concerning the accession of the Republic of Bulgaria and Romania to the European Union; Changes in EU standards. 	

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	295/96, and MAF's Ordinances 20/2004, 21/2004, 1/2005, 16/2005.	reports and official letters;	
Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> Improved administrative capacity of the "Agrarian Development Directorate" (ADD) of the Ministry of Agriculture and Food Supply (MAFS), the Regional Directorates of Agriculture and Forestry and slaughterhouses representatives with respect to the implementation of the Common Market Organization for beef and veal, sheep and goat and pig meat; Increased awareness of the sector of the (S)EUROP system and its implementation; A practical guide for the implementation of EU and national regular framework provisions in the field of the "Common Market Organization for beef and veal, sheep and goat and pig meat" is printed in 1000 copies and distributed among the stakeholders; Strengthened cooperation between the administrative structures and the representatives of meat sector; Upgraded and extended information system on reporting from the 3 pilot slaughterhouses to the Ministry of Agriculture and Food Supply and from the Ministry of Agriculture and Food Supply to the European Commission of the average weighted prices of red meat, classified by the (S) EUROP system 	<ul style="list-style-type: none"> 10 persons successfully trained; Implementation of (S)EUROP classification in maximum number of slaughter-houses in Bulgaria; Functional (S)EUROP classification system; Drafted procedures for implementation of EU and Bulgarian legislation in practice, Improved reporting from slaughterhouses to MAFS and from MAFS to the European Commission on the average weighted prices of red meat, classified by the (S) EUROP system; 	<ul style="list-style-type: none"> Fully fledged (S)EUROP classification system for pig, beef and sheep carcasses; Certificates obtained by trained staff Impact Assessment Reports prepared by the Beneficiary after the project's completion. 	<ul style="list-style-type: none"> Good coordination and cooperation between the stakeholders; Control capacity is assured; Availability of staff;
Activities	Means		Assumptions
<ul style="list-style-type: none"> Organizing and carrying out of six seminars (NUTS II level) in Republic of Bulgaria for representatives of the meat sector 	One TA contract	Consultant's reports as	Full cooperation and

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<p>(slaughterhouses and experts from Regional Directorate of Agriculture and forestry) in the field of:</p> <ul style="list-style-type: none"> - Practical implementation of (S)EUROP carcass classification system; - Implementation of the Common Market Organization of beef and veal, sheep and goat and pig meat in Bulgaria <ul style="list-style-type: none"> ▪ Training by relevant EU institution in EU Member States of 10 experts of ADD of MAFS, the National Centre for Agrarian Sciences (NCAS) and representatives of the Association of Meat processors in Bulgaria (AMB) in qualification and classification of pig, beef and sheep by the (S) EUROP system. ▪ Drafting, publishing and distribution of a practical guide for the implementation of EU and national regular framework provisions in the field of the "Common Market Organization for beef and veal, sheep and goat and pig meat" ▪ Review, assessment and recommendations for improvement the functionality of the information system on reporting to the European Commission the average weighted prices of red meat, classified by the (S) EUROP system; 		<p>defined in the ToR;</p> <ul style="list-style-type: none"> ▪ MS Experts' Reports ▪ MAFS' official letters and reports; ▪ CFCU, PIU, ECR' official letters and reports; ▪ Other EU authorities' reports and official letters; 	<p>coordination of the local stakeholders to avoid misunderstandings or exclusion of important partners;</p> <ul style="list-style-type: none"> ▪ Staff is made available; ▪ Full cooperation of the beneficiary;
			<p>Preconditions: ADD at MAFS ensures that will provide the supervision and necessary coordination between all stakeholders involved in the project and will guarantee their contribution to the project implementation. The information system for price reporting is operational as of the</p>

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	project start.
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ANNEX 2 Detailed implementation chart*Project: Support for the implementation of the Common market organizations in the meat sector*

Components	2007				2008												2009							
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	
TA Contract			P	P	T	T	T	T	T	T	T	T / C	I	I	I	I	I	I	I	I	I	I	I	

P- Preparation phase

T - Tendering phase

C – Contracting phase

I - Implementing phase

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**ANNEX 3 Contracting and disbursement schedule, by quarter, for full duration of project
(including disbursement period)**
(in millions of euros)

	III 2008	IV 2008	I 2009	II 2009	III 2009
TA Contract Contracted	0,200	0,200	0,200	0,200	0,200
TA Contract Disbursed	0,160	0,160	0,160	0,160	0,200

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ANNEX 4 - Reference list of feasibility/pre-feasibility studies, in depth ex-ante evaluations or other forms of preparatory work.

Feasibility study for the introduction of CMO of Meat in Bulgaria

14/10/07

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ANNEX 5 - Reference list of relevant laws and regulations

Referent List of relevant legislation

- Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations
- Regulation №1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal
- Regulation №563/82 of 10 March 1982 laying down detailed rules for the application of Regulation (EEC) No 1208/81 for establishing the market prices of adult bovine animals on the basis of the Community scale for the classification of carcasses
- Regulation №1208/81 of 28 April 1981 determining the Community scale for the classification of carcasses of adult bovine animals
- Regulation №1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97
- Commission Regulation (EC) No 1825/2000 of 25 August 2000 laying down detailed rules for the application of Regulation (EC) No 1760/2000 of the European Parliament and of the Council as regards the labelling of beef and beef products
- Council Regulation (EEC) 1291/2001 laying down common detailed rules for the application of the system of import and export licenses and advance fixing certificates for agricultural products
- Council Regulation (EEC) 800/1999 laying down common detailed rules for the application of the system of export refunds on agricultural products
- Regulation (EC) No 853/2004 of the European parliament and of the council of 29 April 2004 laying down specific hygiene rules for food of animal origin
- Regulation (EC) No 852/2004 of the European parliament and of the council of 29 April 2004 on the hygiene of foodstuffs
- Commission Regulation (EC) No 315/2002 of 20 February 2002 on the survey of prices of fresh or chilled sheep carcasses on representative markets in the Community
- Council Regulation (EEC) No 1186/90 of 7 May 1990 extending the scope of the Community scale for the classification of carcasses of adult bovine animals
- Commission Regulation (EEC) No 344/91 of 13 February 1991 laying down detailed rules for applying Council Regulation (EEC) No 1186/90 to extend the scope of the Community scale
- Council Regulation (EEC) No 3220/84 of 13 November 1984 determining the Community scale for grading pig carcasses
- Commission Regulation (EEC) No 2967/85 of 24 October 1985 laying down detailed rules for the application of the Community scale for grading pig carcasses
- Council Regulation (EEC) No 2137/92 of 23 July 1992 concerning the Community scale for the classification of carcasses of ovine animals and determining the Community standard quality of fresh or chilled sheep carcasses and extending Regulation (EEC) No 338/91
- Commission Regulation (EEC) No 461/93 of 26 February 1993 laying down detailed rules for the Community scale for the classification of carcasses of ovine animals

Relevant Bulgarian Legislation

- Animal Breeding Act

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- MAF Ordinance №28/08.07.2003 on the terms and condition for market intervention for agricultural products
- MAF Ordinance on the terms and conditions for issuing of export licenses.
- MAF Ordinance №42/24.10.2003 on the terms and conditions for the payment of export subsidies for export of agricultural products
- MAF Ordinance № 36 / 23.03.2006 on the specific requirements for production, transportation and placing on the market of raw materials and foods of animal origin (publ. SG N 35/28.04.2006
- Ordinance №1 from 11.01.2005 for classification of bovine carcasses according to (S)EUROP scale, issued by the minister of Agriculture and Forestry, published in State Gazette No 8 from 21.01.2005, in force from 01.01.2005
- Ordinance 16 from 17 November 2005 on the rules and conditions for carrying out of training course and examination and for issuing and deprivation of certificate for carcass classification according to (S)EUROP scale, issued by the Ministry of Agriculture and Food Supply and published in SG95 from 29 November 2005
- Ordinance on the labelling requirements for beef and beef products, entering into force from 01.07.2006 and published in SG 1, 03.01.2006
- Ordinance on the purchase, fixing the standard quality and the price increases and reductions applicable to the price of beef

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