

SUMMARY PROJECT FICHE

1. BASIC INFORMATION

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|-----|----------------|---|
| 1.1 | Désirée Number | BG 0006.08 |
| 1.2 | Title | PHARE PROJECT PREPARATION FACILITY |
| 1.3 | Sector | Administrative capacity |
| 1.4 | Location | Sofia, Bulgaria |

2. OBJECTIVES

2.1 Wider Objective

To increase the administrative capacity of Bulgarian institutions in preparation for EU accession and their effective management of EU funds.

2.2 Immediate Objective

To improve the capacity of Bulgarian institutions to prepare well-designed projects for Phare support.

2.3 Accession Partnership and NPAA priority

The project will enhance the authorities' ability to prepare projects that help Bulgaria meet the full range of its Accession Partnership priorities.

3. DESCRIPTION

3.1 Background and justification

Bulgaria's indicative Phare National Programme allocation for the years 2000 to 2003 inclusive is 100 million euro a year. Bulgaria can reasonably expect to receive at least the same levels of support in subsequent years, if it maintains its commitment to preparing for EU accession. In the years immediately after accession, Bulgaria will probably receive considerably greater amounts each year from the Structural Funds.

Programming projects to absorb and use effectively these levels of financial assistance represents a significant challenge. The administrative capacity of many Bulgarian institutions is not yet strong enough to enable them to adopt a strategic approach to identifying their institution building and investment priorities and preparing well-designed and clearly articulated projects to help them meet these needs. This is particularly the case where a project addresses problems that span the responsibilities of more than one institution or sector.

Preparing investment projects has always presented a particular challenge. Investment projects often require detailed and reliable data, in-depth feasibility studies, systems design, impact analyses and other documentation. Project preparation is generally estimated to account for 5 percent of the total cost of a complex investment project.

It has become clear during the Phare 2000 programming exercise, when support was extended for the first time to investment in economic & social cohesion, that preparation of cohesion projects also presents special challenges. Cohesion projects are inherently more difficult to design than conventional institution-building and acquis-related projects. Their design involves a wide number of stakeholders at central and regional level. They frequently involve grant schemes, requiring the development of objective and transparent procedures for selecting beneficiaries as the project proceeds. Their implementation calls for adequate administrative capacity at regional as well as central level.

The Commission has hitherto generally provided the Bulgarian authorities with assistance for project preparation mainly on an ad hoc basis, at the initiative of Commission task managers in Brussels and Sofia, using short-term contracts with external consultants. Increasingly, however, the Commission is trying to encourage the Bulgarian authorities, under the overall guidance of the National Aid Coordinator (NAC) in the Ministry of Foreign Affairs, to take greater responsibility for identifying priorities and developing projects for the annual Phare programme.

This project provides a project preparation facility to strengthen the capacity of Bulgarian institutions to prepare their own projects for inclusion in the Phare National Programme and enhance the NAC's position in the programming cycle. This will be achieved by providing general training in project preparation and project cycle management, and assistance for the preparation of specific projects, coordinated by the NAC.

3.2 Linked activities

A project preparation facility was included in the 1999 National Programme for preparing Phare investment projects for the 2000 and 2001 Programmes.

Assistance for the preparation of Phare cross-border cooperation (CBC) projects is included in the CBC programme.

Preparatory measures and initial project preparation for the new ISPA and SAPARD instruments were supported under the 1998 and 1999 Phare National Programmes. Provision for subsequent ISPA and SAPARD project preparation is made within the annual allocations under these instruments.

3.3 Results

The project will achieve the following results:

- Strengthened capacity of participating Bulgarian institutions to prepare projects for Phare support.
- Mature project fiches and associated documentation for the Phare 2001, 2002 and 2003 National Programmes.
- Strengthened coordinating role for the NAC in the programming cycle.

3.4 Activities

The National Aid Coordinator will, at the start of each annual Phare programming cycle, discuss with the Commission how the facility should be used for the coming year. The facility may be used to finance two broad categories of activity:

- To provide general project preparation and project cycle management training seminars for Bulgarian officials involved in preparing projects for the Phare National Programme.
- To help prepare mature Phare project fiches and associated documents for specific projects, other than CBC projects. This includes preparation of feasibility and pre-investment studies, technical analysis, design of grant schemes, operational guidelines, procurement plans, tender documentation, and environmental impact assessments. The facility will not be used to cover the tendering, contracting or administration of projects that have already been allocated Phare funding.

In all cases where assistance is provided, there must be a strong emphasis on ensuring that the facility provides a lasting improvement in the capacity of Bulgarian institutions to prepare projects themselves in future. This should be done by ensuring that assistance is granted in each case in a way that requires the full and active involvement of permanent officials in the relevant institutions.

Before submitting a proposal to the Commission on how the facility should be used, the NAC will invite applications from all Bulgarian institutions that are in a position to prepare projects that help meet priorities in the Accession Partnership or National Development Plan or needs identified in the Commission's latest Regular Report. Each application will state the project to be developed, the nature of and justification for the assistance proposed, and the means by which the facility will be used to deliver a lasting improvement in the institution's capacity for project preparation.

No assistance will be given without the prior consent of the Commission. In deciding which eligible applications for project-specific assistance should be accepted, the NAC and Commission will be guided by three main criteria:

- The relevance of the proposed project to the priorities in the Accession Partnership or National Development Plan or needs identified in the Regular Report;
- The likelihood of the project being included in a subsequent Phare National Programme;
- The arrangements proposed for using the proposed assistance to strengthen the administrative capacity of the beneficiary institution in a lasting way.

Following agreement between the NAC and the Commission on the assistance to be provided from the facility, terms of reference will be drawn up to contract this assistance. In the case of general training provided under the facility, terms of reference will be prepared by the NAC. In the case of project-specific assistance, terms of reference will be prepared by the beneficiary institution, on the basis of a standard model provided by the Commission.

The assistance will be contracted by the CFCU using standard Phare procedures. The NAC and CFCU will decide whether the assistance is best contracted under a small number of relatively large contracts covering all assistance needs, or using a large number of smaller, more specific contracts.

All external consultants employed under this facility will receive an oral briefing at the start of their assignment from the relevant task manager in the EC Delegation, who will provide them with the latest Phare guidelines, standard documentation and other relevant material. Consultants will make regular written reports to the beneficiary institution, the NAC and the EC Delegation.

4. INSTITUTIONAL FRAMEWORK

The facility will be managed by the National Aid Coordinator and his staff at the Ministry of Foreign Affairs in Sofia, Bulgaria.

5. DETAILED BUDGET (MEUR)

	Investment Support	Institution Building	Total Phare (=I+IB)	National Co-financing	TOTAL
Short-term TA for project preparation and training	-	2.000	2.000	-	2.000
Total	-	2.000	2.000		2.000

6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency

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.

6.2 Twinning

Not applicable.

6.3 Non-standard aspects

Allocation of assistance under this facility will be agreed between the NAC and the Commission, in accordance with the arrangements described in section 3.4 above.

6.4 Contracts

Assistance under this facility may be contracted through a few relatively large contracts to cover all assistance needs in each year or, alternatively, through a larger number of smaller contracts for each specific piece of assistance.

7. IMPLEMENTATION SCHEDULE

7.1 Start of tendering

April 2001.

7.2 Start of project activity

May 2001.

7.3 Project completion

December 2003.

8. EQUAL OPPORTUNITY

Opportunities for employment as local experts are open to both male and female candidates.

9. CONDITIONALITY

In all cases where assistance is provided under this facility, there must be a strong emphasis on ensuring that the facility provides a lasting improvement in the capacity of Bulgarian institutions to prepare projects themselves in future.

ANNEXES

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule

Annex 1 to Project Fiche			Contracting period expires: 31.12.2002	Disbursement period expires: 31.12.2003
LOGFRAME PLANNING MATRIX FOR PHARE PROJECT PREPARATION FACILITY			Total Budget: 2.0 meuro	Phare contribution: 2.0 meuro
Wider Objective	Indicators of Achievement	How, When and By Whom Indicators Will Be Measured		
To increase the administrative capacity of Bulgarian institutions in preparation for EU accession and their management of EU funds.	<ul style="list-style-type: none"> Institutions are better able to diagnose own needs, design projects and supervise implementation. 	<ul style="list-style-type: none"> Delegation's monthly pre-accession reports in 2001 and subsequently. 		
Immediate Objective	Indicators of Achievement	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks	
To improve the capacity of Bulgarian institutions to prepare well-designed projects for Phare support.	<ul style="list-style-type: none"> Improvement in overall project quality & effectiveness. 	<ul style="list-style-type: none"> Regular monitoring and Assessment reports. 		
Results	Indicators of Achievement	How, When and By Whom Indicators Will Be Measured	Assumptions and Risks	
<ul style="list-style-type: none"> Strengthened capacity of participating Bulgarian institutions to prepare projects for Phare support. Mature project fiches and associated documentation for the Phare 2001, 2002 and 2003 Programmes. Strengthened coordinating role for the NAC in the programming cycle. 	<ul style="list-style-type: none"> Reduced time devoted to revising Bulgarian project fiches by EC staff. Less need for external assistance for project preparation in medium term. NAC pays greater role in setting programme priorities and project selection. 	<ul style="list-style-type: none"> Assessment by EC Phare Coordinator in Brussels and Head of Phare Section in EC Delegation at end of each programming cycle. Declining proportion of annual Phare assistance devoted to assistance in project preparation from 2000 onwards. 	<ul style="list-style-type: none"> Satisfactory arrangements for capturing the benefits of training and assistance in each institution, notably continuity of staffing. 	
Activities			Assumptions and Risks	
<ul style="list-style-type: none"> General training seminars in project preparation and project cycle management. Short-term TA for preparing specific project fiches and associated documentation. 	<ul style="list-style-type: none"> Training seminars held in Bulgaria. Short-term TA provided. 	<ul style="list-style-type: none"> EC Delegation and NAC will monitor use of facility on ongoing basis. 	<ul style="list-style-type: none"> Sufficient applications are forthcoming for training and assistance. NAC can coordinate arrangements effectively. 	

ANNEX 2

DETAILED IMPLEMENTATION CHART

	2001				2002				2003			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Training and short-term TA for project preparation		x	x	x		x	x	x				

ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

million euro	2001				2002				2003			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Contracting		1,0	1,0	1,0	1,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Disbursement		0,2	0,6	1,0	1,0	1,2	1,6	2,0	2,0	2,0	2,0	2,0