

STANDARD PROJECT FICHE

1. Basic information

1.1	CRIS Number	BG2003/004-937.11.02
1.2	Title	Water Supply Improvement in Areas with Tourism Development Potential
1.3	Sector	Economic & Social Cohesion
1.4	Location	All regions of Bulgaria.

2. Objectives

2.1 Overall objective:

Reduce regional disparities through enhancing the potential of the tourism sector, and provide business opportunities and higher incomes to the local population.

2.2 Project purpose

Pilot project on improvement of the supply of water and sewage networks in areas of existing and potential tourism development and concentrations of SMEs.

2.3 Accession Partnership and NPAA priority

The project contributes directly to the preparation of Bulgaria for the implementation of the regional and structural policies applied by the EU Member States through the development of strategies and programmes for sustainable social and economic development and addresses priorities and intermediate objectives identified in the **Accession Partnership**, which include amongst others, the following:

*“The promotion of Competitiveness through market-based enterprise restructuring; **further measures to improve the business environment** and stimulate domestic and inward investments”.*

“Continue integration of environmental protection requirements into the definition and implementation of all other sectoral policies with a view to promoting sustainable development.”

2.4 Contribution to National Development Plan

By providing water supply to tourist sites, this project directly contributes to the NEDP 2000-2006 priorities (namely ‘Attaining Balanced and Sustainable Regional Development’) through actions, which are foreseen in the areas targeted by the Regional Operational Programme:

- ? ‘Boosting Business Competitiveness’ (measure ‘Tourism’, measure ‘SME’);
- ? ‘Business Related Infrastructure’ (measure ‘Utilities for business development – Water supply’).

3. Description

3.1. Background and justification

The existence of effective water supply system within an economy is one of the major conditions for generating and maintaining stable economic growth and therefore balanced development. The provision of water and other elements of business infrastructure act as necessary prerequisites for attracting and employing local, inter-regional, national and foreign resources. However, one of the intrinsic weaknesses of the Bulgarian economy is the unreliability, for a number of reasons, of the country’s water supply system. This has, and remains, a brake on the growth of the tourism and SME sectors. Simply the lack of and/or the uncertainty over the supply of adequate water and sewage provision preclude SME and tourism investment – at existing sites due to

inadequate or uncertain supply and at sites of potential tourism and SME development where there is currently no provision.

This investment scheme focuses on improving conditions for tourism and/or SME development regions by improving business infrastructure conditions, ensuring the adequate provision of water supply and related sewage treatment.

Tourism is defined as a priority sector, significantly influencing the national economy and generating jobs and income at regional or local level. The recent changes in the Bulgarian tourism industry include shifts in the international tourist market, privatisation processes, new organization and training. In addition to the established tourist resorts along the Black sea coast there is a tendency for more visits inland, particularly on the mountains. Interest for the development of special interest tourism (for instance cultural, spa, medical, religious, ecological etc.) is growing.

A recent review, conducted by the Ministry of Regional Development and Public Works on municipalities where water supply and associated sewage treatment is either problematic or non-existent precluding the development of tourism and/or SME development found the following:

- from the 263 Bulgarian municipalities, the review of the municipality operational plans found that 103 municipalities required assistance with developing their water supply and sewage systems - Annex 4, Table 1 lists these municipalities;
- from these 103 municipalities, 45 had projects, in differing rates of 'readiness', directly related to tourism development and requiring water supply and sewage; these projects were forwarded to the Ministry of Regional Development and Public Works and are listed at Annex 4, Table 2.

Tables 1 and 2 at Annex 4 are indicative, the project will seek to address the water supply concerns and for other 'unidentified' regions through the development and implementation of the investment scheme. The scheme is complementary to Phare 2001 project addressing the development of cultural tourism and to the Phare 2002 ecological tourism project. Through the provision of water supply and sewage treatment business infrastructure this investment scheme will assist the two projects' own objectives for ensuring:

- the increase of Bulgaria's tourism-related revenues through cultural and ecological tourism;
- the development of permanent and seasonally, direct and indirect employment opportunities;
- the attraction of new target groups- especially from outside Bulgaria;
- the development of products that will be permanently competitive internationally;
- the development of complex service packages in cultural and ecological tourism;
- the encouragement of investments in quality and select products and the provision of competitive investment opportunities in cultural and ecological tourism.

National partners consulted during the projects preparation are the Ministry of Economy, Ministry of Environment and Waters, Ministry of Agriculture and Forestry and the National Statistics Institute. Partners consulted at the regional and the municipal levels are the Commissions for Economic and Social Cohesion and/or the representatives of the municipalities, listed at Annex 4.

3.2 linked activities

There are significant numbers of projects and initiatives seeking to develop the Bulgarian water and sewage infrastructure, as well as Phare project directly addressing the tourist development, examples of these include:

- A range of water projects funded by World Bank loans;
- The national programme to build urban wastewater treatment plants;
- The national programme to resolve the crisis in drinking water supply;

- Commencement of construction of urban wastewater treatment plants in Veliki Preslav, Balchik, Sozopol and Achtopol with ISPA grants;
- The Phare project BG 0102.03 Development of cultural tourism that is complemented by the Phare ESC 2002 project for the development of ecological tourism;
- The Phare project BG 0102.04 Road Access to Tourism Sites – which addresses the prior and complementary priority of road access to tourist sites;

In general, these projects have been aimed at addressing water supply issues at the 'trunk level'. This project deals with water supply at the local or 'spur' level for business infrastructure purposes – where there is an 'under provision of public services' i.e. a local water supply difficulty to address. The project does not seek to duplicate any provision achieved/forthcoming through ISPA, SAPARD, the World Bank or other IFIs, but rather to complement and to build upon them.

3.3 Results

Limited number of investment projects in the area of water supply and sewage through a pilot ECS scheme for tourism sites by providing:

- Modern water supply systems at sites of tourist interest or concentrations of SMEs from other sectors
- A sewage drainage network,

The new infrastructure will respect the requirements of the harmonised Bulgarian water legislation.

These actions will play a crucial role achieving the cultural and ecological tourism targets/ results laid out in 3.1

3.4 Activities

Activities within this project will be split into one investment scheme and an institutional building component:

The investment component seeks to address the lack of and/or the uncertainty over the supply of adequate water and sewage provision preclude SME and tourism investment through a variety of approaches, including:

Rehabilitation of existing water supply and sewage drainage networks by the replacement of pipes of appropriate material, to reduce water losses and connect wastewater to water treatment plants. This process will not seek to increase a given local network's capacity but will aim to provide a reliable supply and treatment cycle.

Reconstruction of existing water supply and sewage drainage networks by replacement of pipes of appropriate material but also of larger diameter. This process will increase a given local network's capacity as well as providing a reliable supply and treatment cycle. Pumps and control equipment will also be upgraded to match the capacity increase.

New construction of additional water sources and local storage tanks in order to ensure the provision of the required quantity of water as well as a steady water pressure to balance the network and guarantee a suitable supply for fire-fighting purposes. Construction of new or extension of existing water and sewage networks.

Additional service contract is to be signed covering the supervision of works following the requirements of the Bulgarian legislation as well as the PRAG.

The selection of projects will be made by a Steering Committee following concrete criteria (draft criteria appear in the annex). In order to ensure complementarity of the selected projects with other financed ESC projects as Cultural Tourism, Eco Tourism, Access Roads etc. additional scoring will be provided during the selection to projects that add value to already on-going and completed projects.

The institutional building component will address strengthening the capacity of the Ministry of Regional Development and Public Works and the regional/ local authorities in implementing investment schemes in the field of water supply by providing assistance in the practical implementation of the current scheme.

The main activities will focus on assessment of the administrative capacity analysis, action plan, assistance in the establishment the investment scheme, training programme and preliminary training of the local authorities to ensure sustainable implementation of the investment scheme and dissemination of results.

3.5 Lessons learned

Lessons learned from previous years show that timely and professional preparation of project documentation is a prerequisite for proper project implementation. In addition to that, a number of projects during the recent two years had their tendering and contracting processes delayed and projects have been contracted close to the expiration of the contracting period of the respective FM, thus shortening and risking the successful implementation. On several occasions the institutions responsible have failed to contract the available funds within the time limits, which have led to loss of funds.

Given the number of water and sewage construction projects developed and implemented in Bulgaria in recent years – despite these being major water infrastructure works – considerable lessons have been learnt in the design and implementation of water supply and sewage treatment initiatives. The current project builds on these. It will also build on the Ministry of Regional Development and Public Works and the local/ regional communities' activities undertaken in the Phare BG 0102.04 Road Access to Tourism Sites project.

4. Institutional framework

At national level, the key institutions amongst the Bulgarian Government are the Ministry of Regional Development, Ministry of Environment and Waters, Ministry of Agriculture and Forestry and Ministry of Economy.

Other key partners are the national presented NGOs in the field of tourism and SME development.

Partners at the regional and the municipal level are the District Governors at the centres of the 6 planning regions, the Local Government Administrations, Regional/ Local Associations and various regional and local cultural and ecological organisations.

All activities will be in accordance with the Municipality Ownership Act – Issue 44 gazetted 1996 and amended 34/06.04.2001 and/ or The Act for State Ownership - State Gazette 92 Of 16th November 1951- with subsequent amendments to State Gazette 59 of 2000. Details are provided at Annex Five.

5. Detailed budget

	Phare Support					
	Investment Support	Institution Building	Total (=I+IB)	Phare	National Co-financing*	IFI*
Work Contracts	3.20		3.20		1.17	
Supervision Contract(s)		0.14	0.14		0.05	
TA		0.12	0.12			
Total	3.20	0.26	3.46		1.22	

It is proposed that Phare will finance up to 75% of the total cost of the investment component, and to a maximum contribution of 3.46 M€. The Beneficiaries will provide the remaining co-financing.

** Should the total cost of works proposed exceed the estimate shown in the table above, the Beneficiary will provide the necessary additional co-financing.*

This project constitutes part of a phased approach and a further tranche of Phare funding is expected to be considered in 2004.

6. Implementation arrangements

6.1 Implementing Agency

The Implementing Agency will be the Ministry of Regional Development and Public Works:

Ministry of Regional Development and Public Works
17-19, Cyril and Methodius Str.
1202 Sofia
Phone +359 2 988 1849 or 940 5488
Fax +359 2 988 4364

Due to the complexity of the project, ie diversity of interventions in several areas of the country characterized by a difficult situation (social etc) which may lead to more difficult project implementation conditions and involving a grant scheme, the disbursement period will be extended by one year to ... 2007. Previous experience with comparable projects in this sector justifies such an approach. Grant schemes are still relatively new in Bulgaria

Implementing Bodies (IB) will carry out the technical implementation of the project. The IBs at Stage 1 (preparation of the tender dossiers) will be located at the Ministry of Regional Development and Public Works. The IBs at Stage 2 (the actual implementation and monitoring of the individual contracts) will be located at regional/ local level.

A Project Steering Committee will be established for the overall management, operation, monitoring and evaluation of the investment scheme during the life of the project comprising at least representatives from the institutions listed in 4.

The individual contracts will be awarded according to the procedures stated in the Practical Guide for Phare, ISPA and SAPARD (PRAG).

Eligible projects will be identified by the end of 2003 by the MRDPW – Department for Economic and Social Cohesion Program Implementation (DESCPI), which will be responsible for the overall implementation of the investment scheme. DESCPI will publish at national level detailed information on eligibility. This information will be open, published in the press and distributed in the whole territory of Bulgaria through the territorial structures of the Ministry, along with application forms. All demands for additional information necessary to comply with the evaluation criteria will be replied for all applicants. However, in addition, municipalities already registered in the existing database of municipal water supply rehabilitation/ re-construction applications will be contacted directly. Sample project evaluation criteria for the preliminary identification of projects under this investment scheme, are attached as Annex 6 to the fiche.

Along with the basic technical requirements for such projects (technical and feasibility studies, EIA, cost-benefit analysis etc.), relevance with national and regional planning documents/ strategies will be also evaluation criteria, as well as land ownership and possibilities for property maintenance. The investment scheme will not provide funds for private benefit projects or projects eligible for funding under other Community instruments.

Municipalities or districts should draw up project proposals. Other stakeholders could also draw up regional initiatives in the field of the investment scheme with preliminary endorsement by the relevant local/regional authorities.

Proposals are to be passed on to the district administrations and then to the territorial structures of the Ministry for verification that the information provided by the applicant on the application form is correct and that all-relevant documentation accompanies the application form.

Following screening by a commission consisting at least representatives of MRDPW, MoEW, MAF, ME and the National Association of the Municipalities in Bulgaria, the final selection of 7 projects will be approved by the Minister of Regional Development and Public Works. The general rules of procedure are to be laid out in operational guidelines, which will be drawn up by MRDPW.

The Consultant under the envisaged PPF contract will verify the financial, technical and other qualities of projects. The experts will make recommendations as to reduce or not the number of projects before to start up the preparation of technical documentation and tender dossiers.

6.2 Twinning

Twinning is not envisaged for this project.

6.3 Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project.

6.4 Contracts

The institutional building technical assistance aspects associated with management of the scheme is estimated at Euro 120,000.

The envisaged average size of individual projects is Euro 600,000, implying a total of some 7 contracts under the investment component of the project.

The project envisaged also a separate supervision contract for the whole investment scheme at Euro 190,000 (~5% of the works envisaged).

7. Implementation schedule

It is envisaged that preliminary project identification will be completed by the end of 2003, followed by feasibility studies, with the last of these being completed by mid March 2004 – the project implementation process is detailed at Annex 2.

7.1 Start of tendering/call for proposals

April - May 2004.

7.2 Start of project activity

End 2004.

7.3 Project completion

November 2007.

8. Equal opportunity

The investment scheme 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

The investment scheme will not be harmful to the environment. All of the individual projects will comprise a finalised environmental impact assessment report as part of their feasibility study and the evaluation criteria. With an improvement in water supply a positive impact – ecological improvement is expected. The resultant business development will have no negative impact on the environment.

10. Rates of return

Rates of return can only be calculated for the individual projects approved under this investment scheme. The evaluation criteria will seek to select projects that provide

significant rates of return based on economic benefits such as increased employment and income from tourism.

Individual projects will create considerable economic and social benefits – determined in the evaluation criteria. Therefore, they will contribute to creation of a sound tourism and business entrepreneurial environment and initiate economic growth across Bulgaria.

Public financed projects in principle will not bring profits to the private sector. They are supported in order to be economically viable because they create benefits to the specific location, especially when and where they will contribute to the safeguarding and to the creation of employment.

All feasibility studies will be calculated under Guide to Cost Benefit Analysis.

11. Investment criteria

11.1 Catalytic effect

The catalytic effect will include:

- The water and sewage supply will improve the business infrastructure.
- The water and sewage supply will help the strengthening of the tourist market in cultural and ecological tourism sites
- The water and sewage supply will stimulate the entrepreneurship in tourism and to attract the necessary investment in the Bulgarian tourism sector.

The Phare contribution will seek to provide water supply solutions that promotes tourism and/or business development in the selected areas and contributes to the restructuring of the tourism infrastructure, to SMEs and provides employment opportunities. Without the Phare support this level of tourism and business development would take place much later (if at all) but not in such a comprehensive and complementary way as envisaged in this project.

11.2 Co-financing

The necessary co-financing for this project will be provided from the Bulgarian national budget, while at least 10 % of it is to be provided by the respective local Beneficiaries (municipalities).

11.3 Additionality

No other finances will be displaced by this Phare intervention.

11.4 Project readiness and size

Technical assistance will be provided from the PPF 2001 allocation prior to contracting and after identification of the individual projects, so as to help prepare technical specifications, EIA and feasibility studies needed for the work contracts to be concluded. Ready ToR for the PPF is attached as Annex 7

11.5 Sustainability

The Ministry of Regional Development and Public Works, together with the regional/local authorities involved, assure sustainability as a precondition in preliminary project identification. Sustainability will depend upon the future capacity of the Bulgarian Government to finance such schemes without external aid donor support. It is considered that such capacity will still be under development until 2006. The envisaged upgrading and development of water supply infrastructure should be operational over the long term, however contracts will ensure that the direct beneficiaries will allocate sufficient funds to keep the infrastructure in good condition. A sustainable and safe water supply to tourism facilities (especially cultural and ecological sites) will be secured through operational guidelines developed by the Ministry of Regional Development and Public Works.

11.6 Compliance with state aids provisions

The project is in accordance with item 92(3)a of the Treaty of Rome. All actions financed by Phare will be carried out in line with DIS and will respect and comply with State Aid agreements. If appropriate, the relevant State aid control institutions will be consulted on individual projects.

11.7 Contribution to National Development Plan

By providing water supply to tourist sites, this project directly contributes to the NEDP 2000-2006 priorities (namely Axis 5 of the plan – ‘Attaining Balanced and Sustainable Regional Development’) through actions, which are foreseen in the areas targeted by the Regional Operational Programme under Sub-program 1 ‘Boosting Business Competitiveness’ (measure 1.2. ‘Tourism’, measure 1.3 ‘SME’), and Sub-program 2 ‘Business Related Infrastructure’ (measure 2.2.a ‘Utilities for business development – Water supply’).

One of its specific objectives is to foster the rational use of water and increase system efficiency and to promote the notion of integrated water management. Likewise eligible actions are to repair or replace existing water network, replace and reconstruct broken water mains and to ensure the connection of business sites.

12. Conditionality and sequencing

The project will start after signing of the Financial Memorandum between Bulgaria and the European Union, which is foreseen by the end of 2003.

To speed up project implementation, eligible projects will be preliminary identified till mid 2003 by MRDPW.

The completion of the investment scheme preparation is envisaged as part of a PPF initiative prior to the commencement of the project.

The success of this project depends also on the successful acceptance and commencement of the associated ESC increasing activities under the productive sector projects, as well as the proposed IB project for financing under the National Phare Programme 2003 – ‘Preparing MRDPW’s central and regional structures for managing future ERDF-type programs and projects’.

Important milestones for the project are:

Approval of ToR for PPF (services)	March 2003
Tender Dossier (works)	March 2004
Works Tendering	April 2004
Contracting	End 2004
Works Implementation	2005-2007
Supervision of Works	2005-2007
Monitoring & evaluation	Mid-2005 -November 2007

LIST OF ANNEXES

ANNEX 1	PHARE LOG FRAME
ANNEX 2	IMPLEMENTATION CHART
ANNEX 3	CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER
ANNEX 4	POTENTIAL PROJECTS FOR WATER SUPPLY AND SEWAGE BY REGIONS IN BULGARIA
ANNEX 5	RELEVANT LEGISLATION
ANNEX 6	SAMPLE PROJECT EVALUATION CRITERIA
ANNEX 7	TERMS OF REFERENCE FOR PPF

ANNEX 1
PHARE LOG FRAME

LOGFRAME PLANNING MATRIX FOR PROJECT: Water Supply Improvements to Areas with Tourism Development Potential		
	Contracting period:	Disbursement period:
	Total budget: 4.68 m€	Phare budget: 3.46 m€

Overall objective	Objectively verifiable indicators	Sources of verification	
<ul style="list-style-type: none"> Reduce regional disparities through enhancing the potential of the tourism sector, and provide business opportunities and higher incomes to the local population. 	<ul style="list-style-type: none"> Increased regional GDP 	Municipal tax authorities, Territorial Statistics Offices (TSO) Districts, National Statistics Institute (NSI), Trade Associations and Hotels	
Project purpose	Objectively verifiable indicators	Sources of verification	Assumptions
<ul style="list-style-type: none"> Improving the supply of water and sewage networks in areas of existing and potential tourism development and concentrations of SMEs. 	<ul style="list-style-type: none"> Provision of reliable water supply, which should meet the national standard per person per day. Eliminate water losses in project areas. 	Water Supply and Sewage companies	<ul style="list-style-type: none"> Phare project BG 0102.04 Road Access to Tourism Sites implemented. Preparation of tourism development projects at regions with proven tourist interest, but where water supply is insufficient to cover tourism needs and tourism-related businesses. Sustained inward investment to project areas.
Results	Objectively verifiable indicators	Sources of verification	Assumptions
<ul style="list-style-type: none"> A modern water supply system at sites of tourist interest or concentrations of SMEs from other sectors A sewage drainage network, connecting the sites to the local wastewater treatment plant Increase of autonomous income of municipalities Decrease of migration 	Based on the preliminary statistics data for each of the individual projects selected, an improvement (increase/decrease) in the respective data is achieved, namely: <ul style="list-style-type: none"> Quantity of water supply (I) Quantity of new or renewed water pipes laid and associated equipment installed (I) Quantity of new sewage pipes laid (I) Regional Statistics indexes improved (income, employment, etc.0 	Reports from Water Supply and Sewage companies, Municipal records, Ministry of Labour	<ul style="list-style-type: none"> Support in the restructuring process of Bulgarian tourism sector. Tourism is maintained as priority sector for development for 2000-2006 period Inward investment Job creation

Activities	Means		Assumptions
<ul style="list-style-type: none"> • <u>Rehabilitation</u> of existing water supply and sewage networks • <u>Reconstruction</u> of water supply and sewage networks • <u>New construction</u> of additional water sources • Institution building: Training of staff at municipalities and water supply and sewage companies 	Works contracts, Supply, TA		<ul style="list-style-type: none"> • Administrative capacity of MRDPW; • Local project management capacity of municipalities; • Coordination between MRDPW, municipalities and other institutions;
			Preconditions PPF on-time and successfully implemented

Project “Integrated investment scheme for regional development actions”

11

ANNEX 3
Contracting and disbursement schedule by quarter

Project title: Water Supply Improvements to Areas with Tourism Development Potential															
Contracting	Cumulative contracting schedule by quarter in € m (provisional)														Total
	2003		2004				2005				2006				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Works Contracts								3.20							3.20
Supervision Contract								0.14							0.14
TA contract							0.12								0.12
Total contracting:							0.12	3.34							3.46
Disbursement Phare Funds	Cumulative disbursement schedule by quarter in € m (provisional)														Total
	2003		2004				2005				2006				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Works Contracts								0.141	0.564	1.127	1.691	2.467	2.960	3.200	3.20
Supervision Contract								0.081	0.092	0.102	0.113	0.124	0.129	0.140	0.14
TA contract							0.096	0.096	0.096	0.096	0.120	0.120	0.120	0.120	0.12
Disbursement National Co-financing															
Works Contracts								0.038	0.113	0.340	0.528	0.830	0.981	1.170	1.17
Supervision Contract								0.017	0.022	0.028	0.033	0.039	0.044	0.050	0.05
Total disbursement:							0.096	0.373	0.887	1.693	2.485	3.580	4.234	4.68	4.68

ANNEX 4

POTENTIAL PROJECTS FOR WATER SUPPLY AND SEWAGE BY REGIONS IN BULGARIA

Table 1

Regions and Districts	Number of Municipalities	Number of Projects for Water Supply in Touristic Sites in Municipalities
North - West		
Vidin	11	1
Montana	11	3
Vratza	10	1
Subtoatal	32	5
North - Central		
Lovech	8	7
Pleven	10	4
Gabrovo	4	4
Veliko Tarnovo	10	3
Rousse	8	4
Subtoatal	40	22
North - East		
Razgrad	7	1
Targoviste	5	0
Shumen	10	3
Silistra	6	2
Dobrich	7	4
Varna	11	1
Subtoatal	46	11
South - East		
Bourgas	13	3
Sliven	4	2
Yambol	5	0
Subtoatal	22	5
South - Central		
Stara Zagora	9	2
Haskovo	11	7
Kardjaly	7	6
Smolian	10	8
Plovdiv	12	3
Pazardjik	11	8
Subtoatal	60	34
South - West		
Sofia district	20	10
Sofia city	0	0
Blagoevgrad	14	9
Pernik	6	3
Kiustendil	9	4
Subtoatal	49	26
TOTAL	249	103

PROJECTS IDENTIFIED (preliminary list)

Below is a listing of indicative projects, which are currently in state of preparedness, from which applications are to be received for grant funding:

No	Place	Type	Readiness	Budget in Euro
1	Osmar and Troytza villages, municipality of Veliki Preslav	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	500, 000
2	City of Pliska, municipality Kaspichan	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 200, 000
3	“Dragoevo” group, municipality Veliki Preslav	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 120, 000
4	Madara village, municipality Shoumen	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 270, 000
5	Momchilovci village, district of Smolyan	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 350, 000
6	Stoykite village, district of Smolyan	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 190, 000
7	Complex “Krastova Gora”, municipality Lucky	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 360, 000
8	City of Teteven, municipality of Lovetch – “Water-supply system Teteven – Ribaritza”	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 100, 000
9	Sapareva Banya, municipality of Kjustendil	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 350, 000
10	Borovetz Resort Complex, district of Sofia	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 350, 000

11	Town of Koprivshtitza	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 250, 000
12	Town of Bansko	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 550, 000
13	City of Gabrovo	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 250, 000
14	Town of Triavna	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 540, 000
15	Village of Plachkovtzi, municipality of Gabrovo	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 150, 000
16	City of Smolyan	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 250, 000
17	Town of Devin	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	950, 000
18	Town of Chepelare	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	980, 000
19	Resort Complex Pamporovo	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	990, 000
20	Shiroka Laka, district of Smolyan	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	640, 000
21	Resort Complex Uzana, city of Gabrovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 350, 000
22	City of Vratza	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 450, 000
23	Haskovski Mineralni Bani, municipality Mineralni Bani, district of Haskovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 030, 000
24	Town of Rakitovo, municipality Rakitovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 050, 000

25	Tzigov Chark, municipality of Rakitovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	840, 000
26	Banite village, municipality Banite, district of Smolyan	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	600, 000
27	Kladnitsa village, municipality of Pernik	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 160, 000
28	Shoumensko Plateau Resort Complex	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 025, 000
29	Arbanasi village, district Veliko Tarnovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	850, 000
30	Town of Zlatitza, district Veliko Tarnovo	Water-supply and sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	800, 000
31	City of Veliko Tarnovo	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	250, 000
32	Town of Dospat	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 420, 000
33	Town of Djebel from pump station "Zagorsko"	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	620, 000
34	"Zimzelen-Povet-Panchevo" water-supply group, municipality of Kardjali	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	340, 000
35	Zhinzifovo village, municipality of Kardjali	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	650, 000
36	"Most-Bashtino" water-supply group, municipality of Kardjali	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	360, 000
37	Town of Svoge	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	650, 000
38	Town of Elena	Sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 060, 000

39	Rezovo village, municipality of Bourgas	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	310, 000
40	“Mineralni Bani – Vetren village” water-supply group, municipality of Bourgas	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	330, 000
41	Sarafovo housing estate, city of Bourgas	Sewerage	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1, 580, 000
42	Town of Pomorie	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	840, 000
43	Vit river, municipality of Pleven	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	600, 000
44	Pelishat village, municipality of Pleven	Water-supply	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	250, 000
45	National Park “Vitosha”	Sewage Systems	The Technical Project is developed, but no Feasibility Study and Environmental Impact Assessment are carried out	1,000,000
	Total:			43, 755, 000

ANNEX 5

RELEVANT LEGISLATION

The ownership and sustainability of the projects envisaged under this investment scheme are subject to:

1. The Act for Municipality Ownership – State Gazette 44 of 1996, with subsequent amendments revisions, to that of State Gazette 34 of 6th April 2001;
2. The Act for State Ownership - State Gazette 92 Of 16th November 1951 with subsequent amendments to State Gazette 59 of 2000;

This legislation both details and guarantees the ownership of state and municipal assets and imposes the obligation to ensure that these assets are maintained and sustained in an appropriate manner. The appropriate articles from the Municipality Owner Act are detailed below:

Art.1 This act regulates conditions for acquiring, management and arrangement with the real estate and movable property - municipality ownership, if in the other act is provided something else.

Art. 2 The municipality ownership is:

2. Waters, water objects, water supply systems and equipment, specify by act.

7 Maintenance and safe keeping of networks and equipment of technical infrastructure for transportation, water supply, sewage, telecommunications and engineer- protection systems in their part, which serve the relevant municipality territory, is the responsibility of the relevant municipality.

Art. 3 (1) Municipality ownership are public and private

(2) Public ownership is:

1. real estate, is allocated to carry out functions of local self management and local administration;
2. Real estate is allocated for permanent satisfying social consumptions of municipality meaning.

Art. 11 The municipality ownership to manage interest of the population in the municipality accordingly on law edict and with care of good manager.

Art. 12 The municipality major manage the real estate under Art. 3 (2) 1 directly, respectively of major of region or community.

Art 16 The maintenance and the repairing of real estate and move property public municipality ownership complete from the persons and organisations under Art 12, par.1 and par. 2.

Art 51 The economic activity competes under personal trade companies with municipality property or under trade companies with municipality participation.

Art 53 The municipality enterprises create for fulfilment of municipality activities in the following directions:

1. Public works and community activities, construction and maintenance of municipality infrastructure.

Art 67 (1) Concession under sense of this law is giving up special rights for using under the public municipality ownership objects, including such which will be constructed from concessionaire with their resources and giving up the permission to do activities to satisfy of public consumption which municipality provide.

Art 69 Special rights of using under Art 67, par. 1 can be give up to following objects:

1. water sources, including and mineral waters, which use of relevant municipality, all together with water collect and bring along networks and equipment;
2. Sewage networks and equipment.

At present there does not exist a full English translation of either of these Acts.

ANNEX 6

SAMPLE PROJECT EVALUATION CRITERIA

The following aspects should be taken into consideration for the selection:

There should be a weighting of the different aspects to take under consideration their importance. The following points must be fulfilled (exclusion criteria):

- The project proposal should be part of the regional development plans, district plans and municipal strategies or should fit in the framework of these plans.
- The project proposal should correspond to the priorities set out in the National Economic Development Plan/ the Regional Operational Programme, especially in the part concerning the business related infrastructure.
- Municipality should own the object, which will be constructed by the investment scheme.

Preferences (inclusion criteria) is given to projects which best fulfil the following criteria (points should weighted -proposal: maximum total = 100 points):

- a) Provision of water supply. The standard is the national norm for the type of municipality where is the tourist site.
 - Points 0 – 20, where the norm is 0 points.
 - If the provision of water is less then norm with 10 l/capita/day will be 1 point, 20 l/capita/day – 2 points, etc.
- b) Water supply regime.
 - Points 0 - 20.
 - Water supply regime more then 5 months = 20 weeks – 20 points. For every week less: one point.
- c) Water losses.
 - Points 0 – 20.
 - Water losses more then 50 % - 20 points. For every 2,5 % less: one point.
- d) Number of hotel beds. It is arrange between the numbers of beds in tourist site (village, community, municipality, district or region)
 - Points 0 – 10.
 - The smallest will be 0 point, the biggest – 10 points. Other points will be calculated by interpolation.
- e) Potential (or extra) number of visitors attached through the new water supply system.
 - Points 0-10.
 - The increasing of visitors in the tourist sites will arrange between the numbers of future visitors in tourist site (village, community, municipality, district or region).
- f) The project should have a strong support through the local administration /municipality and water supply and sewage company/, private organizations, private tourist sector, local NGO and the local population.
 - Points – 0-5.
- g) Projects complementary to other Phare 2002 (2001 or 2000) ESC schemes (access to tourism sites, social inclusion measures)
 - Points 0-5.
- h) Increase of development effects through synergy effects with development projects from other donors
 - Points 0-5
- i) Preference to areas with above average unemployment rates.
 - Points 0 – 5.

PREPARATION OF PHARE 2003 ESC SCHEMES
Water Supply Improvement in Areas with Tourism Development Potential
Project Amount: € 200.000

Terms of Reference

Figure 1

1. Background Information
 - 1.1. Beneficiary country
 - 1.2. Contracting authority
 - 1.3. Country Background
 - 1.4. Phare Investmens in Economic and Social Cohesion
 - 1.5. Relevant sector background
 - 1.6. Related Programmes
2. Contract Objectives
3. Assumptions and Risks
 - 3.1. Assumptions underlying the Project Intervention
 - 3.2. Risks
4. Scope of the Work
 - 4.1. General
 - 4.2. Specific Activities
 - 4.3. Project management and Contractor's tasks and responsibilities
5. Logistics and Timing
 - 5.1. Project Location
 - 5.2. Project Period
6. Requirements
 - 6.1. Experts
 - 6.2. Logistics
 - 6.3. Project Language
7. Reports
8. Monitoring and Evaluation

1. BACKGROUND INFORMATION

1.1. Beneficiary country: Bulgaria

1.2. Contracting authority: Ministry of Finance, Central Financing and Contracting Unit (CFCU)

1.3. Country Background

Largely as a result of past economic reforms supported by an improved external environment, economic growth has accelerated. The Bulgarian economy grew by 5.8% in 2000, the highest figure since the 1996-97 economic crises. Macroeconomic stability has been preserved, and the state of Bulgaria's public finances and the current account balance bear witness. Progress is being made with the restructuring of the economy and privatisation, while the share of the private sector in GDP rose further.

Bulgaria has recently resumed its process of catching up with the EU. Bulgaria's 2000 average per capita income in purchasing power standards was low at only 24% of the EU average. Regional income differences are small in Bulgaria, ranging from 22% to 24% of the EU average. Employment rates for both genders are relatively low. The economic activity rate has been on a declining trend over the past years, reaching a low 47.5% in 2000.

There is continued support for the medium-term economic reform programme and for EU accession-related policies. The ability to fulfil the accession criterion depends on the existence of market economy and a stable macroeconomic framework, allowing economic agents to make decisions in a climate of predictability. It also requires a sufficient amount of human and physical capital, including infrastructure.

Regarding economic and social development, poor infrastructure, including water infrastructure, has been identified to be among the main development obstacles. This is why Bulgarian development strategies focus also on improvement of business related infrastructure. The other main strategies for economic and social development prioritise improving the productive sector (mainly oriented towards SMEs) and on developing of human resources.

1.4. Phare investments in economic & social cohesion

The Phare programme is one of the pre-accession instruments financed by the European Communities to assist the applicant countries in their preparation for joining the European Union. The basic orientations were adjusted in 1999 to reflect the coming-on stream of SAPARD in agriculture and rural development and the ISPA in transport and environmental infrastructure. The principal adjustment was to redirect Phare's funds toward tackling the issue of economic and social cohesion. Under Regulation 1260/99 and the Vade Mecum for Structural Funds Plans and Programming Documents, the candidate countries need to:

- a) Adopt the integrated approach, with actions selected to contribute to a common objective, such as combating industrial decline, in particular with ESF-type measures, linked with interventions to promote the business environment.
- b) Establish geographical coverage at the geographical level deemed most appropriate by the candidate country, but with the NUTS II level as the minimum, with the possibility of focusing on areas with specific and severe problems.

Phare support focuses as a priority on helping the candidate country strengthen the institutions that will be needed to implement Structural Funds after accession. Investment measures should in general be targeted in line with the NEDP in order to ensure concentration and impact. According to the Phare Guidelines, three types of investment support are permitted:

- a) Increasing the activity of the *productive sector* through assistance to the private sector (especially SME) and help industrial restructuring.
- b) Strengthening *human resources*, e.g. to support employment and social inclusion.
- c) Improving *business-related infrastructure*, contributing to regional development.

The National Economic Development Plan is predominantly a key instrument for Bulgaria to assess its needs and orientation for development in the future. It sets out the vision of Bulgarian development, and formulates national priorities. Apart from this, the NEDP takes

a broader overview on the regional aspect of the sectoral strategies. *A Reasonable Degree of Social Cohesion* is the third intermediate objective of the Plan. Aggressive economic growth will cause considerable social strains in various layers of the Bulgarian population. While on average all are expected to be better off, income disparities are bound to grow both in geographical and social terms. Therefore one of the objectives is to ensure that this process of income and living standards differentiation remains within acceptable limits and that not too large a part of the population is left behind while the Country is catching up on with the rest of Europe.

Effective and comprehensive preparation of investment projects is critical to the future success of Phare programme. However in Bulgaria, this preparation work still needs substantial technical assistance. This is because many of the ministries involved are in early stages of building their capacity for effective project cycle management, and moreover have insufficient resources to undertake this preparation work on their own.

1.5. Relevant sector background

The existence of an effective water supply system within an economy is one of the major conditions for generating and maintaining stable economic growth and therefore balanced development. The provision of water and other elements of business infrastructure act as necessary prerequisites for attracting and employing local, inter-regional, national and foreign resources. However, one of the intrinsic weaknesses of the Bulgarian economy is the unreliability – for a number of reasons, of the country's water supply system. This has, and remains, a brake on the growth of the tourism and SME sectors. Simply the lack of and/or the uncertainty over the supply of adequate water and sewage provision preclude SME and tourism investment – at existing sites due to inadequate or uncertain supply and at sites of potential tourism and SME development where there is currently no provision.

To meet these challenges it is proposed that an investment scheme is funded under Phare 2003 programming that seeks to develop business infrastructure provision, thus improving conditions for tourism and /or SME development in the regions through ensuring the adequate and ensured provision of water supply and related sewage treatment.

1.6. Related Programmes

There have been number of projects and initiatives seeking to develop the Bulgarian water and sewage infrastructure, as well as Phare projects directly addressing the tourist development, examples of these include:

- ✓ A range of water projects funded by World Bank loans;
- ✓ The national programme to build urban wastewater treatment plants;
- ✓ The national programme to resolve the crisis in drinking water supply;
- ✓ Commencement of construction of urban wastewater treatment plants in Veliki Preslav, Balchik, Sozopol and Achtopol with ISPA grants;
- ✓ The Phare project BG 0102.03 Development of cultural tourism that is complemented by the Phare ESC 2002 project for the development of ecological tourism;
- ✓ The Phare project BG 0102.04 Road Access to Tourism Sites – which addresses the prior and complementary priority of road access to tourist sites.

2. CONTRACT OBJECTIVES

The specific objective of this contract is to fully prepare an investment scheme to be funded under the Phare 2003 ESC programme, and be ready for its implementation.

The *water supply scheme* aims to implements some 7 projects for construction, rehabilitation and reconstruction of water supply and sewage systems, by providing:

- Modern water supply systems at sites of tourist interest and/or concentrations of SMEs from other sectors;
- A sewage drainage network, connecting the sites to the local wastewater treatment plant.

The main preparation work for this water supply scheme is the undertaking of technical feasibility studies, environmental impact assessments, detailed technical designs and procurement documentation for some 7 projects, which that will seek funding under Phare 2003 programme. This contract also supports verification of the preliminary identification of

the sites for rehabilitation/ reconstruction/new construction, and the preparation of any other necessary documentation for the implementation of this scheme.

3. ASSUMPTIONS AND RISKS

3.1. Assumptions underlying the Project Intervention

Successful implementation of the project is based on the following assumptions:

- Water supplies and sewerage infrastructure are an absolute requirement for development of the Tourist Industry and for SMEs;
- Preparation of tourism development projects at regions with proven tourist interest, but where water supply is insufficient to cover tourism needs and tourism-related businesses;
- Sustained inward investment to project areas;
- The European Commission and the Phare Management Committee will approve the Phare 2003 project, the preparation for which will be implemented during the present contract;
- The selection of the water supply and sewage project will be implemented following the Phare rules for transparency and partnership.

3.2. Risks

Risks have been minimised by allowing for all necessary work prior to the start of the contract to be carried out in time. Nevertheless, some risks may arise in regard to the effective coordination between the MRDPW, municipalities and other institutions, as well as the enough technical capacity within the municipalities (who will be the final Beneficiaries of the projects) to supervise the contracts themselves and to maintain the facilities once installed.

4. SCOPE OF THE WORK

4.1. General

The water supply investment scheme is designed to cover the whole territory of Bulgaria and is addressing the needs of sites with potential for tourism development. It will cover:

- **Rehabilitation** of existing water supply and sewage drainage networks by the replacement of pipes of appropriate material, to reduce water losses and connect wastewater to water treatment plants. This process will not seek to increase a given local network's capacity but will aim to provide a reliable supply and treatment cycle.
- **Reconstruction** of existing water supply and sewage drainage networks by replacement of pipes of appropriate material but also of larger diameter. This process will increase a given local network's capacity as well as providing a reliable supply and treatment cycle. Pumps and control equipment will also be upgraded to match the capacity increase.
- **New construction** of additional water sources and local storage tanks to ensure the provision of the required quantity of water as well as a steady water pressure to balance the network and guarantee a suitable supply for fire-fighting purposes. Construction of new or extension of existing water and sewage networks.

The selection of the sites will be done by MRDPW before the implementation of the present contract. The Consultant should verify the financial, technical and other qualities of projects and should make recommendations as to reduce or not the number of eligible projects for further preparation. It is also expected that after selecting some 10+ projects, the Consultant will prepare technical and feasibility studies as well as environmental impact assessments for those selected projects. (Full technical designs and all procurement documentation are included).

The projects are likely to be at different stages of technical readiness, so that the preparations already made by the municipalities and/or MRDPW can be built upon. In fact, they will be of varying degrees of completeness and quality and will need to be developed into fully-fledged technical and feasibility studies, with environmental impact assessments, detailed technical designs and tender documentation (including arrangements for supervision of implementation).

4.2. Specific Activities

A team of EU and local experts (hereinafter called the “Consultant”) will provide TA, as follows:

- a) During the inception period of the present contract, the Consultant should acquaint himself with the relevant Bulgarian primary and secondary legislation directly related with water supply and sewage systems in sites with potential for tourism development (e.g. Water Law; Environmental Protection Law; Reduction of Harmful Impact of Waste; Decree on EIA, Territorial Structure Act; Law on Tourism; the Municipality Ownership Act; the Law for Protected Areas, etc.).
- b) The Consultant will work proactively with the Ministry of Regional Development and Public Works and with relevant organisations and stakeholders, based in Sofia as well as in the regions. The Consultant will visit the areas/regions (as per the list of project sites preliminary identified/agreed, with the aim to be acquainted with the real needs for water infrastructure improvement in sites with tourism potential and discuss with regional stakeholders (potential beneficiaries) eventual assumptions and risks that may influence the project implementation.
- c) The Consultant should provide technical support and advise for preparation of technical feasibility studies, environmental impact assessments, detailed technical designs and procurement documentation, cost breakdown and other documents required for completing tender dossier in compliance with PRAG rules and requisites for ‘Works Contracts’.
- d) The Consultant should provide also technical assistance to the MRDPW, while drafting operational guidelines setting out the general rules and procedures on the implementation, monitoring and evaluation of the work contracts following PRAG rules.
- e) It is expected that prior the end of the present contract, the Consultant should also revise the project fiche which is to be submitted for funding under Phare 2003, as well as to prepare ToRs for technical assistance and supervision during the implementation of the scheme.

4.3. Project management and Contractor’s tasks and responsibilities

The Central Financing and Contracting Unit (CFCU) at the Ministry of Finance is the Implementing Agency responsible for administering the whole procurement process and later for the payments under this particular project.

The Ministry of Regional Development and Public Works (MRDPW) is both the main beneficiary of PPF and the institution, which will assume a co-ordinating role in day-to-day activities for it.

In line with the partnership principle, as described in Structural Funds regulations, it is important that regional representatives and stakeholders (Regional Development Agencies, Regional Municipality and Industry Associations, Non Governmental Organisations etc.) are fully involved in identifying development priorities as well as in designing and preparing potential projects.

Monitoring of contract performance will be the responsibility of MRDPW, based on day-to-day work with the team of consultants and the project reports. Project review meetings should be held between MRDPW and the Consultant every month; these may also serve to agree any necessary amendments to the time schedule and to discuss possible changes in staffing. However, since the CFCU is the Implementing Agency and Contracting Authority, all contractual and financial issues should be referred to the CFCU.

The Consultant will have to demonstrate strong experience in the implementation of complex economic development projects covering both engineering and general economic development work. It will be the MRDPW responsibility to guarantee the required working in partnership to ensure smooth implementation. This applies at a number of levels:

- Ministry to ministry
- Central government to regional/local authority
- Public sector to private sector

The main counterpart for the technical implementation of the project is the Department for Economic and Social Cohesion Program Implementation (DESCPI) at the Ministry for Regional Development and Public Works, and his staff. They will work closely with the Directorate of Public Works at the Ministry.

5. LOGISTICS AND TIMING

5.1. Project Location

The project will be located in Sofia, Bulgaria. The contract requires also frequent travels in the country.

The Contractor will set up an office in the vicinity of the Ministry of Regional Development and Public Works. All relevant costs including local transport should be borne by the Consultant.

5.2. Project Period

The duration of performance of the contract tendered herewith is ten (10) calendar months, after signature of the contract.

6. REQUIREMENTS

6.1. Experts

The Consultant shall employ adequate numbers of suitably qualified personnel to prove in his technical proposal that his project organization will be capable of efficiency and comprehensively fulfilling his duties under the Project.

It is envisaged to base a core team in Sofia, consisting of Project Team Leader, Project Coordinator and Technical Assistant, as well as pool of EU and local short-term experts.

A) The **Project Team Leader (EU expert)** will advise the MRDPW on all matters relating to the management and implementation the project, and will coordinate the activities of all the other experts. He will be based in the office in Sofia and is expected that this expert should spend at least seven months over 10-months duration of the contract in Bulgaria.

The expert should possess:

- Previous managerial experience of technical assistance projects similar to this project;
- Experience of Structural Funds Objective I type programmes (both national sectoral programmes and regional and sub-regional programs) gained from either the side of the EU Commission or from the side of a Member State.
- University degree in civil engineering or other relevant specialisations.
- Knowledge and understanding of ESC programming, possibly with water supply and/or business infrastructure development experience;
- Knowledge of Phare PRAG rules, knowledge and experience of public procurement rules;
- Excellent command of English, both spoken and written, inter-personal and communication skills;
- Project identification, preparation and planning experience;
- A minimum of 10 years such experience will be required.

B) The **Project Coordinator** will assist the Team Leader in all activities. He/She can be EU or Bulgarian expert and will have:

- A university degree in economics, accounting, business studies or a related discipline;
- A good knowledge of Phare procedures gained from previous Phare project experience;
- A familiarity with all issues covered by the Phare Practical Guide;
- Project management and coordination experience;
- Good administrative skills;
- Excellent command of the English language both spoken and written;
- Computer skills;
- At least 3 years relevant experience.

The Consultant will supply the services of the **Project Coordinator** for the duration of the contract (allowing for leave times), while he/she is expected to stay in Bulgaria during the whole period of the contract.

C) The project **Technical Assistant** will assist the Team Leader and the Project Coordinator, as well as the team of experts in their assignments. He/she will be responsible for the technical aspects and organization of work throughout project duration.

- He/she should be preferably a Bulgarian and have at least 3 years of experience with projects assistance and management skills.
- He/she should be fluent in English.
- He/she should have good computer skills.

D) A pool of EU (for a maximum of 240 days) and local short-term experts (maximum of 540 days) should be provided in the areas indicated below. Local expertise will be used not only for cost and efficiency reasons, but also in order to ensure as much transfer of knowledge to Bulgarian sources as possible. The number of proposed experts and organization of this element is left to the Consultant's discretion and should be explained in the proposal.

The following types of EU and local short-term experts will be required:

- ❑ Civil engineers - with minimum 10 years experience in technical feasibility of water supply and sewage systems construction, rehabilitation and reconstruction, also in rural, semi-rural and mountainous areas, and in their detailed technical design and preparation of procurement documentation (including for the supervision of works). CEEC/Phare or ISPA experience would be a benefit. Following the tasks stated in point 4.2. of the present TOR, the team of the civil engineers could be structured of experts covering some of the following specialisations: water supply and sewage systems engineer, electrical engineer, geodesy and geology, mechanical engineer, designer, etc. However, the Consultant is at liberty to propose the structure of the team, as he considers most appropriate to enable him to fulfil his duties.
- ❑ Industrial development experts - Demonstrable experience, for at least 10 years, of most types of industrial development (land clearance and reclamation, site servicing and construction for conventional industrial and office uses, managed workspace initiatives). A university qualification in economics, planning, engineering, architecture or a related discipline. Experience of Phare or Structural Funds Objective I type programmes – sectoral, regional and sub-regional would be preferred.
- ❑ Experts in tourism development- Demonstrable experience, for at least 10 years, in tourism development and promotion. A university qualification in economics, planning or a related discipline. Experience of Phare or Structural Funds Objective I type programmes – sectoral, regional and sub-regional would be preferred.
- ❑ Environmental infrastructure experts - Knowledge and experience of at least 10 years in environmental aspects of industrial development and water infrastructure development, EIA. A university qualification in economics, planning, engineering, architecture or a related discipline.
- ❑ The team should include an economist, who is familiar with EU Phare programme and PRAG rules, and who is capable of preparing cost benefit analysis, formulate rates of return and catalytic effects of the projects selected for funding under Phare 2003 ESC

programme, as well as able of drafting ToRs for TA and supervision if such are required by the Phare 2003 project fiche.

6.2 Logistics

The Consultant will make arrangements to ensure good communication and liase with relevant counterparts in the ministries and/ or other institutions involved under this project. For the organisation of the contract objectives, the Consultant shall provide the equipment necessary to perform the required services, i.e. office equipment (computers, printers, photocopiers, phones and faxes, etc.). The Consultant will also be responsible for provision and servicing of accommodation for all his personnel. All the local travels required should be organised by the Consultant in a way he considers most appropriate to enable him to fulfil these duties.

6.3 Project Language

The project language will be English.

7. REPORTS

An inception report should be produced six weeks after the start of the project. There will be quarterly reports and a final report one month after the conclusion of the contract. All reports shall be produced in close consultation with the beneficiary institutions.

Reports are to be submitted as follows (electronic and hard copies)

- The EC Delegation to Sofia (one in English)
- The CFCU, Ministry of Finance (one in English)
- The MRDPW (one in English, one in Bulgarian)

8. MONITORING AND EVALUATION

The indicators against which the project will be monitored are related to the timely completion of the various results listed in chapter 4.