

# Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria

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## **1. Basic Information**

**1.1 CRIS Number:** 2006/018-343.08.05

**1.2 Title: Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria**

**1.3 Sector: Public Finance**

**1.4 Location: Sofia, Bulgaria**

**1.5 Duration: 17 Months**

## **2. Objectives**

### **2.1. Overall Objective(s):**

Strengthening institutional and administrative structures at national, regional and local level for the effective participation of Bulgaria in the EU cohesion policy

### **2.2. Project purpose:**

Fine-tuning of systems and schemes for better management, monitoring and control of SF in Bulgaria and strengthening the capacity of the CCU, MAs, IBs and final beneficiaries involved in EU Cohesion policy application in Bulgaria

### **2.3. 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 project meets the following Accession Partnership priorities:

- Strengthen administrative capacity in key ministries, particularly at the central level, to design strategies and to implement and evaluate projects for regional development and economic and social cohesion, financed by EC and national funds;
- Prepare a coherent development plan as required by the Structural funds regulations. Integrate it into the national budgetary and policy-making framework so that it serves as an integrated and operational development tool;
- Clarify the institutional arrangement for managing structural funds after accession, including control, monitoring and evaluation mechanisms and build the necessary administrative structures consistent with these arrangements;
- Prepare to comply with basic financial management and control provisions as laid down by the respective regulations of the Structural funds.

This Institution Building project will catalyse these AP priorities and will answer the specific NPAA priorities for strengthening the institutional capacity of the Ministry of Finance with the aim at achieving complete conformity with EU requirements in setting up the administrative bodies to which the Bulgarian Government has entrusted responsibilities in regard to management, implementation, monitoring and evaluation, as well as payment and financial control for the future implementation of the Structural funds assistance.

## **2.4. Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)**

The Project will enhance the administrative capacity for further development and management of the National Development Plan, through strengthened CCU, Managing authorities, IBs and municipalities as a result of the project.

## **2.5 Cross Border Impact**

Not applicable

## **3. Description**

### **3.1. Background and justification:**

In May 2002 the Council of Ministers passed a decision № 312/28.05.2002 adopting a Strategy for participation of the Republic of Bulgaria in the EU Structural and Cohesion Funds. Following the adoption of the Strategy, the envisaged **institutional structure** for Structural and Cohesion Funds assistance was developed.

With CoM Decision No 965 from December 2006, the CCU, OP MAs and IBs have been formally designated.

The coordination at strategic level is a crucial element in order to achieve synergy between different policies and consequently to maximize the impact of the socio-economic development of the country.

The following coordination mechanism was established in order to streamline the envisaged assistance from EU structural funds. In order to ensure coordination in the preparation of the strategic programming documents, a Coordination Council on NDP and NSRF was established, chaired by the Minister of Finance. The membership of the Council is made up of a deputy minister from each of the relevant Bulgarian ministries.

Six Regional Councils support the implementation of the EU Cohesion policy on the territory of Bulgaria - NUTS II level, which are carrying out this policy on planning region level. The Councils are presided over by one of the district governors on a rotary principle. Deputy chairman is a municipality representative. Members of the Council are the district governors from the regions, included in the relevant planning region, one municipal representative from each region, included in the planning region, determined by the Regional Development Council, one representative from the Ministry of regional development and public works, Ministry of finance, Ministry of environment and water, Ministry of agriculture and forestry, Ministry of economy and Ministry of labour and social policy and the Ministry of transport, determined by the relevant ministers.

As part of the EU accession process, Bulgaria has reached an agreement on the necessary activities for building up of an adequate administrative and financial capacity at local level. In compliance with the partnership principle and with the commitments, that have been undertaken according to the Official cooperation memorandum, signed by the National Association of Municipalities in the Republic of Bulgaria (NAMRB) and the Council of Ministers on 12<sup>th</sup> of October 2005, three priority areas have been determined, as follows: "Development of the decentralization in management and financing", "Expanding the capacity and improving the status and

management of municipal property and infrastructure” and “ Preparation of the municipalities for the Bulgarian membership in the European Union”.

Assistance for strengthening the capacity of the structures at central level was provided under NP Phare 2003 through Twinning projects for the MAs of OP “Competitiveness”, ROP and CSF MA and Paying Authority. Further assistance was provided through the Unallocated Institution Building Envelope 2004 for the benefit of the MAs of OP “Transport” and OP “Environment”. Twinning assistance for MA of OP “Human resources development” is financed under NP Phare 2005.

The projects supported the establishment of proper organisational structures and procedural systems for the management and implementation of the CSF and Operational Programmes; trainings for the MA and IB staff; establishment of unified Management Information System for reporting, monitoring and controlling purposes and general management needs.

Under the above mentioned projects sufficient work has been done in order to establish the procedures for effective management, implementation, monitoring and control of Structural instruments interventions in Bulgaria.

The first draft procedure manuals have been elaborated and adopted following the coordination mechanism for preparation of the country for future use of EU structural instruments.

Although the procedure manuals and the systems have been already established during the real operation of Structural funds in Bulgaria some changes might be introduced.

### 3.2 Sectoral rationale

NA

#### 3.2.1 Identification of projects

NA

#### 3.2.2 Sequencing

NA

### 3.3 Results:

#### 1. Component 1 Twinning

##### *Sub-component 1.1 “Improvement of the coordination and management functions of NSRF CCU “*

1.1.1 Analysis of existing management and control systems and schemes for SF in Bulgaria carried out;

1.1.2 Proposals for improvement of the systems and schemes in place, including MIS;

1.1.3 Administrative capacity for control of the efficiency of institutions managing operational programmes strengthened;

1.1.4. Capacity to elaborate quarterly and annual reports on progress of NSRF implementation strengthened;

1.1.5. Capability to commission the ex-ante, mid-term and ex-post evaluation in place of strategic programming documents;

1.1.6. Proposals for implementation of new SF Regulations and ensuring the principle of compliance with horizontal policies;

1.1.7. Support for information and promotional campaigns on NSRF implementation provided thus contributing for better understanding of Structural Instruments impact in Bulgaria and contribution to the achievement of Lisbon and Gothenburg Agendas.

***Sub-component 1.2 “Improvement of the management and implementation functions of MAs and IBs of OPs in Bulgaria”***

***OP MAs:***

1.2.1 Capabilities of all institutions involved for the effective management of operational programmes strengthened, including:

1.2.1.1. Financial management and control;

1.2.1.2. State aids;

1.2.1.3. Public procurement

1.2.1.4. On the spot checks

1.2.2 Delivering of the data on progress of the implementation to European Commission and preparation of the reports on the course of implementing operational programmes initiated;

1.2.3. Information and promotional campaigns on OP implementation carried out.

***IBs:***

1.2.4. Capabilities of all Intermediate bodies involved under different operational programmes for the effective management of selected priorities and measures strengthened:

1.2.4.1. State aids;

1.2.4.2. Public procurement;

1.2.4.3. Horizontal issues

Subcomponent 1.3 “Improvement of the regional coordination of Structural instruments interventions”

1.3.1 Capabilities of the Regional Development Councils in the 6 NUTS II Planning regions and the Technical directorates supporting their work strengthened in terms of:

1.3.1.1. Delivery of information campaigns.

**2. Component 2 Technical Assistance**

***“Strengthening the capacity of final beneficiaries to prepare and implement good quality projects”***

2.1. Analysis of training needs of all final beneficiaries carried out;

2.2 Training needs plan elaborated;

2.3. Training provided on:

- Procedures and rules of EU Structural Instruments,
- Project Cycle Management,
- Economic evaluation of projects,
- Public procurement rules,
- Financial management of the EU co-financed projects,
- Public-Private Partnership (PPP) schemes in financing of projects,
- Public consultations procedures, etc.

Beneficiaries of this Technical assistance are municipalities and other final beneficiaries that answer the following criteria:

- those that have not received EU funding yet and no training
- and where it addresses municipalities with know-how and experience already and that may already be involved in new EU projects, the activities should accordingly be more specific, i.e. Analysis of the efficiency of procurement, control, monitoring systems etc. recommendations etc.

### **3.4 Activities (including Means)**

#### **1. Component 1 Twinning**

##### ***Subcomponent 1.1 “Improvement of the coordination and management functions of NSRF CCU”***

1.1.1 To analyse existing management and control systems and schemes for SF in Bulgaria;

1.1.2 To prepare proposals for improvement of the systems and schemes, including MIS;

1.1.3 To strengthen the administrative capacity for control of the efficiency of institutions managing operational programmes;

1.1.4. To strengthen the capacity to elaborate quarterly and annual reports on progress of NSRF implementation;

1.1.5. To enhance the capability to commission the ex-ante, mid-term and ex post evaluation of NSRF;

1.1.6. To implement new SF Regulations and ensure compliance with horizontal policies;

1.1.7. To support the preparation and carrying out information and promotional campaigns on NSRF implementation

##### ***Sub-component 1.2 “Improvement of the management and implementation functions of MAs and IBs of OPs in Bulgaria “***

**OP MAs:**

1.2.1. To strengthen the capabilities of all institutions involved for the effective management of operational programmes, including:

1.2.1.1. Financial management and control;

1.2.1.2. State aids;

1.2.1.3. Public procurement

1.2.1.4. On the spot checks

1.2.2. To initiate the delivering of the data on progress of the implementation to European Commission and preparation of the reports on the course of implementing operational programmes;

1.2.3. To prepare and carry out information and promotional campaigns on OP implementation

**IBs**

1.2.4. To strengthen capabilities of all intermediate bodies involved under different operational programmes for the effective management of selected priorities and measures in terms of

1.2.4.1. State aids;

1.2.4.2. Public procurement;

1.2.4.3. Horizontal issues

Subcomponent 1.3 “Improvement of the regional coordination of Structural instruments interventions”

1.3.1 To strengthen the capabilities of the Regional Development Councils in the 6 NUTS II Planning regions and the Technical directorates supporting their work

**2. Component 2 “*Strengthening the capacity of final beneficiaries to prepare and implement good quality projects*”**

2.1 To carry out analysis of the training needs of financial beneficiaries;

2.2 To elaborate training needs plan;

2.3 To provide training on:

- Procedures and rules of EU Structural Instruments,
- Project Cycle Management,
- Economic evaluation of projects,
- Public procurement rules,
- Financial management of the EU co-financed projects,
- Public-Private Partnership (PPP) schemes in financing of projects,

- Public consultations procedures, etc.

### 3.5 Linked Activities:

- **BG2003/004-937.10.02** “Preparing MRDPW’s Central and Regional Structures for Managing future ERDF-type programmes and projects for Structural Funds”
- **BG2003/004-937.10.03** “Strengthening the capacity of the Ministry of Economy to manage Operational programme “Development of the competitiveness of the Bulgarian Economy” under EU Structural Funds”
- **BG2003/004-937.10.04** “Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)”
- **2004/016-711.11.02** “Support to mobilising bottom-up development and project capacity as part of structural funds preparations in Bulgaria”
- **2005/017-353.10.03** “Support to mobilising bottom-up development and project capacity as part of structural funds preparations in Bulgaria”
- **2003/BG/16/P/PA/004** “Technical Assistance for institutional strengthening and preparation of projects to be financed by the ISPA Programme and Cohesion Fund in the field of water and waste products”
- **BG2005/017-353.08.04** “Strengthening the Institutional Capacity of the Ministry of Finance”
- **BG/2004/016-711.10.05.01.09** “Strengthening the capacity of the Ministry of Transport and Communications to manage the Sectoral Operational Programme on Transport under the Cohesion Fund and the European Regional Development Fund”.
- **BG/2004/016-711.10.05.01.10** Strengthening the capacity of Ministry of Environment and Water to manage Operational Programme “Environment” under EU Structural and Cohesion Funds”.
- **BG/2005/017-353.10.05** “Preparing for future management of Human Resources Development Operational programme”
- **BG/2005/017-353.11.02.04** “Strengthening the capacity of the Ministry of State Administration and Administrative Reform for Managing Operational Programme Administrative Capacity”

### 3.6 Lessons learned:

The present project is developed on the basis of the experience gained with programming, implementing and monitoring of the projects which have been implemented under previous National Phare Programmes. A number of generic lessons have been learned in course of the implementation of the projects, the most outstanding of which are as follows:



- To improve the project management at organizational level so as to ensure the project implementation within the relevant contracting and execution of contracts deadlines of the Financing Agreement;
- To ensure the quality of the administrative capacity of the implementing structures (training to be provided whenever necessary);
- To ensure good partnership between Bulgarian institutions, especially in cases of common projects under Phare Programme;
- To ensure the quality of the provided services by avoiding reduction of the number of contracts, envisaged for the proper implementation of the project activities.

#### **4. Institutional Framework**

In line with CoM Decision No 965 from 16 December 2006, Management of EU Funds Directorate has been designated as NSRF Central Coordination Unit. In January 2006, the structure of the Directorate has been updated in order to include the future responsibilities of the Directorate when acting as NSRF CCU.

The new structure of the Directorate entered into force from 10 January 2006.

According to this structure the Directorate is divided into Departments, namely:

- Coordination of the National Strategic Reference Framework
- Coordination of Projects and Programmes
- Strategic investments

Currently the Directorate is staffed with 43 experts.

With the above mentioned Strategy and in line with the commitments, undertaken in the negotiation position on Chapter 21 “Regional Policy and Coordination of the Structural Instruments”, the designated Managing authority of Operational Programme for Regional Development is the current Programming of Regional Development Directorate General in the Ministry of Regional Development and Public Works. The Directorate General is operational since March 2003. The staff has gained experience in Phare 2000-2006 programming cycle – Economic and Social Cohesion and Cross-Border Co-operation, and acts as Secretariat of Regional Development and CBC Phare Monitoring Sub-Committee.

According to Chapter 21 “Regional Policy and Coordination of Structural Instruments” CONF-BG 3/04” and Decree No 965 of the Council of Ministers dated 16.12.2005 the “Pre-accession programmes and projects” Directorate within Ministry of Economy and Energy is set up as Managing Authority of the OP “Development of the competitiveness of the Bulgarian economy” under EU Structural funds. The “Pre-accession Programmes and Projects” (PPP) Directorate currently performs functions of Implementing Agency for Phare – Economic and Social Cohesion, sector “Competitiveness”. Currently the PPP Directorate as Phare IA consists of a Director (Deputy PAO), three Departments responsible for the management of Phare projects, one supporting Department “Coordination of Programmes” which is in charge of all coordination activities related to Phare projects and HR management. A new Internal Control Department has been established responsible for quality assurance and control of the tender and financial documentation. When the Directorate will act as Managing

Authority of Operational Programme Development of the Competitiveness of the Bulgarian Economy will comprise four departments:

- “Programming, Monitoring and Evaluation” Department:
  - Programming and Evaluation Unit;
  - OP Monitoring and reporting Unit;
  - Liaison Work and Publicity Unit.
- “Programme Management and Implementation” Department;
- “Project Development “ Department;
- “Financial management and Control” Department

“The EU funds, international programs and projects” Directorate in the Ministry of Labour and Social Policy, currently acting as Phare IA in social sector will be the Managing Authority of SOP Human Resources Development. It was established in 2001. According to the new Rules of Procedures (March 2003) the Directorate was reorganized and at present is composed of the following 3 departments: “Coordination, planning and programming”, “Management of programmes and projects” and “Financial control and payments”. The “EU Funds and International Programmes and Projects” Directorate is currently staffed with 82 civil servants - 32 experts at central level, 26 regional coordinators and 24 regional financial experts. 17 experts plus technical staff employed on labour/civil contracts are currently working for the Directorate.

Future Managing Authority of SOP Transport will be “Coordination of Programmes and Projects” Directorate in the Ministry of Transport and Communications. The Directorate was established in September 2003. According to the last amendment of the Internal Rules of Procedure of the Ministry of Transport, the CPP Directorate has 39 positions for civil servants. Currently, the staff number of the Directorate is 24 civil servants.

The “Coordination of Programmes and Projects” Directorate consists of five departments – Programming Department, Monitoring Department, Ex-ante Control Department, Payments Department, Tendering and Contracting Department.

The experts within the Tendering and Contracting Department, Payments Department and Monitoring Department are dealing with management of ISPA projects in transport sector. The experts within Programming Department are mainly responsible for preparation, coordination, and negotiation of the strategic documents for the new programming period 2007-2013 including preparation, together with beneficiaries, of ISPA Application Forms for Technical Assistance for preparation of projects to be cofinanced from the Cohesion Fund and the European Regional Development Fund.

In compliance with the commitments undertaken during the negotiations for Chapter 21 “Regional Policy and coordination of the Structural Instruments” and the requirements of the EC regulations a new Directorate “Cohesion Policy for Environment “ within the Ministry of Environment and Water (MOEW) is designated as Managing Authority with Decree No 291 of the Council of Ministers (9 November 2004).

The “Cohesion Policy for Environment Directorate” (CPED) is responsible for ensuring effectiveness, efficiency and correctness in the management and implementation of the operations co-financed by the Cohesion and European Regional Development Funds in the environmental sector following the requirements of the EC regulations on the Structural and Cohesion Funds.

The CPED is structured in four departments. They are organized on the dismantlement and correlation of the processes and activities that are considered essential for the management of the Operational Programme.

The departments that are defined are as follows:

- Programming, Partnership, Information and Publicity Department
- Programme Management and Evaluation Department
- Monitoring and Reporting Department
- Financial Management and Control Department

The functions/tasks of the four departments are driving to the necessary outcomes and results of the activities expected to be performed for the effective management of the Operational Programme “Environment 2007-2013” and the projects within the programme. They are relevant to the objective of CPED for setting up an effective organizational structure to programme, manage and implement OP “Environment 2007-2013”.

Future Managing Authority of SOP Administrative capacity will be Management of Programmes and projects Directorate in the Ministry of State administration and Administrative reform.

## 5. Detailed Budget

	<b>Phare/Pre-Accession Instrument support</b>	<b>Co-financing</b>			<b>Total Cost</b>
<b>€M</b>		<b>National Public Funds (*)</b>	<b>Other Sources (**)</b>	<b>Total Co-financing of Project</b>	

<b>Year 2006 Institution Building support</b>					
Twinning Contract	1.5 MEUR				<i>1.5 MEUR</i>
TA Contract	0.5 MEUR				<i>0.5 MEUR</i>

<b>IB support</b>	<b>2.0 MEUR</b>				<i>2.0 MEUR</i>
<b>Total project</b>	<b>2.0 MEUR</b>				<i>2.0 MEUR</i>

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## 6. Implementation Arrangements

### 6.1 Implementing Agency

The Implementing Agency of the Project is the Central Finance and Contracting Unit (CFCU). The CFCU will be the Contracting Authority and in that capacity will issue and evaluate tenders, conclude contracts and authorise the treasury to make contractually related payments.

The PAO of this project will be Mrs Gergana Beremska – State Treasurer and CFCU PAO

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Project Steering Committee will be established for the strategic direction of the project activities. It will monitor the progress and ensure achievement of key results. The StC will be chaired by CCU representative. The other members shall include the OP MAs and IBs representatives.

### 6.2 Twinning

Beneficiary Institutions of this twinning project will be the bodies designated as CCU, OP Managing authorities, Intermediate bodies. The implementation arrangements are to be administered through the CFCU.

### 6.3 Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project. The Practical Guide will be strictly followed.

#### **6.4 Contracts**

Component 1 be implemented through **one Twinning Contract** at the amount of **1.5 MEUR**.

Component 2 will be implemented through **one Service Contract** at the amount of **0.5 MEUR**.

#### **7. Implementation Schedule**

##### **7.1 Start of tendering/call for proposals**

Component 1 - The selection of the Twinning Partners shall be performed during the last quarter of 2006.

Component 2 – Last Quarter of 2006

##### **7.2 Start of project activity**

Activities under Component 1 and 2 – third quarter of 2007

##### **7.3 Project completion**

The activities should be completed during fourth quarter of 2008.

#### **8. Equal Opportunity**

The project will be implemented according to the regulations of Bulgarian law providing equal opportunities for men and women.

#### **9. Environment**

The project has no environmental impact.

#### **10. Rates of return**

N/A

#### **11. Investment criteria** (applicable to all investments)

### **11.1 Catalytic effect**

Phare contribution will support the further elaboration of the strategic and planning documents for the participation of the Republic of Bulgaria in the EU Structural Funds and Cohesion Fund in compliance with the EU regulations.

### **11.2 Co-financing**

N/A

### **11.3 Additionality**

This project does not overlap the activities of the other projects of the Management of EU Funds Directorate at the Ministry of Finance, Programming of Regional Development Directorate General in the Ministry of Regional Development and Public Works, Pre-accession Programmes and Projects Directorate in the Ministry of Economy and Energy, The EU funds, international programs and projects Directorate in the Ministry of Labour and Social Policy, Rural Development and Investment Directorate in the Ministry of Agriculture and Forestry, Coordination of Programmes and Projects Directorate in the Ministry of Transport and Communications and Cohesion Policy for Environment Directorate in the Ministry of Environment and Waters, Management of Programmes and projects Directorate in the Ministry of State administration and Administrative reform.

This project will not support operations that will be financed under the OP “Administrative capacity” and the priority “Technical assistance” within the remaining Ops.

### **11.4 Project readiness and size**

This project is designed to address the immediate needs in a very targeted manner for reinforcing the institutional capacity of the MoF, other line institutions and agencies that will be involved in managing, implementing, monitoring and evaluating the CSF. It is crucial that the necessary capacity building takes place to ensure that the respective state administration is well positioned to assume their planned roles in full.

### **11.5 Sustainability**

The Management of EU Funds Directorate at the Ministry of Finance, Programming of Regional Development Directorate General in the Ministry of Regional Development and Public Works, Pre-accession Programmes and Projects Directorate in the Ministry of Economy and Energy, The EU funds, international programs and projects Directorate in the Ministry of Labour and Social Policy, Rural Development and Investment Directorate in the Ministry of Agriculture and Forestry, Coordination of Programmes and Projects Directorate in the Ministry of Transport and Communications and Cohesion Policy for Environment Directorate in the Ministry of Environment and Waters, Management of Programmes and projects Directorate in the Ministry of State administration and Administrative reform are staffed with civil servants and the officers who will be engaged in the project activities work under full-time permanent contracts.

### **11.6 Compliance with state aids provisions**

The project is consistent with the State Aid Law.

### **12. Conditionality and sequencing**

The tendering procedure will be launched immediately as soon as the ECD approves the tender documentation

#### **ANNEXES TO PROJECT FICHE**

1. ANNEX 1: Logframe in standard format
2. ANNEX 2: Detailed implementation chart
3. ANNEX 3: Contracting and disbursement schedule, by quarter, for full duration of project (including disbursement period)
4. ANNEX 4: List of relevant to the project documents and Bulgarian laws

<b>LOGFRAME PLANNING MATRIX</b>		Programme name and number	Unallocated IB envelope
<b>Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria</b>		Contracting period expires:  30 November 2008	Execution period expires:  30 November 2009
		Total budget : <b>2 MEURO</b>	Phare budget : <b>2 MEURO</b>
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
Strengthening institutional and administrative structures at national, regional and local level for the effective participation of Bulgaria in the EU cohesion policy.	<ul style="list-style-type: none"> <li>• Full implementation of requirements deriving from the EU Structural Funds Regulations at least to the standard of new member states</li> <li>• Administrative system for implementation of EU Structural programmes operational in efficient and effective way at least to the standard of new member states.</li> </ul>	<ul style="list-style-type: none"> <li>• National Strategic Reference Framework;</li> <li>• Studies and analyses</li> <li>• Independent Audit</li> </ul>	All administrative units for the effective management of structural funds properly staffed
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Fine-tuning of systems and schemes for better management, monitoring and control of SF in Bulgaria and strengthening the capacity of all stakeholders involved in EU Cohesion policy application in Bulgaria.	<ul style="list-style-type: none"> <li>• Level of effectiveness and sufficiency in management of SF implementation.</li> <li>• Improved quality of projects managed and implemented.</li> <li>• Wide social and economic partners' involvement</li> <li>• Improved quality of the</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant documents.</li> <li>• EU decisions</li> <li>• Reports on programmes implementation</li> <li>• The stakeholders and partners opinions.</li> <li>• Number of good quality</li> </ul>	<ul style="list-style-type: none"> <li>• Clear division of responsibilities between the institutions,</li> <li>• Legal regulations allowing for the effective interministerial coordination in place,</li> <li>• Effective co-operation between national and regional</li> </ul>



	information and promotion campaign.	applications	administrations
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p><b>1.Sub-component 1.1 “Improvement of the coordination and management functions of NSRF CCU “</b></p> <p>1.1.1 Analysis of existing management and control systems and schemes for SF in Bulgaria carried out;</p> <p>1.1.2 Proposals for improvement of the systems and schemes in place, including MIS;</p> <p>1.1.3 Administrative capacity for control of the efficiency of institutions managing operational programmes strengthened;</p> <p>1.1.4. Capacity to elaborate quarterly and annual reports on progress of NSRF implementation strengthened;</p> <p>1.1.5. Capability to commission the ex-ante, mid-term and ex-post evaluation in place of strategic programming documents;</p> <p>1.1.6. Proposals for implementation of new SF Regulations and ensuring the principle of compliance with horizontal policies;</p> <p>1.1.7. Support for information and promotional campaigns on NSRF implementation provided thus contributing for better understanding of Structural Instruments impact in Bulgaria and contribution to the achievement of Lisbon and Gothenburg Agendas.</p>	<ul style="list-style-type: none"> <li>• MIS functioning and producing qualitative reports</li> <li>• Timely reporting and submission of necessary data to EC</li> </ul>	<ul style="list-style-type: none"> <li>• Twinning experts reports</li> <li>• NSRF Annual Implementation Report</li> <li>• Monitoring reports</li> <li>• Independent/MoF/AA audit</li> </ul>	<ul style="list-style-type: none"> <li>• The institutional structure of the NSRF CCU, OP MAs and IBs established and functional</li> <li>• Collaboration of behalf of social and economic partners</li> </ul>



<ul style="list-style-type: none"> <li>- Project Cycle Management,</li> <li>- Economic evaluation of projects,</li> <li>- Public procurement rules,</li> <li>- Financial management of the EU co-financed projects,</li> <li>- Public-Private Partnership (PPP) schemes in financing of projects,</li> <li>- Public consultations procedures, etc.</li> </ul>			
<b>Activities</b>	<b>Means</b>		<b>Assumptions</b>
<p><b>Sub-component 1.1 “<i>Improvement of the coordination and management functions of NSRF CCU</i>”</b></p> <p>1.1.1 To analyse existing management and control systems and schemes for SF in Bulgaria;</p> <p>1.1.2 To prepare proposals for improvement of the systems and schemes, including MIS;</p> <p>1.1.3 To strengthen the administrative capacity for control of the efficiency of institutions managing operational programmes;</p> <p>1.1.4. To strengthen the capacity to elaborate quarterly and annual reports on progress of NSRF implementation;</p> <p>1.1.5. To enhance the capability to commission the ex-ante, mid-term and expost evaluation of NSRF;</p> <p>1.1.6. To implement new SF Regulations and ensure compliance with horizontal policies;</p>	<ul style="list-style-type: none"> <li>• The project activities will be implemented through Twinning with 2 RTAs (indicative amount 1,5 MEUR), including transfer of appropriate systems, practices and principles and TA (indicative amount 0,5 MEUR)</li> <li>• Related training through use of STEs and use of study visits where it is judged that it is an effective mechanism for the knowledge/ skills transfer.</li> <li>• Internships with comparable partners within the new member states and established Member States were ‘Best Practice’ has been judged.</li> </ul>		<ul style="list-style-type: none"> <li>• Active commitment to participation of NSRF CCU, OP MAs and IBs staff in training</li> <li>• NSRF CCU, OP MAs and IBs Staff readiness to implement the activities</li> </ul>

<p>1.1.7. To support the preparation and carrying out information and promotional campaigns on NSRF implementation</p> <p><b>Sub-component 1.2 “<i>Improvement of the management and implementation functions of MAs and IBs of OPs in Bulgaria</i>”</b></p> <p>1.2.1. To strengthen the capabilities of all institutions involved for the effective management of operational programmes, including:</p> <ul style="list-style-type: none"> <li>1.2.1.1. Financial management and control;</li> <li>1.2.1.2. State aids;</li> <li>1.2.1.3. Public procurement</li> <li>1.2.1.4. On the spot checks</li> </ul> <p>1.2.2. To initiate the delivering of the data on progress of the implementation to European Commission and preparation of the reports on the course of implementing operational programmes;</p> <p>1.2.3. To prepare and carry out information and promotional campaigns on OP implementation</p> <p><b>IBs</b></p> <p>1.2.4. To strengthen capabilities of all intermediate bodies involved under different operational programmes for the effective management of selected priorities and measures in terms of</p> <ul style="list-style-type: none"> <li>1.2.4.1. State aids;</li> <li>1.2.4.2. Public procurement;</li> <li>1.2.4.3. Horizontal issues</li> </ul>			
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<p>Subcomponent 1.3 “Improvement of the regional coordination of Structural instruments interventions”</p> <p>1.3.1 To strengthen the capabilities of the Regional Development Councils in the 6 NUTS II Planning regions and the Technical directorates supporting their work</p> <p><b>2. Component 2 “<i>Strengthening the capacity of Final beneficiaries to prepare and implement good quality projects</i>”</b></p> <p>2.4 To carry out analysis of the training needs of financial beneficiariess;</p> <p>2.5 To elaborate training needs plan;</p> <p>2.6 To provide training on:</p> <ul style="list-style-type: none"> <li>- Procedures and rules of EU Structural Instruments,</li> <li>- Project Cycle Management,</li> <li>- Economic evaluation of projects,</li> <li>- Public procurement rules,</li> <li>- Financial management of the EU co-financed projects,</li> <li>- Public-Private Partnership (PPP) schemes in financing of projects,</li> <li>- Public consultations procedures,etc.</li> </ul>			

## ANNEX 2

### Detailed Implementation Chart

Project number:

**Project title:** “Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria”

	2006				2007											2008											
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	S	O	N	D
Component 1 – Twinning			T	T	T	T	T	T	T	T	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Component 2 – TA		T	T	T	T	T	T	T	T	T	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I

T=Tendering; C= Contracting; I= Implementation

## ANNEX 3

### Cumulative Contracting and Disbursement Schedule

Project number:

**Project title:** “Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria”

	2006		2007				2008			
	III	IV	I	II	III	IV	I	II	III	IV
Component 1										
<b>Contracted</b>					1.5					
Disbursed					0,9		1,35			1,5
Component 2										
<b>Contracted</b>					0,5					
Disbursed					0,3		0.4			0,5

## **ANNEX 4**

### **List of relevant to the project documents and Bulgarian laws**

The following documents and legislation are considered relevant to the present project:

1. Council Regulation 1260/1999 laying down general provisions on the Structural Funds.
2. Commission Regulation 438/2001, laying down the detailed rules for the implementation of Council Regulation No 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds.
3. Decision of the Council of Ministers No 965/ 16.12.2005 on establishment of NSRF CCU, OP Managing Authorities and Intermediate Bodies.
4. Strategy for the participation of the Republic of Bulgaria in the Structural Funds and the Cohesion Fund of the European Union, adopted with Decision of the Council of Ministers No 312/ 28.05.2002.