

SUMMARY PROJECT FICHE

1. BASIC INFORMATION

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|-----|----------------|---|
| 1.1 | Désirée Number | BG 0205.01 |
| 1.2 | Title | PHARE PROJECT PREPARATION FACILITY |
| 1.3 | Sector | AA |
| 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, as well as priorities noted in the EC's latest Regular Report, Phare Working Document and National Development Plan.

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.

Preparing 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. Project implementation capacity is also often a problem.

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.

The Commission has encouraged 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

preparation facility will 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. The facility will also be used to prepare projects for implementation and to strengthen project management.

3.2 Linked activities

Project preparation facilities were included in 1999 to 2001 Phare National Programmes for Bulgaria. Provision for subsequent ISPA and SAPARD project preparation is made within the annual allocations under these instruments. Separate project preparation facilities will be included in the Cross Border Co-operation Programmes in 2002.

3.3 Results

The project will achieve the following results:

- Strengthened capacity of participating Bulgarian institutions to prepare, implement, monitor and assess projects financed under Phare support.
- Mature project fiches and associated documentation for the Phare 2003, 2004 and 2005 National Programmes.
- Strengthened coordinating role for the NAC in the programming and implementation cycle.

3.4 Activities

The activities financed by the facility will include mainly external consultancy and training in project preparation and implementation.

4. INSTITUTIONAL FRAMEWORK

The facility will be managed by the NAC and her staff at the Ministry of Foreign Affairs in Sofia, Bulgaria.

The NAC will at the start of each annual Phare programming cycle, and at any other appropriate time, propose to the Commission how the facility should be used for the coming year. No assistance will be given without the prior consent of the Commission.

The facility may be used to finance three 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. 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.
- To help implement Phare projects by addressing institutional weaknesses in implementation capacity.

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 and

implement 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.

Where the facility is used to help prepare new projects, the NAC and Commission will be guided by three main criteria:

- The relevance of the proposed project to the priorities in the Accession Partnership, National Development Plan, latest Regular Report and Phare Working Document;
- 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 or institution-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 liaise closely with the relevant European Commission task managers in Brussels or Sofia, who will provide strategic guidance on their assignment, 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.

5. DETAILED BUDGET (MEUR)

	Investment Support	Institution Building	Total Phare (=I+IB)	National Co-financing	TOTAL
Short-term TA for project preparation, training and implementation	-	1.000	1.000	-	1.000
Total	-	1.000	1.000		1.000

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

None.

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

January 2003 onwards.

7.2 Start of project activity

February 2003 onwards.

7.3 Project completion

All assistance financed by the facility will be completed by the final disbursement deadline in the Financing Memorandum for the Phare 2002 National Programme, namely 30 November 2005.

8. EQUAL OPPORTUNITY

Institutions and individuals benefiting from the activities supported by this facility will be selected without regard to gender.

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: 30.11.2004	Disbursement period expires: 30.11.2005
LOGFRAME PLANNING MATRIX FOR PHARE PROJECT PREPARATION FACILITY			Total Budget: 1.0 meuro	Phare contribution: 1.0 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 2002, 2003 and 2004 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 plays 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. Assistance to address weaknesses in project implementation capacity. 	<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

	2003				2004				2005			
	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	2003				2004				2005			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Contracting		0,5	0,5	0,5	0,5	1,0	1,0	1,0	1,0	1,0	1,0	1,0
Disbursement		0,1	0,3	0,5	0,5	0,6	0,8	1,0	1,0	1,0	1,0	1,0