

STANDARD PROJECT FICHE

1. Basic Information

- 1.1 CRIS Number: BG 2005/017-353.10.03
- 1.2 Title: **SUPPORT TO MOBILISING BOTTOM-UP DEVELOPMENT AND PROJECT CAPACITY AS PART OF STRUCTURAL FUNDS PREPARATIONS IN BULGARIA**
- 1.3 Sector: Economic and Social Cohesion
- 1.4 Location: Republic of Bulgaria
- 1.5 Duration: Phase 1: 18 months (FM 2004)
Phase 2: 14 months (FM 2005)

2. Objectives

2.1 Overall Objective(s):

Ensuring advanced capability to undertake EU membership obligations in the area of regional policy and co-ordination of structural instruments for economic and social cohesion aiming to support regional and economic development.

2.2 Project purpose:

To develop appropriate skills and expertise among sufficient number of regional stakeholders in elaborating qualitative needs-oriented regional strategic documents in line with the partnership principle, in order to fully justify future SF measures and result in mature ready-to-go project applications for ERDF and ESF funding.

- 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 addresses the priorities identified under the **Accession Partnership** and the implementing measures envisaged by the **Action Plan** for strengthening administrative and judicial capacity related to:

- Continuing to develop the capacity to discuss, prepare and select development priorities and projects both at the national and regional level to be financed by the different structural funds,
- Bringing administrative capacity of the units designated or to be designated as future managing or paying authorities and intermediate bodies up to the level required for efficient and correct implementation of SF assistance

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

A Strategy for participation in the EU Structural funds has been prepared and adopted by the Bulgarian Government (CoM Decision No 312 of 28 May 2002). The Strategy determines the scope and the administration of the operational programmes under the National Development Plan, among which the **Regional Operational Programme** states that *“The institutional capacity of the institutions engaged in the coordination of activities and partnership promotion needs to be reinforced in order to raise the efficiency of their operation, with the gradual*

experience gains also helping to this end. They should be capable to carry out activities consistent with the requirements and underlying principles of EU Structural Funds.”

Furthermore, the Regional Operational Programme sets out a number of priorities among which “Increasing the role of regions in the formulation and implementation of regional development policy” is a key priority: *“The strengthening of the institutions involved in regional policy formulation and implementation and the enhancement of their capacity at all levels, the introduction and fine-tuning of the procedure and mechanisms for their interoperability and coordination, the improvement of IT environment and regional statistics are conditions precedent of each target-oriented regional policy and for efficient and effective utilisation of the resources”.*

2.5 Cross Border Impact

Not applicable

3. Description

3.1 Background and justification:

The 3-years programming period remaining for achieving full readiness of Bulgaria to EU Structural Funds utilisation is of short duration even for the most optimistic estimates. Apart from strengthening the management and payment structures, establishment and/or refinement of delivery mechanisms, mobilisation of development actors and partners, preparation of projects and other development initiatives will all take considerable efforts. In this sense, the period is a time to lay down the foundations for more substantial investments after 2007.

This situation poses both constraints and provides opportunities:

- Constraints refer principally to the volume, nature and complexity of future projects since mobilisation of all actors and conditions in Bulgaria is unlikely to be possible until Structural Funds are really in place.
- Opportunities are presented since interest will reach new levels: it will be opportune and possible to intensify efforts at building a real development and absorption capacity that in the longer term is necessary for sustainable, effective and inclusive development.

In order to increase absorption capacity, the Commission has proposed to focus on major infrastructure and other projects that hopefully will form part of a ready-to-go project pipeline in compliance with the OPs measures to be proposed for future SF assistance. But even if such a pipeline can be developed, it will not of itself result in a development process that sustains employment, addresses internal social and economic disparities or necessarily levers investment for growth.

Support will target the potential final beneficiaries of the future SF OPs, and will result in a reservoir of “ready-for-funding” project applications large enough to enable Bulgaria to efficiently use a substantial part of the ERDF and ESF funds available in the period after 2007. In all cases, assistance will lead to project dossiers that contain all elements necessary for a positive funding decision by the respective Managing Authority, and the implementation of the public procurement procedures needed for the completion of the project.

The broader view is that project development and implementation capacity is crucial factor among the many conditions and capacities for effective and sustainable development. In key investment areas of Structural Funds, the process of project development itself demands a series of technical and non-technical skills or pre-conditions. Among these count a process of working in cooperation with key project partners. This is especially the case with human resource development, advisory and information services, incentive schemes and infrastructure support related to business, tourism or industrial re-conversion. This kind of cooperation is a function of effective partnership, and if sufficiently developed, this lead “partners for projects”- i.e. an ability within a given situation for key partners to come together to identify, propose and implement projects that provide for a broader economic or social return and benefit.

Two levels of relevant partnership can be presumed:

- an regional-based partnership of key actors focused on strategic analysis of the current need, mobilisation and enhancement of capacities within their communities and planning of a framework in which particular projects and development initiatives can be supported;
- a partnership at project level where, within the framework that is created, individual actors come together to identify project ideas and initiatives, to pool expertise and resources and ultimately to develop project proposals that both correspond to the needs identified in the strategic exercise and, by their scale or nature, promise a broad economic or social benefit rather than serve a more narrow financial return or interest.

Thus a process of partnership development at both a strategic level and at a more operational project level can develop longer-range capacity that will provide conditions for a sustainable development process that absorbs available funds in an effective manner.

The need for the above mentioned institutional capacity building activities is indicated in the experience of Bulgaria with Phare ESC 2000-2003 ESC programming and implementation. Potential beneficiaries have strong willingness to prepare projects, have good ideas, but there is a serious lack of proper experience and knowledge on how to justify the idea and how to prepare a project proposal. There is a need for well-elaborated regional development planning documents. In addition, the experience with Phare ESC shows the lack of understanding regarding the partnership principle in the elaboration of the project proposals. Under Phare ESC grant schemes there were a number of similar project proposals submitted from neighbouring areas addressing the same issue. Besides the partnership between potential beneficiaries (incl. municipalities), a strong cooperation between regional/local authorities and socio-economic partners (NGOs and entrepreneurs) lacks and needs to be promoted as well.

The preparations to achieve full administrative capacity at all levels (including the final beneficiaries) will continue until accession and beyond. The 2003 Phare ESC IB projects are providing assistance mainly at the central level, i.e. the Managing and Paying authorities level, while also assisting in identification and appointing the Intermediate Bodies. The target of present 2004-5 project is the Intermediate Bodies preparation for assisting future OPs Managing Authorities, as well as the final beneficiaries’ level, concentrating more on their role as promoters of development projects and providing the bulk of relevant training. On the other hand, the responsible regional structures to be involved in SF programming, implementation and monitoring need substantial support to improve their administrative capacity and be full-technically equipped to undertake their forthcoming responsibilities.

The advanced top-down and bottom-up capacity at central and regional level addressed with the a.m. projects, the operational partnership structures, the identified and well-prepared project proposals (pipeline) will successfully result in adequate absorption of SF-type interventions starting with the planned integrated regional development scheme envisaged for the Phare 2005-2006 pipeline and smoothly bridging to SF OPs implementation on accession and beyond.

Moreover, in the course of this particular project special attention and emphasis will be given to local experts/officials and organizations in order to gain enough relevant expertise as trainers and advisors for disseminating knowledge and know-how. In this respect, targeted trainees will be duly selected so as to hopefully provide the best multiplier effect possible.

3.2 Sectoral rationale

Not applicable

3.3 Results

Phase 1:

- 6 Regional Development plans for the 2007-2013 period prepared in line with the partnership principle by the third quarter of 2005
- Action Plan for ERDF and ESF participation elaborated
- Package of some 150-200 viable project ideas identified as a result of screening by the end of phase 1
- Comprehensive training programme developed and exercised with key regional/local partners and stakeholders
- Large number of local and regional development actors improved skills and expertise as trainers (e.g. in strategic planning, project preparation and partnership)
- Multifaceted information and awareness campaign on SF participation progressed
- Tools (i.e. manuals, handbooks, guideline, etc.) provided for responsible bodies and potential SF beneficiaries
- 6 directorates at NUTS II level and 28 units at NUTS III level technically equipped by mid 2005

Phase 2:

- The best for value number of ERDF and ESF projects identified
- Project pipeline developed eligible for potential ERDF and ESF funding upon accession
- 70-90 project proposals for ERDF funding fully ready for submission in 2007
- 4-8 large ESF projects (schemes) prepared for launching in 2007
- 250-500 potential ESF project proposals prepared
- Manuals for preparation of ERDF and ESF projects elaborated
- Checklists concerning projects to be financed under ERDF and ESF prepared,
- Some 150-300 final beneficiaries gained skills in preparing investment project documentation at the level of those in the member states

3.4 Activities (including Means)

Phase 1 (FM 2004) Partnership for regional cooperation and development

Component (1) Assistance for strategic regional policy and project capacity development

Sub-component 1.1.: Preparation of regional development plans 2007-2013

- Review of the existing strategic documents (RDPs and if appropriate district plans and municipal strategies):
 - analysis of previous evaluation results
 - analysis of the continuing validity of the analysis of the strengths, weaknesses and potential of the region
 - assessment of the continuing relevance and the consistency of the strategic papers
 - quantification of objectives - outputs, results and impacts
 - evaluation of effectiveness and efficiency to date and expected socio-economic impacts and, on this basis, evaluation of the policy and financial resources allocation
 - quality of implementation and monitoring arrangements
 - conclusions and recommendations
- Revision/ re-formulating of strategic documents and elaboration of Regional Development Plans:
 - Socio-economic analysis of the existing situation
 - Preparation of detailed SWOT analysis
 - Formulating mid-term priority objectives and development strategy
 - Setting out development priorities for inter-regional cooperation projects (NUTS II level)
 - Preparation of indicative financial plans
 - Ex-ante evaluation of strategic documents
- Study/assessment of the institutional capacity of the regional structures (region, district, municipality), as well as the mechanisms for inter-regional cooperation and partnership

Sub-component 1.2.: Elaboration of Action Plan for ERDF and ESF participation

“Action Plan for ERDF and ESF participation” will be elaborated through a joint exercise involving all responsible ministries. The Action Plan will encompass coherent inputs from both the regional (RDPs) and national/horizontal strategic documents. Its purpose will be to stimulate the project development capacity and increase the number of qualitative projects to be developed in close consultation with the relevant stakeholders and partners. At a minimum, the Action Plan will need to determine:

- the participating partners (development animators (public, private), final beneficiaries);
- the overall project capacities (project capacity, broader development capacity, number and nature of ‘ready’ projects, number and nature of project ideas);
- the methods for defining ideas and their transformation into projects
- the optimum flow of information and contacts between established structures (Intermediate Bodies, governmental offices and others) and the identified potential project promoters;

- clear structure of assistance for potential project promoters or partnerships, leading to tailored support and ‘hands-on’ coaching to each identified initiative and intervention area;
- clear, quantified and qualified performance targets for all activities and consistence with ROP/SOP development;

The Action Plan for ERDF and ESF participation will also include:

- a training plan to support the project promoters and partners;
- a training plan for project assessors;
- an implementation plan for ‘hands-on’ assistance and coaching.
- data-base information on screened/identified relevant, feasible and sustainable project ideas appropriate to result in mature, viable and well-prepared project proposals.

The second step will ensure Action Plan is drawn up, widely consulted and approved and consequently implemented in line with agreed strategy for delivery of the inputs.

Sub-component 1.3.: Capacity building for relevant partners in the regions

The technical assistance will also contribute to develop programme implementation capacity at regional and district level in compliance with EU Structural Funds regulations and criteria. A comprehensive training programme will contribute for:

- preparation of mature project proposals and ToRs for requesting preparatory assistance to ensure a functional project pipeline at regional level
- ability to identify priorities in social and economic aspects and the integration of these with EU horizontal issues
- Wide-spread and uniform level of knowledge disseminated in Bulgarian regions about opportunities and requirements with regard to EU structural policies and instruments
- Qualitative appraisal of project ideas and project proposals

Partnership elements will be stressed throughout the whole training programme and specific modules will be delivered. Furthermore, the training will cover selected representatives of all key players at regional/district/local level. Emphasis will be given, amongst others, to the regional development agencies. Participants will be identified by training needs assessment, however expected main recipients are:

- Secretariats of the Regional Development Councils (NUTS II) and Intermediate Bodies staff responsible for info and publicity tasks including responding to FAQs and respecting other feedback from final beneficiaries and the general public.
- Regional Development agencies and their members
- Elected members of municipal self-governments; selected relevant representatives of Municipal utility companies;
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- Representatives of the business life (entrepreneurs, SME-promoting institutions such as chambers of industry and commerce. etc.)
- Staff of local government administrations
- Staff of decentralized branches of various governmental services
- Social and economic partners

The assistance will preferably focus on “training of trainers” modules, thus ensuring sustainability, dissemination of knowledge and know-how. Furthermore, training materials and handbooks will be prepared and distributed to a large audience. All trainings will be implemented in Bulgarian, all information/training materials must be made available in the

Bulgarian language. The involvement of a sufficient number of local experts/advisors will be purposefully sought so as to ensure that upon completion of the project a number of local consultants would have active experience in SF-related consultancy work.

Sub-component 1.4.: Preparatory information campaign

Partnership is also to be strengthened by effective dissemination of information. Aside from the means of training by which know-how is being transferred, an up-to-date information on SF, opportunities to apply for funding and all the related issues should be made available to the largest possible number of stakeholders.

An information campaign will be organised by the ROP and SOPs Managing Authorities, involving the respective intermediate bodies and other relevant institutions, in order to familiarise the stakeholders with the possibilities offered by Structural Funds.

The campaign will include the following activities:

- organisation of information days, regional seminars
- media participations at central and regional level
- preparation and dissemination of information leaflets and brochures
- seminars and workshops on raising public awareness
- elaborating the procedures on dissemination of information, publicity and communication strategy,
- information web-site for regional development and SF

The content of the web-site will include in the first place technical information on the operation of SF such as rules and regulations and access information. The web-site will also give up-to-date information on regional development issues in the country.

The information campaign will also provide awareness on the following issues:

- Strategies set by the National Development Plan/Community Support Framework
- Proposed content of the Operational Programmes. Implementation mechanisms
- Relevant aspects of SF regulations
- Possibilities offered to potential final beneficiaries, including project-generation instruments
- Best practices, types of SF projects, case studies from Bulgaria and EU Member States.

During the information activities, attention will be drawn to combine assistance from ESF and ERDF, and the possible synergies that occur from complex project ideas. The information campaign will be the initial phase of the programme but will not end when the first set of project ideas for elaboration is selected.

Component (2) Equipping offices for ROP-related regional structures

Presently, the institutionalization of regional structures to participate in future ROP implementation is underway. These structures will definitely need technical outfit to improve capacity and duly fulfill their forthcoming duties. In this respect, this small supplies component will help equipping with PCs, faxes, printers/copiers and other facilities the offices of:

- 28 district units of DG “Programming of Regional Development” (MRDPW) designated to be future ROP Managing Authority and
- 6 directorates at planning region level (NUTS II) to be designated as secretariats for the Regional Development Councils

The activities included for Phase 1 of the project will be implemented through two contracts:

Service contract for Component 1 (m€ 2,450)

The contractor is to provide hands on expertise in analysis, awareness, benchmarking, policy design, training and facilitation of development processes at regional level. It is expected that services will be delivered by consortium, selected through an international tender. The consortium should include member state partners and Bulgarian partners with proven experience in generation of projects eligible for SF. A variety of inputs will be given to this component among which are:

- TA training group
- Specialist seminars, workshops, internships, information dissemination on the practical aspects of developing and managing regional development plans and operational programmes, particularly relating to the Structural Funds procedures and systems
- Organisation and execution of the training programmes, elaboration of training materials (content to be consulted with Phare 2003 twinning), etc. performed by professional trainers.
- Multi-faceted technical expertise (short and mid-term) provided by TA team which could indicatively be composed of:
 - Team Leader (EU long-term expert) experienced in strategic development and SF management in member states
 - Two Coordinators (one in each NUTS I region, local long-term experts) with proven experience in the pre-accession period to adequately assist the Team Leader
 - Regional Experts (one in each NUTS II region, local long-term experts)
 - A pool of EU and local mid-term and short-term expertise to encompass the bulk of specific issues to be addressed

This team composition is not exhaustive and will be further précised while preparing the ToR for the assignment.

Supplies contract for Component 2 (m€ 0,100)

The supplier will deliver technical devices/facilities for equipping the offices of ROP-related regional structures/units.

Phase 2 (FM 2005) – Creating the project pipeline for SF applications

This phase will be implemented through three separately contracted components, which will develop the outcomes of Phase 1 and of Phare 2001-2003 twinning projects at Ministry of Labour and Social Policy, Ministry of Finance, Ministry of Economy and Ministry of Regional Development and Public Works, which were aimed at preparing them to act as future Managing Authorities. Project promoters and partners identified during Phase 1 will be closely involved. Important precondition for starting the activities of Phase 2 is the definition and alignment of priorities/measures to be included in SF OPs expected to happen by the end of 2005. The project will provide assistance for developing fully fledged project applications to be funded by the following ERDF/ESF-funded operational programmes:

- National Operational Programme “Regional Development”
- Operational Programme “Competitiveness”
- Operational Programme “Human resources”

Two *project elaboration components*, one for ERDF proposals and one for ESF proposals will be financed from Phare allocation in the form of two service contracts. The contractors will provide services for elaboration and development of project ideas/proposals selected as relevant to the priorities/measures of the SF Operational programmes mentioned above. They will also assist the preparation of comprehensive application package (guidelines, application forms, etc.).

The *quality control component* will be financed from Phare resources in the form of one service contract. The contractor will support the supervision and quality control of the project documents prepared under the project elaboration components and will ensure that the project proposals elaborated in the framework of this project are registered in an appropriate database.

Component (1) Elaboration of ERDF-type project proposals

Project ideas elaborated will contribute to the realisation of ERDF-type of measures with a clear link to regional and local development. Examples include development of business activities; improvement of the environment in municipalities and regions; revitalisation of industrial areas; development of tourism and spa treatment, etc. Elaborated project proposals will contribute to the realisation of ERDF-funded Operational Programmes of the NDP – OP “Competitiveness” and National OP “Regional Development”. The measures to be supported within the framework of this project will be selected from these ERDF-funded Operational Programmes. The beneficiaries of assistance will be selected on the basis of a fully open and competitive procedure organised by the respective Managing Authority.

Support to the final beneficiaries of potential SF projects will be provided through an international service tender. Services provided by the contractor can include aspects not limited to the following:

1) Preliminary Project Preparations:

- Methodological support for project development and management
- Presentation of successful case studies
- Initial project design

2) Preparation of Pre-feasibility and Feasibility Studies

- Pre-feasibility Studies
- Feasibility Studies (Economic and Technical)
- Cost-benefit analyses
- Financial Plans
- Detailed Project Designs
- Background studies and rules for the preparation of aid schemes and financial support tools.

3) Preparation of Technical Studies

- Environmental Impact Assessments
- Technical Studies
- Architectural and engineering designs
- Preparations of tendering documents and bills of quantities

4) Other specific activities

- Project preparation workshops

- Preparation of studies required for the identification, design and justification of the project (e.g. demand analysis, economic feasibility and budget analysis, ex-ante evaluation etc.)
- Final design of Aid schemes and their implementation procedures;
- Preparation of public procurement documentation if necessary for project implementation

With regard to businesses and related bodies as project beneficiaries, the contractor will organize, notably for the SOP Competitiveness, awareness-raising and tailor-made seminars and workshops. These should, on the one side, provide to potential beneficiaries for instance a general overview of the ERDF, the priorities, measures, and projects under the SOP Competitiveness, information about State Aid rules and the planning grant schemes. On the other, it should help the businesses more specifically to develop business strategies and plans and assist with the design of project proposals/applications.

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The service contractor will develop a methodology for channelling the projects through a number of appraisal stages (conceptualisation, development, elaboration, and finalisation) and will provide assistance for developing the documents required at each stage (as required, e.g. pre-feasibility, project design, feasibility studies, environmental impact, tender documents etc.) in close co-operation with the project promoters, thus providing ownership and sustainable institution building effect. These joint efforts are expected to result in a number of relevant, mature and good quality project proposals ready for a funding decision.

Complementary set of activities to be provided by the service contractor will be related to **assistance for procedures and training** for the ERDF-related MAs and their intermediate bodies on how to work with final beneficiaries. The training will cover the following areas:

- checking and elaboration of needed documentation with gap-assessment analysis
- providing guidance and support on the funding process such as application and claims process, selection criteria, eligibility and project evaluation, benchmarking, co-financing
- further development and introduction of manuals and check-lists for use by the institutions involved in tender procedure verification and monitoring
- training on preparation of the project supporting documentation.

The service contractor should provide arrange for two separate teams of consultants to work for each of the OPs ('Competitiveness' and 'Regional Operational Programme'), based on the specific requirements and particular implementation needs of each programme.

Component (2) Elaboration of ESF-type project proposals

Assistance to elaborate ESF-type projects will be implemented through an international service contract and will contribute to the realisation of ESF-funded Operational Programme of the NDP – OP "Human Resources". The measures to be supported within the framework of this project will be selected from this Operational Programme. The beneficiaries of assistance

will be selected on the basis of a fully open and competitive procedure organised by the Managing Authority.

In the context of project preparation the following activities can be supported on the basis of identified needs:

- 1) Project preparation workshops with the assistance of local experts
- 2) Assessment of the project proposals and feedback to the potential final beneficiaries in the framework of evaluation seminars. Training of assessors.
- 3) Preparation of studies required for the identification, design and justification of the project (e.g. demand analysis, economic feasibility and budget analysis, ex-ante evaluation etc.)
- 4) Final design of Aid schemes and their implementation procedures;
- 5) Preparation of public procurement documentation if necessary for project implementation

The service contractor will develop a methodology for channelling the projects through a number of appraisal stages (conceptualisation, development, elaboration, and finalisation) and will provide assistance for developing the documents required at each stage in close co-operation with the project promoters, thus providing ownership and sustainable institution building effect. These joint efforts are expected to result in a number of relevant, mature and good quality project proposals ready for a funding decision.

Special attention will be paid to provide assistance for the elaboration of project proposals of municipalities, associations of municipalities and NGOs, which often lack funding and experience.

Component (3) Quality Control

The quality control will be made on input and output documentation concerning the contractors of the elaboration components. Received applications and later all documentation prepared by the consultants under the two project elaboration contracts will undergo a quality check. The quality control will be organised under a separate service contract. Companies involved in the service contracts for assistance in project elaboration will be automatically excluded from participation in the service contract for the quality control. The quality control declarations will be approved and ω -signed by the relevant OP Managing Authority in respect of the provisions explained in the implementation arrangements section.

The QC contractor will evaluate the selection methodology proposed by the ERDF and ESF contractors, make recommendations for adjustments/improvements and provide quality control system for assessing the elaborated ERDF and ESF applications. The contractor will perform QC checks on a sample basis and should be fully available during the implementation of the other ERDF/ESF contracts. During the quality control check, poor quality applications involving inaccuracies and sections inadequately completed will be referred back to the respective Managing Authority, which will raise them to the ERDF/ESF contractor and the applicant for revision. The payment to the consultants under ERDF/ESF TA cannot be dependent on elements within the responsibility of the beneficiary. It will be the responsibility of the applicant to provide sufficient information to allow prompt quality control to take place.

In order to ensure that project development takes into account the OPs priorities, all project will have to satisfy the core criteria in order to be selected within a package and proceeded to

full quality control by the respective MA. The intention is to ensure that projects are eligible and take key themes (e.g. eligibility, environmental issues, equal opportunities, etc.) into account at the development and implementation stage. However, if a project fails the core criteria, it will not be quality controlled further, but immediately referred to the respective MA for re-consideration.

The QC will undergo the following stages:

1. Receipt of applications

The applicant fills application form and submits it to the respective Managing Authority. The application form will include information of the applicant, the project and its compliance with a measure and the defined eligibility criteria. All applications will be reviewed by the ERDF/ESF contractors in coordination with the MAs and checked by the QC contractor on a sample basis.

2. Recording QC progress

The QC contractor will keep up-to-date electronic data on the process of QC of the individual projects, in particular the activities to be undertaken, milestones, schedule and experts involved, which should serve as a basis for regular project reports.

3. Pre-quality control

The ERDF/ESF contractor and the QC contractor on a sample basis will check:

- The application form and the accompanying documents and information if is complete and accurate;
- The criteria are met and the applicant is eligible, funding is clearly identified and a reasonable explanation on additionality is given;
- Project compatibility with the relevant OP objectives;

Applications will quickly pass this pre-quality check to ensure that an application include all information required to make a full quality check.

4. Quality control

The Managing Authorities are particularly concerned to ensure that money destined for projects which aim to leave a legacy for the future is not jeopardized by a failure to incur expenditure timely. This will be reflected in the QC process by a strong focus to the contractor on ensuring that project proposals are sound. The contractor must notify the MA if certain conditions – co-financing, planning consents, etc. – are not in place (or at a minimum, guaranteed) before certifying the project as satisfactory.

The contractor must therefore ensure that:

- The outputs of the technical assistance provided by the consultants under project elaboration components are of the acceptable technical standards. This includes a technical check on the documents prepared by the consultant;
- The project documentation is in line with the project ToR (see also implementation arrangements)

The contractor is expected to provide methodology for QC (e.g. to benchmarking based on successful MS projects). The definition on what constitutes technically acceptable standards will be agreed between the contractor and the respective MA.

The QC Contractor will, upon receipt of the application:

1. Prepare a brief, but reasonable methodology for the quality control
2. Identify for the pool of experts those who have the necessary skills to undertake the methodology. Specify the number of experts, the number of day and the categories of experts
3. The contractor must submit a proposal within 15 days in response to the receipt of the application form to the respective MA with recommendations
4. The respective MA will review the proposal and determine whether it is acceptable. If it is acceptable the MA will so advise the contractor. If it is not acceptable then the MA and the contractor will negotiate to establish a mutually agreed solution.
5. The contractor then mobilizes the team to undertake the quality control, oversees the implementation of the defined tasks and quality controls the required outputs.
6. The team will closely work with the staff nominated by the MAs. These staff members will be further involved in QC work. Thus, capacity of the staff members will be developed.

5. Referral to Managing Authorities

Once the QC is completed the Contractor will prepare a standard case paper on each project for the respective MA, reporting the outcome of the contractor's quality control.

The team will include a Team Leader, 3 OP coordinators and a pool of 12 expert members - specialists in the particular OP priorities/measures. The expertise will combine international and local mid-term and short term experts. Besides, the QC contractor will need to provide simple data-base for information of QC progress, where data will be duly recorded.

The QC check is responsible, important and time-consuming effort, which will need a strong EU expertise and inputs. It will be implemented through an international service contract.

3.5 Linked Activities:

Relationship of proposed project with current or proposed Phare projects in this sector, and progress with implementing previous Phare projects:

a) Current Phare Assistance:

Twinning covenant (UK, Germany, Italy)

Twinning Code: BG03/IB-SPP-01 for 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)

Twinning Code: BG03/IB-FI-03 for strengthening the capacity of the MoE to manage the Operational Programme 'Development of the Competitiveness of the Bulgarian Economy' under EU Structural Funds

Twinning Code: BG03/IB-SPP-02 for preparing MRDPW's central and regional structures for managing future ERDF-type programs and projects

BG0103.09 Improving the management of EU Funds

The project is designed to improve the management of EU funds and co-financing resources in Bulgaria in preparation for extended decentralization of Phare and ISPA implementation by strengthening the capacity of the National Fund and the Implementing Agencies to manage EU funds and co-financing resources in preparation for extended decentralization.

BG 0103.01 Strategic policy-making and co-ordination

The general objective of this project is to strengthen the capacity and ability of the public administration to use modern methods for policy making, coordination, impact assessment and evaluation of implementation. It is expected that sub-national levels of government will also benefit this project when relevant.

Various Grant Schemes (on-going and under programming) within the Ministry of Economy, Ministry of Regional Development and Public Works, Ministry of Labour and Social Policy (e.g. cultural tourism, eco-tourism, municipal roads for access to tourist sites, water-supply for sites of tourist interests, labour market initiatives, social inclusion schemes, etc.)

b) Previous Phare assistance:

Phare assistance in the field of Institutional Building for regional development dated from the early 90s, when certain funds have been allocated to support the establishment of Regional Development Agencies (RDA) in Bourgas and in Smolian (FM9105). However, the RDAs were insufficiently versed in regional development techniques, and so the emphasis in the programme switched to SME development through building up Business Support Centres (BSC) within their own activity framework in order to develop sources of fee income. In the case of Rousse (FM9204), the lack of such Phare resources reduced the role of the municipality to the status of a non-participant in local economic development and turned over its local development activities to the Phare supported BSC.

Regional development policy support in Bulgaria, GTAF-BG9704

The objective of this project was to support development and consolidation of modern approach to regional development policy, with special emphasis on preparing Bulgaria to manage integrated regional and local development programmes. However, the project (started in October 1998) took over the initial implementation of the Phare Special Preparatory Programme (SPP), in particular – the assistance for establishment of inter-ministerial Central Coordination Unit (CCU) and production of a preliminary National Economic Development Plan (NEDP). Additionally (late 1999), the project concentrated on two planning regions (North-West and South-Central) and produced draft regional development plans for each of them.

Twinning Covenant BG98/IB/SPP/01 (Spain) provided further assistance and training to reinforce the institutional capacities on central, regional and local levels for planning and programming.

Technical Assistance Contract SPP/BG 9810-01-01-0005 has established the institutional framework and the administrative capacity for EU regional and structural policies and financial instruments, strategic planning, project development and financial management. The project provided technical assistance and training on the EU Pre-Accession Instruments and Structural Funds, including advice on the preparation of Regional Development Plans and Operational Programs, preparation of the National Economic Development Plan, implementation processes and procedures.

BG 0102.07 Preparing for future ESF-type programmes

The project aims at preparing the Ministry of Labour and Social Policy (MLSP) to function as an Implementing Agency (IA) for European Social Fund (ESF) programmes. It is designed as to increase the effectiveness in organizing, implementing and controlling the project cycle management (PCM) in the MLSP as well as in the National Employment Agency (NEA) and the Ministry of Education and Science (MES) by providing to the MLSP, NEA and MES the organizational capacity and skills necessary to manage the PCM.

c) Other assistance:

UNDP project: ‘Strengthening partnership in the planning and absorption of EU Structural Funds’

The project aims to strengthen institutions and promote stakeholder partnerships at local level. The project is implemented in the North-East Planning Region. Activities are focused on the provision of support for the application of partnership-based approach in municipal and district planning and design of regional development projects.

3.6 Lessons learned:

The analysis of the situation in the last 3 years indicates that the role of the NUTS II regions is somehow marginal. This problem will find some solutions with the newly adopted Regional Development, which establishes new structures at NUTS II level.

In 2000, the Commissions for ESC were intensively involved in the preparation of regional development plans. However, the Synthesis paper (2001) gave a strong recommendation to prepare a single regional operational program. Although it was based on the regional development plans, regional actors involved in the previous work were disappointed. During the Phare 2003 programming the Ministry of Regional Development tried to involve the CESC's in preliminary project selection and identification of viable project ideas but the attempt was unsuccessful. The Commissions did not make a real selection or submitted conformable project proposals. The Ministry received hundreds of project ideas and had to restart the exercise on a top-down basis. The role of planning regions and their Commissions (already RD Councils) in partnership building and improving coordination is to be addressed.

In this respect strengthening the role of the regions and their institutional capacity in line with the partnership principle at policy-making and project development level remains crucial for successful SF participation. On the other hand, the so far completed institution building and investment projects have made a positive but only partial contribution to the process of meeting the wider and immediate objectives of the programmes.

The outputs of the technical assistance and twinning measures have had a positive impact on both planning capacity of the Bulgarian administration, and their awareness of the Structural Funds and the principles of their operation, nationally and regionally. Project outputs have made essential contribution to assisting Bulgaria to prepare integrated NEDP.

However, given the structural weakness in the public administration, inadequate number of qualified personnel, and high variation of staff, the short-term achievements cannot be considered sustainable, and may not result in the organisational changes required for implementation on the basis of a Structural Fund approach.

This project will help overcoming the existing and potential gaps in management and control with a view to efficient preparation for the implementation of integrated development

programmes at beneficiary level according to Structural Funds standards. This will include creation of methodological framework, enhanced strategic policy-making and coordination capacities of the local and regional level, consolidation of institutions at regional/local level to ensure proper partnership at the programming level and adequate project pipeline preparation. Thus, the bottom-up development capacity will be put in place for needs and partnership-based project development, increasing the competition for resources under EU Funds and improving quality of generated projects for potential funding resulted in an established project pipeline.

4. Institutional Framework

The Ministry of Regional Development and Public Works has the leading role in defining and implementing regional development policy. The Ministry carries out the state policy and develops the objectives and priorities of the state strategy for regional development; organises the elaboration, implementation and control of the regional development strategies, plans and programmes; submits the annual reports for their implementation to the Council of Ministers; and provides methodological support to municipalities and other institutions for their elaboration and implementation. The Ministry is also responsible for organisation and co-ordination of the activities related to European integration in the field of regional development and co-ordination of EU structural instruments, for approving programmes and projects selected by the regions subject to coordination with the interested institutions and social partners, and is acting as an implementing agency for the Phare economic & social cohesion and cross-border investment projects.

For ensuring a wide and effective association of all relevant partners in the preparation of the Regional Development Plans and the Regional OP, the Law on Regional Development amended in February 2004 regulates the establishment of Regional Development Councils as consultative bodies in the planning regions (NUTS II level) which main role will be to ensure the involvement and participation of all relevant stakeholders, especially at regional/ local level, in the process of programming, financing, monitoring and assessment of integrated regional development measures. Furthermore, the Regional Development Councils will be operationally supported by directorates within the administration of the district governors in the centers of the planning regions.

These structures are to be developed to facilitate the effective implementation of the project and should help foster continuous improvements of administrative capabilities and any related appropriate changes to the institutional framework for Structural Funds implementation in Bulgaria. The involvement of regional representatives and the social partners will create a partnership-type implementation structure similar to those involved in the implementation of EU supported projects in the Member States, and introduces the partnership principle in the area of institution building.

The institutional framework and coordination for Phase 2 (FM 2005) will be channeled through the following institutions:

Future CSF Managing Authority: Management of EU Funds Directorate in the Ministry of Finance. It will be responsible for the general co-ordination of the management of Structural Funds assistance;

Future Managing Authority of the Regional Operational Programme (ROP): Programming of Regional Development Directorate General (DG PRD) in the Ministry of Regional Development and Public Works;

Future Managing Authority of Development of the Competitiveness of the Bulgarian Economy Operational Programme: Pre-Accession Programmes and Projects Directorate in the Ministry of Economy;

Future Managing Authority of Human Resources Development Operational Programme: Pre-Accession Funds and International Programmes and Projects Directorate in the Ministry of Labour and Social Policy;

The results will be delivered by three separate Consultants (service providers) – one for preparing the ERDF pipeline, one for the ESF pipeline and one for independent quality control services. The Employer will be the Central Financing and Contracting Unit in the Ministry of Finance to conduct as Contracting Authority the procurement of services. The Owners of project results will be the institutions mentioned above as future SF managing authorities.

5. Detailed Budget

	Phare Support			National Co-financing	IFI	TOTAL
	Investment Support	Institution Building	Total Phare (=I+IB)			
Year 1/Phase 1 (2004)	Preparing RDPs, promotion of partnership and cooperation					
TA Contract (RDPs and partnership)		M€ 2.450	M€ 2.450			M€ 2.450
Supplies Contract (equipment for reg. structures)	M€ 0.075		M€ 0.075	M€ 0.025		M€ 0.100
Total Phase 1 (2004)	M€ 0.075	M€ 2.450	M€ 2.525	M€ 0.025		M€ 2.550

Year 2005	Phare/Pre-Accession Instrument support	Co-financing			Total Cost
€M		National Public Funds (*)	Other Sources (**)	Total Co-financing of Project	
Investment support jointly co funded					
Investment support – sub-total	N/A	N/A	N/A	N/A	N/A
% of total public funds	max 75 %	min 25 %			

*In case of parallel co-funding (per exception to the normal rule, see special condition as indicated below: **Not applicable***

Year 2005 Institution Building support					
TA Contract (ERDF proposals)	4.625				4.625
TA Contract (ESF proposals)	1.875				1.875
TA Contract (Quality Control)	0.350				0.350
IB support – sub-total	6.850				6.850

Total project 2005	6.850				6.850
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<i>indicative Year 2006 Investment support</i>					
<i>indicative Year 2006 IB support</i>					
Total (indicative) project 2006					

(*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(**) private funds, FIs loans to private entities

The national co-financing will be provided by the National Fund Directorate at the Ministry of Finance.

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 launch and evaluate tenders, conclude contracts and authorize the treasury to make contractually related payments. Contact details of the PAO:

Mr. Tencho Popov, Secretary General of the MoF
102, "Rakovski" Street
1000 Sofia
Tel.: (+ 359 2) 9859 20 13
Fax: (+ 359 2) 987 39 29
cfcu@minfin.bg

Implementation of Phase 1 (FM 2004) is to be conducted by a Steering Committee established and chaired by the Ministry of Regional Development and Public Works including representatives of:

DG "Programming of Regional Development" (MRDPW)
Strategic Planning Directorate (MRDPW)
Ministry of Economy
Ministry of Labour and Social Policy
Ministry of Education and Science
Ministry of Transport and Communications
Ministry of Environment and Waters
Ministry of Finance
Regional Governors in the central districts of NUTS II regions
Bulgarian Association of Regional Development Agencies
National Association of Municipalities
Social and economic partners

Starting the implementation of Phase 2 (FM 2005), a separate Steering Committee will be established for overall management of both components (ESF and ERDF). The SC will be chaired by the future CSF Managing Authority (Ministry of Finance) and will include representatives of the directorates designated as future OP Managing Authorities within the following ministries (mentioned in item 4):

- Ministry of Economy
- Ministry of Regional Development and Public Works
- Ministry of Labour and Social Policy

The SC will also include representatives of the Implementing Agency (CFCU), the TA contractors, relevant economic and social partners and the EC Delegation as an observer.

The Steering Committee is responsible for the overall co-ordination of the project selection process and to ensure that projects approved for assistance are eligible under SF. In case of horizontal or integrated project proposals the Steering Committee will ensure that the synergy effect of the project proposals will be taken into account during the selection process.

The future CSF Managing Authority will provide the secretariat to the Steering Committee. The ToRs for the two TA contractors will be prepared in line with the SF OPs measures and approved by the Steering Committee.

Project Implementation Units (PIUs)

Two PIUs will be constituted for coordinating project implementation on a day-to-day basis.

The first PIU will be responsible for elaboration of ERDF project proposals and will include representatives of Programming of Regional Development Directorate General in the Ministry of Regional Development and Public Works (ROP MA) and Pre-Accession Programmes and Projects Directorate in the Ministry of Economy (Competitiveness OP MA).

The second PIU will be responsible for elaboration of ESF project proposals and will include representatives of Pre-Accession Funds and International Programmes and Projects Directorate in the Ministry of Labour and Social Policy (HR OP MA) and Ministry of Education and Science.

The ERDF PIU will prepare the ToR for the ERDF TA contractor and the ESF PIU for the ESF TA contractor. Both PIUs will later coordinate with the contractors the selection process and will submit lists of projects to be approved by the SC for further development/elaboration respecting the eligibility criteria and requirements specified in the relevant OP.

Selection of projects ideas for elaboration

Each MA will launch a call for project ideas covering ERDF and ESF type measures. This will be a selection of viable project ideas to be developed into project proposals. Potential beneficiaries are project holders with ideas eligible for SF funding at different stages of readiness. The selection criteria will be pre-defined and published along with the call for ideas to secure transparency of the process. These criteria will be fully compliant with the scopes of the SF OPs. The applicant should explicitly specify in the application the OP and the priority/measure the proposal should be referred to. These arrangements will be further specified in the guidelines to be provided for the applicants. The Delegation of the European Commission will receive for information the English translation of the application packages including the selection criteria.

As soon as the applications are received by the MA, the PIUs supported by the ERDF/ESF contractor will take responsibility for the management of the selection process and the formal and professional assessment of the applications. In course of the assessment, the PIUs will consider the coherence of the project idea with the respective OP priorities/measures and will acknowledge the level of preparedness of the submitted project ideas/proposals.

The applications will undergo a number of appraisal stages (conceptualisation, development, elaboration, and finalisation) following the methodology proposed by the ERDF/ESF contractors. In addition, the contractors will assess maturity, define the status of required documents at each stage and will assist elaboration of missing/incomplete documentation in coordination with the project promoters. Only applications which are likely to pass all appraisal stages resulting in a complete project proposals will be supported.

The project ideas submitted should already include an indication of the assistance required for the finalisation of the project. After the screening and selection of viable ideas/proposals is finished, the approved beneficiaries will have to define their needs in details concerning the elaboration and development of their project ideas into fully-fledged and mature project proposals. These needs will be specified in the form of a Terms of Reference to be approved by the relevant PIU. The PIUs will provide guidance to the beneficiaries for preparing good ToRs.

Once the ToRs with requested services are ready, the ERDF/ESF service contractor will review them and prepare:

- a proposal in the form of an inception report (based on the project ToRs) for the services to be provided throughout the elaboration of the project proposal
- the interim and final report to be accepted by the Steering Committee
- the inception and final project reports

The following documents will be adopted under the responsibility of the relevant PIU:

- the ToRs submitted by the potential final beneficiaries for the services
- the Inception Project Report submitted by the contractor after consultation with the potential final beneficiaries
- the final project reports submitted by the contractor after consultation with the potential final beneficiaries
- The quality control declarations
- all documents prepared for the projects by the contractor after passing the quality control

The relevant PIU will propose the following documents for the approval of the Steering Committee:

- the final list of project ideas to be elaborated
- the inception, interim and the final reports submitted by the contractors

6.2 Twinning

N/A

6.3 Non-standard aspects

There are no non-standard aspects to be applied for this particular project. PRAG procurement procedures will be strictly followed. The three service tenders will be launched prior to the conclusion of FM 2005. PRAG option for tendering with “suspension clause” will be used, thus ensuring that the service providers will be contracted in Q1 of 2006.

6.4 Contracts

The project will be implemented through 3 service contracts with total value M€6,850.

7. Implementation Schedule

7.1 Start of tendering/call for proposals

July 2005	TA Contract (ERDF proposals)
July 2005	TA Contract (ESF proposals)
July 2005	TA Contract (Quality Control)

7.2 Start of project activity

February 2006	TA Contract (ERDF proposals)
February 2006	TA Contract (ESF proposals)
February 2006	TA Contract (Quality Control)

7.3 Project completion

March 2007	TA Contract (ERDF proposals)
March 2007	TA Contract (ESF proposals)
March 2007	TA Contract (Quality Control)

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 resultant pipe-line of projects will have no negative impact on the environment.

10. Rates of return

Not applicable

11. Investment criteria

11.1 Catalytic effect

The project will catalyse the preparation for absorbing SF assistance through a pipeline of ready-to-go projects. This is a priority issue committed by future managing authorities in Chapter 21 position.

11.2 Co-financing

The investment component of the 2004 programme is based upon co-financing between Phare and the National Government on a 75:25 basis.

N/A for 2005 programme.

11.3 Additionality

No other finances will be displaced by this Phare intervention.

11.4 Project readiness and size

Not applicable

11.5 Sustainability

Projects' documentation will be prepared by the service contractors in close co-operation with the project promoters. Through this mechanism, ownership of developed projects will be higher and the institution building effect of the joint elaboration of projects will increase sustainability.

11.6 Compliance with state aids provisions

The project will be implemented in compliance with the state aid provisions of the Europe Agreement signed with Bulgaria.

12. Conditionality and sequencing

The most important milestones in project sequencing are the timely contracting of phase 1 (as per implementation schedule in Annex 3) and the identification of project ideas relevant to the priorities/measures agreed and included in the respective ERDF/ESF-funded OPs for 2007-2013.

The emerging of activities will also take into account the timeframes for elaborating the draft SF OPs in accordance with the negotiated Chapter 21 position by the end of 2005, thus ensuring relevance of the projects to be prepared with the contents of the operational programmes concerned.

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. This capacity building at central level is addressed by Phare 2003 twinning projects for preparing managing authorities to adequately manage and absorb future SF assistance.

ANNEXES TO PROJECT FICHE

1. Logframe in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule, by quarter, for full duration of project

ANNEX 1 :

LOGFRAME PLANNING MATRIX		Programme name and number	
Support to mobilizing bottom-up development and project capacity as part of Structural Funds preparations in Bulgaria (FM 2004 – 2005)		Contracting period expires Phase 1 - November 2006 Phase 2 – 30 November 2007	Disbursement period expires Phase 1 – November 2007 Phase 2 – 30 November 2008
		Total budget: Phase 1: M€2,550 Phase 2: M€6,850	Phare budget: Phase 1: M€2,525 Phase 2: M€6,850
Overall objectives	Objectively verifiable indicators	Sources of Verification	
<ul style="list-style-type: none"> Advance capability to undertake EU membership obligations in the area of regional policy and co-ordination of structural instruments for economic and social cohesion aiming to support regional and economic development Ensure adequate absorption and maximize impact of EU SF upon accession 	<ul style="list-style-type: none"> Positive assessment that economic and social cohesion objectives in the frame of AP priorities are met NDP 2007-2013 objectives and targets successfully achieved 	<ul style="list-style-type: none"> Statistical data (EUROSTAT, NSI) Records and reports of MAs for OPs funded by ERDF and ESF Annual Reports of the MAs Reports of OPs Monitoring Committees and Joint Monitoring Committee 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> To develop appropriate skills and expertise among sufficient number of regional stakeholders in elaborating qualitative needs-oriented regional strategic documents in line with the partnership principle, in order to fully justify future SF measures resulting in mature ready-to-go high quality projects for possible ERDF and ESF co-financing 	<ul style="list-style-type: none"> Improved quality of strategic planning documentation with viable and sustainable priorities and measures at regional level Existing and effectively working formal and informal networks of project developers and promoters active Commitment targets of 2007-2013 OPs achieved Projects with a value of approximately 150 mEUR ready for funding by ERDF and ESF 	<ul style="list-style-type: none"> Independent interim evaluation reports by the EC Project implementation reports Reports prepared by the institutions responsible for the future implementation of the OPs funded by ERDF and ESF 	<ul style="list-style-type: none"> Continuous support on regional development as key focus of the Government socio-economic policy Legal framework for the future participation in SF is adopted and consolidated Implementation structures of OPs in place and operational Beneficiaries able to comply with eligibility rules and co-financing contributions
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
PHASE 1: <ul style="list-style-type: none"> Regional Development plans for the 2007-2013 period prepared in line with the partnership principle Action Plan for ERDF and ESF participation elaborated Package of viable project ideas identified Comprehensive training programme developed and exercised with key regional partners and stakeholders Large number of local and regional development actors improved skills and expertise as trainers (e.g. in strategic planning, project preparation and partnership) Multifaceted information and awareness campaign on SF participation progressed Tools (i.e. manuals, handbooks, guideline, etc.) 	PHASE 1: <ul style="list-style-type: none"> Six RDPs prepared by the third quarter of 2005 150-200 viable project ideas identified No of developers in each NUTS II region trained No of staff of the different bodies NUTS II/III trained No of seminars, workshops organised 6 directorates at NUTS II level and 28 units at NUTS III level equipped 	<ul style="list-style-type: none"> Project progress reports Monitoring and evaluation reports 	<ul style="list-style-type: none"> The Phare 2003 IB twinning projects are successfully implemented Effective information and communication flow between the various stakeholders at national and regional level. Effective implementation mechanism at national and regional level is set out.

<p>provided for responsible bodies and potential SF beneficiaries</p> <ul style="list-style-type: none"> • ROP-related bodies technically equipped <p>PHASE 2:</p> <ul style="list-style-type: none"> • The best for value number of ERDF and ESF projects identified • Project applications with full technical and procurement documentation completed for large number of projects eligible for SF funding upon accession • Manuals for preparing ERDF and ESF projects elaborated • Checklists concerning projects to be financed under ERDF and ESF prepared, • Final beneficiaries gained skills in preparing investment project documentation 	<p>PHASE 2:</p> <ul style="list-style-type: none"> • 70-90 project proposals for ERDF funding fully ready for submission in 2007 • 4-8 large ESF projects (schemes) prepared for launching in 2007 • 250-500 potential ESF project proposals prepared <p>All implemented by the end of the programming period 2007-2013</p>	<ul style="list-style-type: none"> • Project documentation • Reports of the Service contractors • Monitoring and Evaluation Reports • Quality Control declarations 	<ul style="list-style-type: none"> • Continued commitment of stakeholders to project ideas • Projects selected remain in line with the requirements of NDP and OPs
Activities	Means		Assumptions
<p>PHASE 1: Component (1) Assistance for strategic regional policy and project capacity development</p> <p>1.1. Preparation of regional development plans 2007-2013</p> <p>1.2. Elaboration of Action Plan for ERDF and ESF participation</p> <p>1.3. Capacity building for relevant partners in the regions</p> <p>1.4. Preparatory information campaign</p> <p>Component(2) Equipping ROP-related regional structures</p> <ul style="list-style-type: none"> • Delivery of equipment for regional structures at NUTS II and NUTS III level <p>PHASE 2: <u>Component (1) Elaboration of ERDF project proposals</u></p> <ul style="list-style-type: none"> • Elaboration of feasibility studies, technical and environmental documentation, cost-benefit analyses, tendering and contracting documentation • Design of aid schemes included in the related OPs as (sub)measures <p><u>Component (2) Elaboration of ESF project proposals</u></p> <ul style="list-style-type: none"> • Partnership building activities, project preparation workshops, assessment of project proposals • Preparation of studies, design of aid schemes included in the related OPs as (sub)measures • Preparation of public procurement documentation 	<p>PHASE 1:</p> <p>Technical Assistance contract (m€2,450): Supplies contract (m€0,100):</p> <p>PHASE 2:</p> <p>Service contract for ERDF proposals (m€4,625) Service contract for ESF proposals (m€1,875) Service contract for Quality control (m€0,350)</p>		<ul style="list-style-type: none"> • On-time service contracting of Phase 1 • Commitment of the institutions involved to participate in the fulfillment of the projects tasks. • Good co-operation and co-ordination between the beneficiary institutions involved in project activities. • Clear setting the boundaries of the current project in respect of other related on-going projects, and coordinated activities • Efficient cooperation among the stakeholder ministries - future Managing Authorities (within Steering Committee) • Good-quality management of the project facility ensured

<p><i>Component (3) Quality Control</i></p> <ul style="list-style-type: none"> • Assessment of methodology of the ERDF and ESF contractors • Sample checks on project applications • Quality control progress data base 			<p>Preconditions</p> <ul style="list-style-type: none"> ▪ Legislative framework for regional development finalised and establishing proper mechanism and structures for cooperation ▪ Intermediate bodies at regional level designated ▪ Advance stage of NDP design, OPs measure structure outlined by the time of inviting applications. Proposed measures content (objectives, eligibility, etc.) and potential beneficiaries identified ▪ Informational campaign carried out to inform the potential beneficiaries
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ANNEX 2 IMPLEMENTATION CHART

Project title: SUPPORT TO MOBILISING BOTTOM-UP DEVELOPMENT AND PROJECT CAPACITY AS PART OF STRUCTURAL FUNDS PREPARATIONS IN BULGARIA

	2004												2005												2006												2007											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
PHASE 1 (FM 2004)																																																
Drafting ToR, TD																																																
Tendering																																																
Signing TA Contract																																																
Implementation																																																
Identification of OPs relevant project ideas																																																
End																																																
Preparation of ROP (BG03/IB-SPP-02)																																																
SF OPs agreed																																																
Tendering supplies for reg. structures																																																
Delivery of equipment																																																
PHASE 2 (FM 2005)																																																
Signing FM 2005																																																
Drafting TD (ERDF pipeline)																																																
Tendering (ERDF pipeline)																																																
Signing Contract																																																
Preparation of ERDF pipeline																																																
End																																																
Drafting TD (ESF pipeline)																																																
Tendering TA (ESF pipeline)																																																
Signing Contract																																																
Preparation of ESF pipeline																																																
End																																																
Drafting TD (Quality control)																																																
Tendering TA (Quality control)																																																
Signing Contract																																																
Quality Control																																																
End																																																

ANNEX 3: Contracting and disbursement schedule by quarter

Project title: SUPPORT TO MOBILISING BOTTOM-UP DEVELOPMENT AND PROJECT CAPACITY AS PART OF STRUCTURAL FUNDS PREPARATIONS IN BULGARIA															
Contracting	Cumulative contracting schedule by quarter in €m														Total
	2004		2005				2006				2007				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TA Contract (RDPs and partnership)			2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450
Supplies Contract (equipment for reg. structures)				0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total Contracting Phase 1 (2004)			2.450	2.550	2.550	2.550	2.550	2.550	2.550	2.550	2.550	2.550	2.550	2.550	2.550
TA Contract (ERDF proposals)							4.625	4.625	4.625	4.625	4.625	4.625	4.625	4.625	4.625
TA Contract (ESF proposals)							1.875	1.875	1.875	1.875	1.875	1.875	1.875	1.875	1.875
TA Contract (quality control)							0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350
Total Contracting Phase 2 (2005)							6.850	6.850	6.850	6.850	6.850	6.850	6.850	6.850	6.850
Disbursement	Cumulative disbursement schedule by quarter in €m														Total
	2004		2005				2006				2007				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TA Contract (RDPs and partnership) - Phare			0.630	0.970	1.150	1.290	1.535	1.790	1.930	1.990	2.160	2.340	2.450	2.450	2.450
Supplies Contract (equipment) - Phare					0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Supplies Contract (equipment) – Nat. co-financing					0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Total Disbursement Phase 1 (2005)					1.250	1.390	1.635	1.890	2.030	2.090	2.260	2.440	2.550	2.550	2.550
TA Contract (ERDF proposals) – Phare							2.920	3.340	3.745	4.162	4.625	4.625	4.625	4.625	4.625
TA Contract (ESF proposals) – Phare							1.250	1.410	1.520	1.687	1.875	1.875	1.875	1.875	1.875
TA Contract (quality control) – Phare							0.070	0.140	0.210	0.280	0.350	0.350	0.350	0.350	0.350
Total Disbursement Phase 2 (2005)							4.240	4.890	5.475	6.129	6.850	6.850	6.850	6.850	6.850