

Cross Border Co-operation between Bulgaria & Romania
Multi-annual Programme 2003 – 2006
2005 Project Fiche for Programme Support

1. Basic Information

- 1.1 CRIS Number: BG 2005/017-455.01;04
1.2 1.2 Title: Technical Assistance and Project Preparation Facility (PPF) to Bulgaria-Romania Cross-border Co-operation Programme
1.3 Sector:
1.3 Location: Bulgaria
1.4 Duration **24 months**

2. Objectives

2.1 Overall Objective:

To support the Bulgarian central and local authorities to ensure efficient, effective and transparent management of the CBC programme and future programmes after 2006, and to provide institutional building to central and local bodies to implement cross-border programmes including within EC Structural Funds (SF) financing.

2.1 Project purposes:

- To improve the CBC capacity of central authorities, intermediate and local bodies including the future EC Structural Funds (ERDF) as well as to potential final beneficiaries in the Bulgarian-Romanian border region;
- To ensure an effective technical preparation of projects (project pipeline) within cross-border co-operation programmes including future actions to be financed under the EC Structural Funds.

2.2 Accession Partnership and NPAA priority

Accession Partnership

This PPF corresponds to one of the *Public Administration* priorities:
Strengthen administrative structure to ensure it has the necessary capacity for fully effective use of and proper accounting for EC funds.

The proposed PPF will play a key part in the process of preparation of Bulgaria for the accession. In addition, the project supports the social and economic integration between the border regions of the countries.

NPAA (Medium-term priority)

Promotion of cross-border co-operation

2.3 Contribution to National Development Plan (NDP)

N/A

2.4 Cross Border Impact

This project is expected to contribute to a more efficient transition from pre-accession instrument Phare to Structural Funds and INTERREG through the following actions:

- Developing the capacity of the central administration, and regional and local authorities at NUTS III level to effectively support the process of transition in the long-term and the smooth the progress of defining the regional needs and objectives;
- Providing the skills necessary to adjust to the new procedures and requirements of the programme;
- Improving the information path to more easily reach all potential stakeholders;
- Increase in the quality of projects through developing the capacity of local structures at NUTS III level to identify needs in the cross border region, build-up competences accordingly, and identify the appropriate ways in which the programme can help to address these needs.

The Project Preparation Facility (PPF) will support the preparation of projects within the future CBC BG-RO programme. Special attention will be given to the preparation of joint projects and to projects with a strong cross-border co-operation character which will be planned in close co-operation with the regional and local authorities in the border areas.

3. Description

3.1 Background and justification:

Background

The MRDPW, through Phare CBC IA Department and CBC Programming Department, is responsible, at central level, for the overall co-ordination for the Phare CBC Programmes in Bulgaria. In this position, the Phare CBC IA operates as interlocutor between the different line Ministries and Governmental Organisations. The Phare CBC Programming Department bears the final responsibility for the qualitative level of the various projects proposed for financing under the respective FMs.

The present project focuses on allocating resources for future technical assistance to the CBC Programming Department in preparation of ready to go project pipeline in order to meet the increased budget allocation for Bulgaria, providing a good absorption of the EC Structural Funds.

An adequate and comprehensive preparation of solid single projects and Grant schemes is a prerequisite for a timely future accession of Bulgaria into the European Union. In-depth feasibility studies, systems design, impact analysis and other project background documents will be critical for a successful implementation of projects financed through SF programmes.

Background studies provide, apart from the project identification, also an analysis of the current status, an identification of possible alternative solutions including a testing

of their financial, technical and administrative feasibility and recommendations for the economically most advantageous solutions.

Direct assistance is required to ensure a sufficient number of mature projects prepared before the date of accession, and to start the absorption of Structural Funds assistance without delay. Quality feasibility and design studies, impact analyses and other project documents will be crucial for a successful implementation of projects financed through Structural Funds' programmes, including CIPs.

Experience from other programmes has learned that there is ample scope for including a Project Preparation Facility (PPF) to be used for financing short-term technical assistance required for a proper design of project activities finally resulting in more mature project formats.

3.2 Sectoral rationale:

N/A

3.3 Results

- Final draft of Bulgaria-Romania CBC ERDF Operational Programme for 2007-2013 developed;
- Programme Complement regarding the CBC OP drafted;
- Responsibilities of the Managing Authority/Intermediate Bodies and the respective administrative structures at regional/local level clearly identified – organizational structures, organigrammes and job descriptions prepared;
- Operational Manual outlining the JTS's structure, tasks, responsibilities and activities drafted;
- Ex-ante evaluation of OP for CBC Bulgaria-Romania 2007-2013 completed and approved;
- Increased capacity of central/regional/District Governor's Offices staff/local authorities' representatives in managing the future CBC programme Bulgaria-Romania;
- Good amount of relevant project ideas identified and consulted with stakeholders;
- Sufficient number of public awareness events carried out and information packages produced;
- Necessary number of trainers, consultants, project evaluators and assessors trained;
- Project pipeline of mature ready-to-go CBC projects with full documentation developed;
- Sufficient number of projects for preparation agreed (at least 20);

3.4 Activities:

The project will provide assistance to Phare CBC Programming Department, Phare CBC IA at MRDPW, MEUF Directorate at the Ministry of Finance, and to other governmental bodies at central and regional level involved in CBC and/or Structural Funds/INTERREG programming and implementation. Activities under this project will also be targeted at final beneficiaries and "partner" local organisations in the

border region with Romania, increasing their ability to develop and implement mature projects in conformity with Structural Funds regulations and requirements.

The activities envisaged within the project are grouped under two components:

Component 1. TA for central and regional institutional capacity building to the managing structures of the future structural funds (SF) territorial co-operation programme, and for project preparation facility

The TA will include the following activities:

Window 1: TA for central and regional institutional capacity building, and for PPF

This project window will cover the following main spheres of intervention:

1. Activities related to planning, programming, and implementing the future EC territorial co-operation programme financed under the SF :

- preparation of the Operational Programme and PC for CBC between Bulgaria and Romania;
- improving the capacity of CBC BG-RO Programming Department within the MRDPW and local managing structures on NUTS III level to deal with strategic and operational planning;
- supporting the setting up of Managing Structures at national level and respective structures on NUTS III level;

2. Reinforcement of the project preparation capacity and assistance for the preparation of mature projects ready for financing:

- preparation of training packages for the central and local managing bodies and project promoters to help the project applicants in the preparation of projects in full compliance with relevant EU legislation;
- relevant training events for the staff of the CBC Programming Department as future Managing body, Intermediate bodies and other regional/local institutions, on project preparation, implementation and evaluation and for effective dissemination of project-related information;
- organising and delivering relevant training events for final recipients

The TA team will assist the development of the Operational Programme and PC for CBC between Bulgaria and Romania. The documents will be in full compliance with the technical and methodological requirements of EC in the framework of the regional policy and SF regulations. It will also examine the availability of mature projects and help in assessing their readiness in terms of quality and design, and will deliver key expertise in finalising the necessary documentation.

Help-desk does not include assistance for the technical preparation of major investment projects.

The selection procedure for the projects to be assisted will be decided by MRDPW and the line Ministries based on the criteria for projects selection in accordance with SF rules. A Guideline for Applicants will be prepared by the TA team.

The team will also develop the documents needed, such as tender dossiers, etc., and will organise the selection of companies to develop the full projects through implementation of the small-scale support scheme. The TA pool is expected to oversee the work of the selected companies to guarantee full compliance with the ERDF requirements.

Window 2: Ex-ante Evaluation of the Operational Programme (OP) for cross-border co-operation under SF

The overall objectives of the ex-ante evaluation are as follows:

- To assess whether the OP is an appropriate tool for addressing the issues confronting the cross border region;
- To measure the relevancy of defined strategic axes, priorities and objectives and whether these are applicable and can actually be achieved;
- To assess the internal and external consistency of the documents;
- To verify the adequacy and quality of implementation, monitoring and evaluation arrangements.

In the evaluation report the contractor should include the following **mandatory components**:

- **Analysis of previous experience and obstacles in policy implementation**

The evaluators will collect and analyze available documents and progress reports evaluating policies and measures, previously implemented in Bulgaria and relevant to the Structural Funds for cross-border co-operation and the proposed priority areas of intervention.

Finally, there will have to be an assessment of the relevant experience under the implementation of National Strategies and Programmes.

- **Review of the SWOT Analysis**

The main task in this context is to assess the overall quality of the socio-economic and SWOT analyses and the way they have been fed into the strategy and the plan.

Particular attention is to be given to the analysis of the quality, availability, accessibility and reliability of the data / statistics chosen.

- **Assessment of the rationale/ relevance and the overall consistency of the OP**

Once the past policy experience and the development needs have been analyzed, the evaluators will assess the rationale and the overall consistency of the strategy and plan. This assessment is essential for the justification of the policy mix. The ex-ante evaluation will analyze the choice of priorities and strategic axes and the extent to which this choice addresses needs and development disparities.

The assessment of the rationale and relevance of the strategy will define the extent to which chosen priorities are contributing to the overall objectives. The ex-ante evaluation should take account of evolving needs.

The ex-ante evaluation will also verify the external consistency of the OP by assessing its compliance with national macro-economic and budgetary policies as well as with Community policies and rules.

- **Quantification of objectives**

The ex-ante evaluation will assess the relevancy of defined indicators in order to quantify and subsequently measure impacts and results at the level of the OP. In case the chosen indicators are not appropriate, the evaluators will choose indicators for which a causal link between outputs, results and impacts is most evident.

The ex-ante evaluation will contribute into establishing or suggesting realistic targets, a satisfactory level of quantification of objectives and, where appropriate, a timetable for delivery. A verification of the reliability of the quantification should also be undertaken.

Where quantification is not possible, as in intangible effects of interventions, the evaluators will assess the relevancy of defined indicators.

The evaluators will verify or suggest appropriate arrangements for collecting data and procedures for monitoring or evaluation.

- **Evaluation of expected Socio-economic Impacts and Justification of Policy and financial Resources Allocation**

The ex-ante evaluation will analyze expected impacts and to what extent the NDP will contribute to achieving general and specific objectives (i.e. notably social and economic cohesion objectives).

The analysis should contribute to justifying the allocation of financial resources to the proposed policy mix and the selected priorities.

- **Quality of the Implementation and Monitoring Arrangements**

The ex-ante evaluation will assess the quality and adequacy of the proposed implementation, monitoring and evaluation arrangements. This will notably include:

- Clarifying and assessing the management and implementation responsibilities as well as the consultation procedures;
- Assessing the quality, efficiency and transparency of financial management and control.

Component 2. Preparation of project pipeline

The support scheme for project pipeline preparation to be launched in 2006 will guarantee the development of at least 20 mature projects ready for financing under SF.

This grant scheme will be implemented in two stages:

1st stage: A **Call for proposals** is launched and the potential beneficiaries apply with project ideas;

2nd stage: **Preparation of selected projects** through service contracts. The selection of awarded contractors will be carried out under a competitive negotiated procedure.

Applicants from the following cross-border regions are eligible: Vidin, Montana, Vratsa, Pleven, Veliko Tarnovo, Ruse, Silistra and Dobrich. .

The Phare contribution for the preparation of eligible project will be maximum 15 000 Euro.

3.5 Linked activities:

2002/000-623-05 Project Preparation Facility

2003/005-631.02 / 2003/005-701.05 Sustainable Economic Development of the Bulgarian-Romanian Border Region

2003/005-631.04 / 2003/005-701.04 Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region

2003/005-631.06 Project Preparation Facility

2004/016-783.01.04 Project Preparation Facility

3.6 Lessons learned:

The project is a direct product of lessons learned from previous Phare programmes, that is to say the necessity to develop sufficient and adequate planning and preparatory activities to anticipate and minimise problems in the implementation phase.

In the Monitoring and Assessment reports (e.g. the Interim Evaluation Report R.BG.REG.04.001 of 27.09.2004) was stated that “project preparation assistance should be effective in creating mature projects ready for tendering. As the work will be undertaken by contractors, however, it will do little to build the capacity of the administration. Management assistance to the MRDPW Phare IA has been too broad. Any future assistance ... should be only endorsed if it is targeted at specific issues, which are achievable within the scope of the resources available.”

So, in light of above mentioned discrepancies between real situation in MRDPW and activities needed to assimilate the experience for work with pre-accession Phare instrument submitting for financing of PPF is prompted by the need of capacity building and know-how transfer.

4. Institutional Framework

Recipient country – Bulgaria

- **Beneficiary Institution** – CBC Programming Department, DG Programming of Regional Development at the Ministry of Regional Development and Public Works, Bulgaria and MEUFD at the Ministry of Finance as a Central Coordinating Body of all EC financial instruments.
- **Contracting Authority** - CBC IA at the Ministry of Regional Development and Public Works, Bulgaria.

5. Detailed Budget

	Phare support	Co-financing			Total Cost
€M		National Public Funds	Other Sources	Total Co-financing of Project	
Component 1 TA for institutional capacity building and to assist grant scheme contractors	0.150	0	0	0	0.150
Component 2 Grant scheme for project preparation	0.300	0	0	0	0.300
IB support	0.450	0	0	0	0.450
Total project 2005	0.450	0	0	0	0.450

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency will be the Ministry of Regional Development and Public Works, through its Cross Border Cooperation Department, which will retain overall responsibility for the implementation of the programme, including: approval of tender documents, evaluation criteria, evaluation of offers, signature of contracts, authorisation of invoices. The Payments Directorate within the same Ministry will make the payments of invoices.

Ministry of Regional Development and Public Works
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Director: Tsvetomira Lacheva – Deputy PAO
Contact Person: Hristo Medarov, Head of Phare CBC Department
Phone: +359 2 9405-237,
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E-mail: hmedarov@mrrb.government.bg

6.2 Twinning

N/A

6.3 Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project. The “Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions” will be strictly followed.

6.4 Contracts

Two framework contracts with indicative budgets of 0.15 MEUR and 0.05 MEUR respectively. One small scale grant scheme (0.30 MEUR) will be launched with a maximum grant size of 15 000 Euro.

7. Implementation Schedule

	Component 1		Component 2
	Window 1	Window 2	
7.1 Start of tendering/call for proposals	January 2006	July 2006	April 2006
7.2 Start of project activity:	April 2006	October 2006	December 2006
7.3 Project completion:	June 2007	March 2007	June 2007

8. Equal Opportunity

The project implementation procedures will ensure that the project brings benefits to men and women, and to ethnic groups in equal measure. Special attention will be paid to ensure that women and members of ethnic groups are included in the projects activities.

9. Environment

N/A

10. Rates of return

N/A

11. Investment criteria

11.1 Catalytic effect:

N/A

11.2 Co-financing:

N/A

11.3 Additionality

N/A

11.4 Project readiness and Size

N/A

11.5 Sustainability

N/A

11.6 Compliance with state aids provisions

N/A

11.7 Contribution to National Development Plan

N/A

12. Conditionality and sequencing

The project will start after signing of the Financial Memorandum between Bulgaria and the European Union for 2005. All ToRs will be prepared by the January 2006 and will be submitted to the EC Delegation for approval.

Annexes to project Fiche

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme

LOGFRAME PLANNING MATRIX		
Project: <i>Technical Assistance and Project Preparation Facility (PPF) to Bulgaria-Romania Cross-border Co-operation Programme</i>	Contracting period expires 30.11.2007	Disbursement period expires 30.11.2008
	Total budget : 0.450 MEUR	Phare budget : 0.450 MEUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
To support the Bulgarian central and local authorities to ensure efficient, effective and transparent management of the CBC programme.	Bulgaria prepared to effectively use EC support.	<ul style="list-style-type: none"> • Annual Report; • Mid-term Reports 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • To improve the capacity of central authorities, intermediate and local bodies regarding the ERDF as well as to potential final beneficiaries in the Bulgarian-Romanian border region; • To ensure an effective technical preparation of projects (project pipeline) within the future cross-border co-operation programme financed under the ERDF. 	<ul style="list-style-type: none"> • Improved management of CBC programmes prepared under the PPF; • Project readiness for effective absorption of EC SF funding 	<ul style="list-style-type: none"> • Monitoring and assessment reports; • Reports of the Phare IA (BG); • CBC programme evaluation. 	<ul style="list-style-type: none"> • Efficient programme management (implementation, monitoring, assessment); • Continued commitment of the Government towards the priorities of the programme and regional development; • Availability of qualified management staff; • Sustained interest of the border region population in infrastructure development and co-operation.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> ▪ Final draft of Bulgaria-Romania CBC ERDF Operational Programme for 2007-2013 developed; ▪ Programme Complement regarding the CBC OP drafted; 	<ul style="list-style-type: none"> • Draft OP and PC for CBC BG-RO available; • Maximum 15 mature projects ready for financing ; • 30 trainers and consultants 	<ul style="list-style-type: none"> • Project completion reports; • Monitoring and assessment reports. 	Availability of adequate funds through the next CBC programme to finance the prepared projects with SF support

<ul style="list-style-type: none"> ▪ Responsibilities of the Managing Authority/Intermediate Bodies and the respective administrative structures at regional/local level clearly identified – organizational structures, organigrammes and job descriptions prepared; ▪ Operational Manual outlining the JTS's structure, tasks, responsibilities and activities drafted; ▪ Ex-ante evaluation of OP for CBC Bulgaria-Romania 2007-2013 completed and approved; ▪ Increased capacity of central/regional/District Governor's Offices staff/local authorities' representatives in managing the future CBC programme Bulgaria-Romania; ▪ Good amount of relevant project ideas identified and consulted with stakeholders; ▪ Sufficient number of public awareness events carried out and information packages produced; ▪ Necessary number of trainers, consultants, project evaluators and assessors trained; ▪ Project pipeline of mature ready-to-go CBC projects with full documentation developed; ▪ Sufficient number of projects for preparation agreed (at least 15). 	<p>trained;</p> <ul style="list-style-type: none"> • 8 public awareness events organised; • 		
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Activities	Means		Assumptions
<p>The activities envisaged within the project are grouped under two components:</p> <p>Component 1. TA for central and regional institutional capacity building to the managing structures of the future ERDF territorial co-operation programme, and for project preparation facility</p> <p>The TA will include the following activities:</p> <p><i>Window 1: TA for central and regional institutional capacity building, and for PPF</i></p> <p>This project window will cover the following main spheres of intervention:</p> <ol style="list-style-type: none"> Activities related to planning, programming, and implementing the future EU territorial co-operation programme financed under ERDF: <ul style="list-style-type: none"> preparation of the Operational Programme and PC for CBC between Bulgaria and Romania; improving the capacity of CBC BG-RO Programming Department within the MRDPW and local managing structures on NUTS III level to deal with strategic and operational planning; supporting the setting up of Managing Structures at national level and respective structures on NUTS III level; Reinforcement of the project preparation capacity and assistance for the 	<ul style="list-style-type: none"> Two framework contracts – M€ 0.10 and M€0.05; A number of contracts for project preparation - €10 000 – 15 000 	<ul style="list-style-type: none"> Reports from consultants; MRDPW bank statements. 	<ul style="list-style-type: none"> Availability of qualified consultancy staff.

<p>preparation of mature projects ready for financing:</p> <p><i>Window 2: Ex-ante Evaluation of the Operational Programme (OP) for cross-border co-operation under ERDF:</i></p> <ul style="list-style-type: none"> • Analysis of previous experience and obstacles in policy implementation • Review of the SWOT Analysis • Assessment of the rationale/ relevance and the overall consistency of the OP • Quantification of objectives • Evaluation of expected Socio-economic Impacts and Justification of Policy and financial Resources Allocation • Quality of the Implementation and Monitoring Arrangements <p><u>Component 2. Preparation of project pipeline</u></p> <p>The support scheme for project pipeline preparation to be launched in 2006 will guarantee the development of at least 15 mature projects ready for financing infer SF.</p> <p>This grant scheme will be implemented in two stages:</p> <p>1st stage: A Call for proposals is launched and the potential beneficiaries apply with project ideas;</p> <p>2nd stage: Preparation of selected projects through service contracts. The selection of awarded contractors will be carried out under a competitive negotiated procedure.</p>			
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Annex 2 – Detailed implementation chart

Project title: **2005/xxx.xxx** Technical Assistance and Project Preparation Facility (PPF) to Bulgaria-Romania Cross-border Co-operation Programme

Contracting	2005		2006												2007												2008												
	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	
Component 1																																							
Window 1			T	T	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I																				
Window 2									T	T	C	I	I	I	I	I	I																						
Component 2						T	T	S	T	T	T	T	C	I	I	I	I	I	I																				
T – tendering/call			C - contracting												I - implementation												S – selection of projects												

Annex 2 – Detailed implementation chart													
<i>Project title: 2005/xxx.xxx Technical Assistance and Project Preparation Facility (PPF) to Bulgaria-Romania CBC Programme</i>													
Project	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008
TA for institutional capacity building and for PPF		T	C/I	I	I	I	I	I	I	I	I		
Project preparation facility		T	C/I	I	I	I	I	I	I	I	I		

T: Tender Procedures

C: Contracting

I: Implementation

Annex 3 – Contracting and disbursement schedule by quarter																
Project title: 2005/xxx.xxx - Technical Assistance and Project Preparation Facility (PPF) to Bulgaria-Romania Cross-border Co-operation Programme																
Components	Cumulative contracting schedule by quarter in MEUR (planned)														Total Phare Allocation	
	2005		2006				2007				2008					
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Component 1			0.10	0.10	0.15	0.15	0.15	0.15							0.15	
Window 1			0.10	0.10	0.10	0.10	0.10	0.10							0.10	
Window 2					0.05	0.05	0.05	0.05							0.05	
Component 2						0.45	0.45	0.45							0.45	
Total contracting:			0.10	0.10	0.15	0.45	0.45	0.45							0.45	
Components	Cumulative disbursement schedule by quarter in MEUR (planned)														Total Phare Allocation (MEUR)	
	2005		2006				2007				2008					
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Component 1				0.09	0.09	0.13	0.13	0.15	0.15	0.15	0.15	0.15			0.15	
Window 1				0.06	0.06	0.09	0.09	0.10							0.10	
Window 2						0.03	0.04	0.05							0.05	
Component 2						0.18	0.27	0.30							0.30	

Total disbursement:				0,06	0,06	0,30	0,40	0,45							0.45
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