REPUBLIC OF BULGARIA

MINISTRY OF FINANCE

Operational Programme Technical Assistance 2007-2013

November 2007

OPERATIONAL PROGRAMME TECHNICAL ASSISTANCE

Glossary of Acronyms

AA	Audit Authority
AEAF	Agency for Economic Analyses and Forecasts
AEUFD	Audit of EU Funds Directorate, Ministry of Finance
CA	Certifying Authority
CCU	Central Coordination Unit
CFCU	Central Finance and Contract Unit
CSF	Community Support Framework
CSG	Community Strategic Guidelines
DCM	Decree of the Council of Ministers
EAFRD	European Agricultural Fund for Rural Development
EDIS	Extended Decentralised Implementation System
EFF	European Fishery Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
IAU	Internal Audit Unit
IB	Intermediate Bodies
MA	Managing Authority
MC	Monitoring Committee
MEE	Ministry of Economy and Energy
MEUFD	Management of EU Funds Directorate, Ministry of Finance
MoEW	Ministry of Environment and Waters
MF	Ministry of Finance
MLSP	Ministry of Labour and Social Policy
MRDPW	Ministry of Regional Development and Public Works
MSAAR	Ministry of State Administration and Administrative Reform
MT	Ministry of Transport
NAC	National Aid Coordinator
NAMRB	National Association of Municipalities in the Republic of Bulgaria
NDP	National Development Plan
NFD	National Fund Directorate, Ministry of Finance
NGO	Non-governmental Organisation
NIC	National ISPA Coordinator
NSI	National Statistical Institute
NSRF	National Strategic Reference Framework
OLAF	European Anti-Fraud Office
OP	Operational Programme
OPTA	Operational Programme Technical Assistance
PIFCA	Public Internal Financial Control Agency
PPP	Public Private Partnership
PRPD	Public Relations and Protocol Directorate, Ministry of Finance
SCF	Structural and Cohesion Funds
SEP	Socio-economic Partners
SME	Small and Medium-Sized Enterprises
TA	Technical Assistance
UMIS	Unified Management Information System

Contents

1. EXECUTIVE SUMMARY 4
2. ANALYSIS 6
2.1. Absorption capacity and capacity for programme and project management 6
2.1.1. Local level absorption capacity 7
2.1.2. Assessment of the Pre-accession Assistance 10
2.2. Institutional Structures 16
2.2.1. Central Coordination Unit 20
2.2.2. Certifying Authority 22
2.2.3. Audit Authority 23
2.2.4. Managing Authority of the OP Technical Assistance 28
2.2.5. NSRF Monitoring Committee 29
2.2.6. OPTA Monitoring Committee 30
2.3. Unified Management Information System 31
2.4. Data, Information and Overall Awareness 34
3. SWOT ANALYSIS 39
4. STRATEGY 41
PRIORITY AXIS 1: 42
PRIORITY AXIS 2: 52
PRIORITY AXIS 3: 58
5. FINANCIAL PLAN 67
6. IMPLEMENTATION 68
7. MONITORING AND EVALUATION 78
8. INFORMATION AND PUBLICITY REQUIREMENTS 83
9. COMPLIANCE OF THE EUROPEAN COMMUNITY AND NATIONAL POLICIES 85
10. COORDINATION WITH THE OPERATIONAL PROGRAMMES 89
ANNEX 1 Technical Assistance Coordination Table 95
ANNEX 2 OPTA Monitoring Committee 97
ANNEX 3 Organisational chart of the OP "Technical Assistance" 100
ANNEX 4 Vademecum of the system of monitoring indicators of OP "Technical Assistance" 104
ANNEX 5 Indicative timetable on activities for the UMIS 115
ANNEX 6 NSRF Monitoring Committee 116
ANNEX 7 Basic conclusions from the ex-ante evaluation 120
ANNEX 8 List of projects aiming at building the administrative capacity of the target structures 123
ANNEX 9 List of sources of information 125
ANNEX 10 Link between Analysis and Strategy of OPTA: 126

1. EXECUTIVE SUMMARY

The Operational Programme Technical Assistance (OPTA) was developed in line with the Regulation laying down general provisions on ERDF, ESF and CF for 2007-2013 (COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006). OPTA meets the principles and rules on partnership, programming, evaluation, communication, management, including sound financial management, monitoring and control. Article 11 of the General Regulation (EC) 1083/2006 is fully respected by involving the relevant socio-economic partners and nationally represented workers and employers associations as well as representatives of the central administration in the OP Working Group[1]. The working group for the elaboration of the documents was created with decision of the NDP/NSRF Coordination Council of 5th September 2006 followed by Order N 1128/20.09.06 issued by the Minister of Finance. The preparation of OPTA started in August 2006 following the EC recommendations made during the mission in July 2006.

An early draft was presented to the Working Group at its meeting on 7th September 2006. Subsequently, the draft document was further elaborated according to the comments received by the members of the Working Group at the meetings on 15th, 21st September and 6th and 13th October. The completed draft was sent to the EC in the end of October 2006. First preliminary comments were received in the beginning of December, followed by a working meeting on 7th December 2006. All recommendations were reflected in OPTA.

Following tender launch, a company was selected to perform an ex-ante evaluation of OPTA. The ex-ante evaluation report was provided in the very beginning of March 2007.

OPTA is developed as a horizontal programme. The objectives, priority axes and key areas of intervention are coordinated with the Technical Assistance objectives and priorities of the other six operational programmes in order to ensure that any duplication has been avoided. The Technical Assistance priority axis within each of the other six operational programmes will provide specific assistance to project preparation, monitoring, evaluation and control, as well as to the communication activities ensuring appropriate publicity for the respective operational programme. This specific assistance is to be complemented by OPTA with horizontal assistance for the main common structures, involved in the management and control of the structural instruments – Central Coordination Unit, Certifying Authority, Audit Authority. OPTA gives straight support to the coordination process and the financial control and audit system. It is also designed to support the local authorities and other SF implementing structures through systematic provision of training and other relevant capacity building measures.

Along with the strengthening of the responsible structures OPTA aims at ensuring a reliable Unified Management Information System (UMIS) for SCF instruments and

[1] The OPTA Working group comprises the representatives of Council of Ministers, Ministry of Foreign Affairs, Ministry of Labour and Social Policy, Ministry of Environment and Water, Ministry of Transport, Ministry of State Administration and Administrative Reform, Ministry of Economy and Energy, Ministry of Regional Development and Public Works, Agency for Economic Analyses and Forecasts, Confederation of Labour "Podkrepa", Confederation of Independent Trade Unions in Bulgaria, Confederation of Industrialists and Employers in Bulgaria, Association of Bulgarian Employers Organisations. Additional experts from other state holders were invited to contribute to the working group without voting rights.

appropriate communication and publicity to the general public about the Bulgarian National Strategic Reference Framework (NSRF) and the European Cohesion Policy.

The priority axes and interventions under OPTA will be entirely co-financed from the European Regional Development Fund. The ERDF contribution to the programme over the period 2007-2013 is 48 296 513 euros (see financial tables), which is 85% of the total financing of OPTA.

The overall objective of OPTA is to: "Further improve the coordination, control implementation and evaluation of the Structural and Cohesion Funds in Bulgaria for the period 2007-2013".

The specific objectives of OPTA are:

1. Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

2. Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;

In order to achieve these objectives, the following priority axes have been identified:
Priority axis 1 – Support to the implementation of the activities, performed by the Structures at Central level: Central Coordination Unit, Certifying Authority, Audit Authority, OPTA Managing Authority, NSRF Monitoring Committee and OPTA Monitoring Committee; Capacity building measures for other SF implementing structures;

Priority axis 2 – Further development and support to the functioning of the Unified Management Information System;

Priority axis 3 – Promotion of the European Cohesion Policy in Bulgaria and ensuring the provision of general and statistical Information;

The OPTA beneficiaries are:

- *Central Coordination Unit;*
- *Certifying Authority;*
- *Audit Authority;*
- *NSRF Monitoring Committee;*
- *OPTA Monitoring Committee;*
- *OPTA Managing Authority;*
- *Central Information Office.*

Beside those central level structures identified as OPTA beneficiaries everyone involved in the SCFs absorption will benefit from its implementation, namely:

- *Regional and Local authorities;*
- *OP Managing Authorities and Intermediate bodies;*
- *All administrative structures involved in the SF implementation;*
- *UMIS users at all levels of the administration;*
- *General public in Bulgaria and potential beneficiaries;*
- *Decision makers and institutions involved in programming for the next period;*

2. ANALYSIS

Bulgaria, as all new member states, is facing great challenges in absorbing the Structural and Cohesion Funds. A large number of institutional and procedural changes for effective absorption have taken place and significant work has been done in project identification, formulation and preparation as well as financial management and coordination. The experience of the member states which have joined the EU in 2004 and the difficulties they have been facing are a lesson to Bulgaria that this process is not an easy one and there is significant work to be done.

Establishing an appropriate capacity of institutional structures is clearly important for the effective absorption of the structural instruments. This means not only establishing the structures which is an obligation under the regulatory framework and therefore a precondition for receiving funds (MAs, AA, CA, etc.) but also consolidating them to effectively manage, coordinate and implement the structural instruments in Bulgaria. Management is a key issue since Bulgaria has to be able to react quickly in the light of positive and negative experience.

The analysis is based on assessments and reports on the pre-accession assistance made by external and internal consultants in 2006 as well as the conclusions from capacity building projects carried out in the period 2002 – 2006. The data from the latest Comprehensive Commission Monitoring Reports have also been taken into account.

2.1. Absorption capacity and capacity for programme and project management

Bulgaria has been benefiting from pre-accession programmes since 1990 and has gained wide experience in the field of coordination and implementation of such programmes.

Strengthening the administrative capacity is an issue pointed out in all recent analysis of the administrative capacity. The general priority of strengthening the administrative and institutional capacity and good governance includes the objective of strengthening the capacity and functioning of the structures involved in the SCFs absorption. The enhancement of the human resources management (HRM) is an important part of the implementation of the administrative reform and is meant to ensure sustainable development of the country in the political, economic and social life. The following activities that contribute to the achievement of this goal are: introduction of performance-based payment schemes; enhancement of the efficiency and effectiveness of the systems for recruitment, selection, appointment and dismissal of employees; creation of possibilities of centralised recruitment for various positions in the administration; development of employees' mobility; setting up an efficient and transparent system for career management; improvement of the evaluation system. The latest EC Monitoring Report as from autumn 2006 has acknowledged the progress achieved in this field.

Another identified issue is that highly qualified and experienced staff is often attracted by the private sector. In order to reduce the staff turnover the government doubled the salary of the civil servants dealing with pre-accession and structural instruments (Council of Ministers Decision N 51/10.03.2006).

The coordination process of all structures, participating in the management and implementation of the EU funds, is on-going at all levels – political, administrative and expert one and aims at achieving effective and efficient use of the support from the structural instruments in Bulgaria. With the aim to ensure effective coordination, regular meetings have been held at minister and deputy minister level where matters concerning the programming and legislation documents were discussed.

With regard to the structural instruments of the EU, national legislative basis for the establishment of all institutions, responsible for their implementation has already been adopted. After the establishment of the structures at central level involved in the implementation and management of the structural instruments their administrative capacity has constantly been strengthened. A large number of technical assistance and twinning programmes have been carried out aimed at supporting the different structures and institutions involved in SCFs absorption such as: BG 2003/004-937.10.04 "Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)" under which the UMIS development was initiated in the period December 2005 - November 2006; BG2005/017-353.08.04 "Strengthening the Institutional Capacity of the Ministry of Finance", "Preparation of MEUFD to act as a future CSF Managing Authority (Central Coordinating Unit) for the EU Structural Instruments"; BG 2005/017-353.11.02.17 "Further improvement of the audit activities, performed by the "Audit of European Union Funds" Directorate".

These structures have tried to make the best use of the provided support. This is notably the case regarding the preparations of MAs and IBs for their management and implementation tasks under the operational programmes and in relation to establishing an adequate project pipeline which is of primary importance. The required detailed Operational Manuals and Procedures have been elaborated for each of the above-mentioned structures. The agreements for delegation of functions between MAs and IBs have also been prepared. The steps needed for further motivation and strengthening of the administrative capacity of the structures have been initiated, while actively pursuing continuous and focused training of experts at national, regional and local level.

2.1.1. Local level absorption capacity

The administrative capacity of municipalities in the Republic of Bulgaria is one of the main factors for absorption of funds. The municipalities vary in their knowledge and experience with respect to the Structural and Cohesion Funds. They do not lend themselves easily to a unified description, experience different problems and need diversified recommendations. At the same time the survey "Assessment of Municipalities" [2] identified common features which are presented below in the text.

The comparison between the various development actors – municipalities, district administrations, NGOs and businesses shows that especially the larger municipalities

[2] UNDP Study "Assessment of Municipalities"

possess experience and absorption capacity. This makes them a leading factor in the regional and local development both because they are the only autonomous public actor on sub-national level as well as they are relatively stronger than the other actors in terms of mobilization and use of resources through grant funding projects.

A highly problematic issue remains the capacity at regional and local level. Scarcity of sufficiently experienced staff especially in municipalities has been identified as a key risk for the elaboration and implementation of projects.

The overall picture of project development and implementation capacity of districts and municipalities shows a considerable improvement. Municipalities, on the whole, demonstrate significant project experience with pre-accession instruments; a double decrease in the number of municipalities without any experience with those instruments. The average number of approved project proposals goes up more than two times. There is not only a quantitative increase of projects but also a qualitative improvement in their development. An ever growing number of project ideas are being developed into full-scale project proposals and the best part of them have succeeded to turn into approved project proposals. Apart from that, regional structures of the Ministry of Regional Development and Public Works, the Ministry of Labour and Social Policy and the Ministry of Economy and Energy dealing especially with Community support monitoring as well as with financial control at local level have been set up. These structures strongly influence the capacity at regional level by helping local beneficiaries in applying and implementing projects.

The positive experience described above means that practical knowledge comes only after the real operation of programmes has started. At the same time the mismatch between the levels of awareness of the structural instruments and the levels of awareness of current project funding opportunities suggests that municipalities are probably well aware that familiarity with the pre-accession instruments does not equal to familiarity with the SCFs.

Trainings were organised in the period 2005 - 2006 on topics related to the readiness of municipalities for efficient absorption of EU Structural and Cohesion Funds, including: the institutional framework for structural instruments management, the (NUTS III) regions of Bulgaria, enforcement of the EU legislation on environmental protection, ecology and regional development, and many others of special interest to municipalities. However, the training so far has been insufficient and incapable of providing practical skills. The entities surveyed[3] state that they want their training to be particularly focused on developing projects under the structural instruments; such trainings are foreseen in each of the OPs.

Here is a sample from a research carried out by Market Links[4] in the framework of an information campaign organised by the Ministry of Finance in September 2006 among NGOs, journalists and representatives of municipalities.
An overview of the self-assessment of municipalities on their preparedness to use funding under SCFs:

[3] Research carried out by MBMD, 28.05-10.06. 2007 on the readiness and awareness of the SCFs absorption within “Be active” information campaign

[4] Market Links September 2006

- 28 % of local authorities' representatives have taken part in trainings in the area of EU funding opportunities;
- 56% of local authorities have an employee with special assignments for project management under the EU structural instruments;
- 25% of local authorities have experts trained in financial management of EU funding;
- 27% have the administrative capacity required for project preparation under the EU structural instruments;
- 64% have stated their intention to apply for SCFs funding;

The growing share of trained people in all fields has led to an increase in the comprehensiveness and readiness of municipalities. Most of local authorities' representatives show willingness to apply for support under the structural instruments and have taken the relevant preparatory measures. However, only the large municipalities will have personnel competent in all aspects of project preparation. The need to contract staff for project preparation is a real disincentive, particularly for municipalities without a realistic chance of finding co-financing resources.

There is support for project preparation at municipal level under 2004/016-711.11.02 "Support to Mobilizing Bottom-up Development and Project Capacity as part of Structural Funds Preparation in Bulgaria". The project supports the development of appropriate skills among municipalities and institutional beneficiaries for using SFs assistance, thus ensuring smooth functioning and collaboration between implementing structures and the beneficiaries.

The first Phase of the project BG 2004/016-711.11.02 (2.550 MEUR) is successfully ongoing and will finish end of November 2007. The second phase BG 2005/017-353.10.03 (6.850 MEUR) is expected to start by the end of 2007. About 70-90 project proposals for ERDF funding, 4-8 large ESF projects (schemes) and 250-500 potential ESF project proposals are envisaged to be prepared for launching in 2008.

Support under this project will result in a reservoir of "ready-for-funding" project applications numerous enough to enable Bulgaria to efficiently use a substantial part of the ERDF and ESF funds available in the period 2007-2013. The assistance will lead to development of project documents 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.

However, the provision of support through this project has started later than required for an optimal time and funds utilization.

Another problem identified is that only large municipalities have the size of own funding required for co-financing the projects. As a result, other municipalities are unlikely to invest resources in project preparation activities unless there is a clearly identified source of funding for the future. Moreover, small municipalities lack units capable of completely managing infrastructure projects. Due to these issues this project will not cover sufficiently the problems of smaller municipalities and there will be a need for targeted help in project identification and preparation, and especially in identification of financial support alternatives over the next years. This applies particularly to inter-municipal cooperation which is not always easy to achieve.

With regard to the training activities to be implemented special efforts have to be made to swiftly adapt information and training formats to the needs, experience and proficiency of different audiences. The content of information and training and the knowledge, skills and habits shaped thereof, must be urgently adapted both to the needs and the comprehension thresholds of the target groups. Collecting and demonstrating well managed, innovative and successful projects implemented during the period and promoting good practices of other member states will further add credibility to communication by presenting practical examples and the effects they have.

2.1.2. Assessment of the Pre-accession Assistance

Given that pre-accession programmes are ongoing, it is difficult to provide final conclusions about the long-term effects of the assistance. However, this section makes a short overview of previous experience of the Bulgarian State Administration in programming, implementation, monitoring and evaluation of projects and programmes gained through Phare, ISPA and SAPARD funded projects. Sources of information related to the experience with Phare and ISPA are described in the Country Summary Phare Review – May 2007, elaborated by Phare Independent Evaluator Rambol Management, Implementation Status Report on Phare encompassing analysis made by NAC Services (MEUFD) on the problems and corrective measures in the implementation of the Phare programme – presented to JMC in May 2007. It should be noted that Phare contracting rate for Bulgaria is traditionally above 90% and is among the highest compared to the other Phare beneficiary countries

Phare Experience

The amount of EU commitments for Phare assistance in Bulgaria in the period 2000 - 2006 is about 1.160 billion € in total, allocated in 316 project. The Bulgarian administration traditionally contracts a very high percentage of the funds under Phare Programme – 93% average.

The programming of Phare 2006 has been completed. The agreed budget is 166,8 M EURO for the National Programme and 42 M EURO for Phare CBC. Total Phare budget under the Multi-Annual Programme 2004-2006 is 654.72 M EURO

Some of the main problems observed during PHARE implementation include:

- Insufficient administrative and expert capacity of the beneficiaries impeding timely preparation of good quality tender documentation/technical design of works project;
- Last minute contracting as a result of the above which in a number of cases does not allow sufficient time for project implementation as well as undertaking changes of contractors in case of poor performance;
- Complexity and sequencing of components of multiphase projects;
- Land acquisition problems that lead to delays in the commencement of works projects and to the need of additional funds for compensation of contractors;
- Low price offers accompanied by poor financial status of the contractors for works projects that cause delays in progress of activities, lead to the need of contracts extension and additional funds;

- Not sufficient level of cooperation with partners from the neighbouring countries for implementation of joint CBC projects;

Taking into account the impact of the overall quality of project design on project implementation a number of additional requirements in the programming of Phare 2006 were introduced: a maximum of two contracts per project, no sequencing of contracts, no conditionalities, clear co-relation of objectives, purpose, results and activities within a project, all preconditions of works projects met. In addition an "Administrative capacity" annex to the Project Fiches was requested, describing the number of staff available, the level of expertise in project management and commitment to the implementation of the project.

ISPA Experience

By the end of 2006 all allocated ISPA funds to Bulgaria amounting to 880 million euros were programmed. Forty ISPA Financial Memoranda were approved with total budget of 1 529 million euros out of which 649 million euros were national co-financing. The contracted amounts under the approved ISPA Measures are 505 million euros, which represents 33 % of all eligible expenditure.

- It should be noted the positive role of using Technical Assistance Measures (TA) for the projects preparation. The TA is dedicated to strengthening the administrative capacity of all parties involved in the process and to improve the project implementation under ISPA and, in particular, mitigating the weaknesses in the area of public procurement, contract management, financial management and control. It would be very useful to continue the process of strengthening the administrative capacity through the support of technical assistance in the project management cycle.

In general efficiency in contracting and implementation of ISPA projects is insufficient. There are many problems in programming and implementation causing non acceptance of projects by EC and/or delays in implementation. The relevance of ISPA projects has been satisfactory. All the funded projects have been coherent with the objectives of ISPA as well as in line with the national ISPA strategies. However, according to stakeholders there are some problems with the quality of project proposals (ISPA applications): the quality of indicators, feasibility studies, Cost Benefit Analysis, as well as technical specifications, sludge management programmes, or municipal investment programmes prepared by the final beneficiaries has sometimes been weak. Studies (or data) have been outdated due to delays. The main specific issues with regard to ISPA are listed below:

- The slow progress implementation under ISPA has been partly due to the poor quality of tender documents, addenda to contracts and evaluation reports prepared by the Implementing Agencies, thus having led to relatively high rejection rates by the ex-EC Delegation, complaints by bidders and cancelled tenders. This circumstance has been a clear indicator for the necessity that the quality of ex-ante control performed by national authorities should increase in accordance with the applicable national and European requirements.
- Improvement of Quality Assurance has still been needed throughout all stages of the project cycle management from preparation to implementation.

- Contract enforcement depends on the sound regulatory and legal framework. It is crucial that there are legal experts in the project management teams. The experience and best practices in EU member states concerning FIDIC could be used as well.
- Problems in the enforcement of contracts (regarding the specific responsibilities of the implementing agency, the supervising engineer and the contractor) continue to affect the use of EU assistance.
- The most important common problems, covering all areas, were caused by the lack of experience or skills with the employed staff in the implementing agencies and in other relevant institutions.
- The strategy of developing many projects should be contrasted with the alternative of developing fewer projects but concentrating resources in order to have all activities and documents completed to the highest standard and on time, so that the potentials for project (or programme) acceptance and funding and compliant completion are improved;

SAPARD Experience

In May 2001 the Republic of Bulgaria became the first country to be granted a conferral of management of the SAPARD funds for the period 2000-2006. In each of the ten SAPARD beneficiary countries, as is the form of management of the Structural funds in member states, it is the national authorities that assume the entire responsibility for management of this instrument, subject to ex post control by the Commission.
There are 7 Annual Financing Agreements to determine the annual financial commitment of the Community and 2 Financing Agreements for determination of additional commitment signed under SAPARD. The total amount of the Annual Financing Agreements 2000 – 2006 is 444,8 M EURO. The corresponding national co-financing is 148,3 M EURO. The total amount of the budget under SAPARD for the years 2000 - 2006 is 593 M EURO. As of 30 September 2007 the amount of the commitments contracted with beneficiaries covers 98% of the total budget under the programme and the total amount of expenditure payed under SAPARD is about 51% of the total budget.

Implementation over the first period of the programme has shown a different utilisation pattern than the planned one. There was a visible concentration of approved projects in some sub-sectors and measures. Significant number of the approved projects was conducted by large-scale agricultural companies. Although the interest in applying under measures potential beneficiaries - municipalities from the rural areas of the country – was high, problems were encountered with regard to the overall organisation of the tender procedure. The need for training of municipalities' administrations has been taken into account.

As a whole the SAPARD Programme implementation shows good results in terms of investments in improving the hygiene and welfare of animals and compliance with the Community standards (phyto-sanitary, food quality, etc), and to some extent also in environmental protection. SAPARD support contributed to the compliance with the EU requirements and stimulated the overall investment process in the agricultural sector.

The programme helped in building up confidence in the European Union Programmes as well as building up successful partnerships. A lot of efforts were made for solving specific problems in the process of implementation.

Lessons learned

The preparation and implementation of Phare, ISPA and SAPARD projects have provided important conclusions concerning to great extent the capacity to manage the process of utilization of funds. The central level structures assigned with key functions during the process of pre-accession funds management, namely NAC services, the National Fund and the former Audit and Certification of EU Funds Directorate have summarized the data on their past experience which provided for analysis of relevance to the future structural instruments implementation:

● Need for legal changes: to guarantee clear separation of responsibilities; clearer, faster and undisputable process of land acquisition for construction of big infrastructure projects.

● Need for strengthening institutional and administrative capacity – develop human resources management policies and provide relevant training for civil servants involved in the management of EU funds at central, regional and local level, as well as stability of qualified staff.

● Need to improve quality assurance, time and risk management in all relevant institutions by means of further use of strategic planning, identification of key risk areas and wider use of information systems as management tools; need to improve project design, increase efforts in planning and effective management.

● Need to match the size of the project pipelines with the absorption capacity by means of early collection of project ideas, pipeline analyses and development and needs based approach. It is better to have fewer high quality prepared projects than many low quality projects.

● Need to widely develop and apply the Environmental Impact Assessment as an inseparable element of sustainable development policy and future programme implementation.

● Need to provide relevant training for civil servants at central, regional and local level, involved in the preparation of tender documentation and public procurement procedures.

Project design and tender documentation preparation have been a major challenge in the pre-accession period. Timely planning and quality tender documentation are vital for the successful implementation of projects at all levels. This implies qualified and trained staff familiar with the specific EU funds requirements to be available in the respective ministries and agencies.

Monitoring and control mechanisms have been introduced and broad representation of socio-economic partners has been involved in the process so far. Additional efforts for training municipal and regional authorities as well as civil society representatives on project cycle management will be made in the next programming period.

The unsuccessful stories have led to the introduction of corrective measures into the framework of implementation of the pre-accession support, which are also applicable to the future SCFs' funding, namely:

- Normative regulation of the procedures and key stakeholders in implementation of the programmes in Bulgaria through decisions / decrees of the Council of Ministers;
- Regular reporting to the senior structure;
- The risk of a serious number of beneficiaries without previous experience in managing and implementing projects can be managed by organizing special training courses;
- Simple procedures for small reallocations of funds and minor changes to project applications;

Some of the main actors in the implementation of the pre-accession programmes MEUFD/NAC Services (for Phare and ISPA) and National Fund (for Phare, ISPA and SAPARD) will perform key functions in the absorption of the EU Structural Funds respectively as CCU and CA. Effective financial management and control environment was established within the National Fund with regard to pre-accession funds. Practical experience was gained in applying N+2 Rule under SAPARD that will be useful for the financial management of the SCFs. Experience was gained under the SAPARD programme in the Recovery of debts procedure as well. The decentralized approach of programming and management of the SAPARD funds gave the Republic of Bulgaria an opportunity to gain experience in applying the mechanisms for management of rural development programmes and to prepare for the management of the Structural and Cohesion Funds.

The experience gained with the pre-accession programmes is an important prerequisite for successful utilisation, coordination and control of the implementation of the SCFs. However, these institutions need further strengthening, with regard to the extensive specific knowledge, strategic finance approach and competences required for the management of a much larger quantity of funds. In the context of new rules, functions and bodies new institutional relations under SCFs have been developed and they require further strengthening.

Progress on EDIS preparation under the Phare and ISPA programmes

The process of **EDIS preparation** has been carried out by all *PHARE* and *ISPA* target institutions (National Fund, Implementing Agencies, coordination units and Public Internal Financial Control Agency/ Audit of EU Funds) supported by external technical assistance financed under the PHARE and ISPA programmes as well as under the state budget.

- *Stage 1 "Gap Assessment" - completed*

Under stage 1 the target institutions were audited by international audit companies for compliance of management and control systems set under both programmes with the minimum requirements as per the EC Regulation No 1266/ 1999.

In relation to *Phare* "Gap Assessment" concluded that the system lacks a comprehensive written management and control system for the PHARE activities to demonstrate a sound financial management and control environment. The gaps were mainly related to the development of comprehensive written procedures

manuals, as well as detailed staff needs analysis, appropriate training for the existing and newly recruited staff.

EDIS Stage 1 "Gap Assessment" for the *ISPA* target institutions concluded no major gaps for National Fund (NF). For EU Funds Management Directorate (NIC Services) it was identified that co-ordination with and between the Implementing Agencies (IAs) needs to be improved and written procedures related to NIC activities should be finalized. Regarding the current Audit of EU Funds Directorate – AEUF - the audit identified problems in application of a risk-based approach in the delegated auditors' work, practical application of procedures, and the need to expand the audit programmes to check the procurement process in the IAs.

- *Stage 2 "Gap Plugging"- completed*

Under stage 2 the target institutions prepared and implemented action plans in relation to the weaknesses identified during stage 1. An external technical assistance has been provided to all target institutions. Procedure manuals of all target institutions were further improved, approved by the management and applied strictly. Intensive trainings were carried out in order to strengthen the capacity of the target institutions and to facilitate the application of the improved procedures.

- *Stage 3 "Compliance Assessment"- completed*

Both for **Phare** and **ISPA** EDIS Stage 3 "Compliance Assessment" came up with a positive opinion for the systems in place and their compliance with the minimum requirements in the EC legislative basis, thus allowing the submission of the EDIS application.

- *Stage 4 "Verification Audit" - completed*

Verification audit for the *ISPA* Programme was carried out in the period 28.08.-01.09.2006 and in the beginning of November 2006 the Audit Report was received. Regarding NF, NIC and AEUF the audit did not disclose any material shortcomings with regard to compliance with the relevant applicable provisions. On 23.11.2006 a Commission Decision on moving towards EDIS for three out of four ISPA Implementing Agencies was taken meaning that other key players within the Ministry of Finance (NF, NIC and AEUF) were deemed compliant with the minimum requirements as per the EC Regulation No 1266/ 1999. In February 2007, follow-up EDIS audit mission was performed by DG REGIO in the fourth IA (MEW). In principle, the received Audit report is with positive opinion on the progress and capacity of the IA.

In relation to *Phare* after EDIS Stage 4 "Verification audit by EC" three main findings as per the Final audit report of EC issued on 31 January 2007 refer to the Phare Implementing Agencies, namely: the incomplete setting up of the ex-ante control units; the incomplete definition of the external experts' input to the procurement process; and the incomplete setting up of the internal control architecture of the Bulgarian system. Based on the Final EDIS audit report and on a working meeting with EC representatives, an Action plan with corrective measures and deadlines for their implementation was agreed. Following that, additional measures have been implemented and documental evidence was submitted to the attention of the EC as to demonstrate the elimination of the weaknesses identified by the Commission.

The corrective measures undertaken consequently led to the full compliance of the Implementing Agencies with the EDIS requirements. The procedure for granting the EDIS accreditation to the Phare Implementing Agencies has been completed. On 29.06.2007 a Commission Decision on moving towards EDIS for all four Phare Implementing Agencies was taken.

2.2. Institutional Structures

The coordination mechanism between the different institutions of the Bulgarian public administration in relation to the structural instruments is given high-level leadership through the NDP/NSRF Coordination Council under the chairmanship of the Minister of Finance. The Council consists of a deputy minister from each of the relevant Bulgarian Ministries.

This coordination is given legal basis by the Council of Ministers Decision (No 965/16.12.2005, No 988/ 27.12.2005) that define the structures for the management of EU funds in Bulgaria. These structures comprise the Managing Authorities (MA) for the OPs and their Intermediate Bodies (IBs), as well as Central Coordination Unit (CCU), Certifying Authority (CA) and Audit Authority (AA).

The Central Coordination Unit (CCU) is part of the Management of EU Funds Directorate of the Ministry of Finance which was established in September 2002. It has been assigned to act as a coordinator for the overall management of EU pre-accession funds and will continue to play this role. The established CCU carries the know-how and experience of the National Aid Coordinator and National ISPA Coordinator services.

The National Fund Directorate in the Ministry of Finance is the Certifying Authority (CA). It also executes the functions of a competent Body for receiving all payments of ERDF, ESF and Cohesion Fund resources made by the European Commission. The National fund has gained experience in financial management and control under pre-accession instruments.

The status of Audit of EU Funds Directorate (AEUFD) is settled in the Internal Audit in the Public Sector Act, the Internal Organic Rules of the Ministry of Finance and Ordinance № 7 of 4 July 2006 on audit execution, coordination and harmonization of the specific audit activities under EU Funds and Programmes.

Up to the establishing of the Audit of EU Funds Directorate /AEUFD/ within the Ministry of Finance, the activities on the audit of EU funds and programmes were performed by the officials from the Audit and Certification of EU Funds Directorate /ACEUFD/ within the former PIFC Agency. As of 10 January 2006 the functions of the ACEUF Directorate were transferred to the Ministry of Finance and are being performed by the newly-established Audit of EU Funds /AEUF/ Directorate. The officials who had up to that date performed the activities on the audit of EU funds were also transferred to this Directorate.

Mechanisms for coordination of the activity of Audit Authority and Internal Audit units at the ministries designated to be Managing Authorities are not regulated by any legal basis. At the moment the Internal Control Directorate within the Ministry of Finance supports the Minister of Finance for the coordination and harmonization of the financial management and control, and internal audit within the

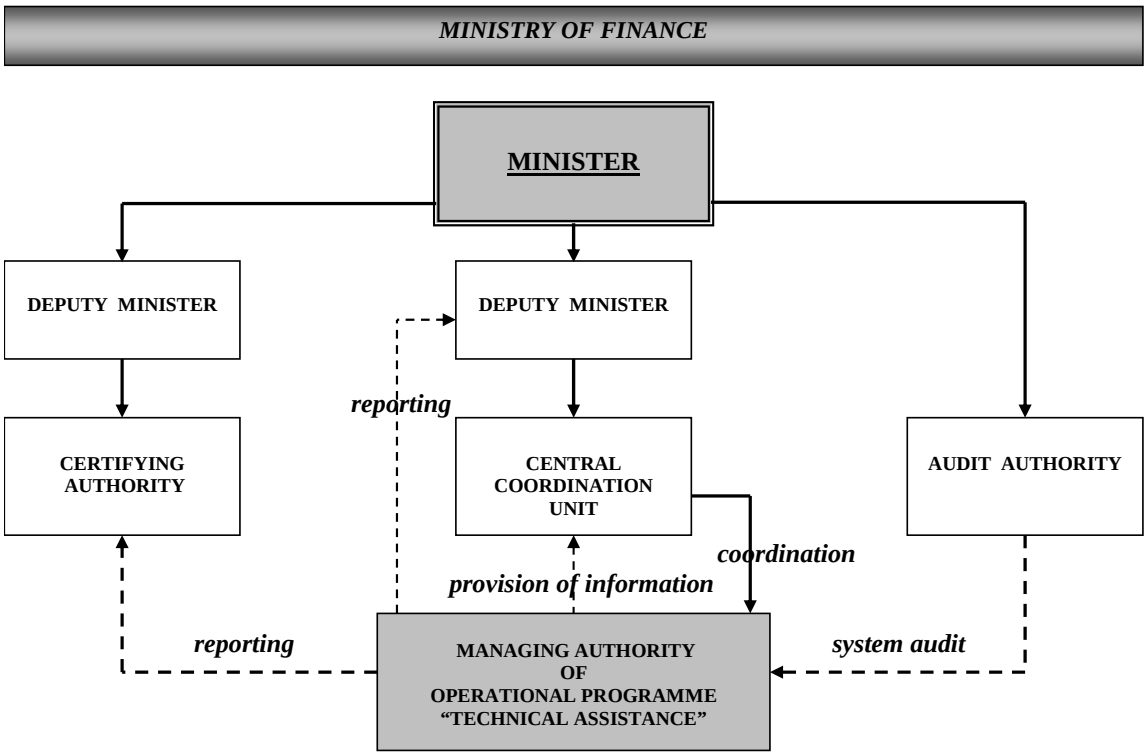
organizations of the public sector, part of which are the Managing Authorities under the operational programmes.

The AEUFD organizes regular meetings with the internal audit units in the ministries, determined to be Managing Authorities in compliance with the good practices and in order to plan coordination and optimization of the audit activities.

The functions of the bodies engaged in the management and control and the allocation of functions within each body are clearly defined and comply with the principle of separation of functions between and within such bodies. In accordance with Article 59, 4 of (EC) Regulation 1083/2006 and subject to the provisions of Article 58, b the authorities responsible for the management of the Structural and Cohesion Funds of the EU may be part of the same body.

The functional independence vis-à-vis payment procedures, concerning operations is also ensured as the AEUFD is directly subordinate to the Minister of Finance, thus being functionally and structurally independent. The Certifying Authority (National Fund Directorate) within the Ministry of Finance is subordinate to the Deputy Minister of Finance who is also the National Authorizing Officer. On the other hand the Central Coordination Unit is subordinate to a Deputy Minister responsible for the structures which manage the structural instruments and implement the OP.

The segregation of duties within the Ministry of Finance is visualized in the chart presented below:



According to the Absorption Capacity Report, made by IDC, continuous support to the three directorates in the Ministry of Finance which will carry out central level programming, coordination, management and financial control and audit respectively is advisable. Technical training proved to be adequate, but not

sufficient. Setting up management information systems and monitoring systems will be the basis for coordination during implementation but not enough to achieve the necessary coordination.

A number of risks have been identified in the area of staff turnover and the continuous need for training of the newly employed experts. The turnover of highly qualified staff has been an issue over the last years. Statistical information about the turnover of the staff of the central level structures is presented below[5]:

Total No of employees / No of employees resigned per years	2004	2005	2006	Average for the period	Average for all structures
MEUF Directorate (CCU)	29 / 5 (17,2 %)	37/5 (13,5 %)	46/8 (17,4%)	16,0 %	14,6 %
AEUF Directorate (AA)	-	-	20/4 (20,0 %)	20,0 %	
NF Directorate (CO)	22/3 (13,6%)	27/2 (7,4%)	34/1 (2,9%)	8,0 %	

The staff of the bodies involved in the SCFs absorption is often attracted by the private sector and recently by the consultancies, dealing with the SCFs which could disrupt the proper functioning of the administration. The low level of labour remuneration in the state sector / administration compared to the private sector reduces the opportunity of attracting experienced and proficient experts throughout the organised procedures for recruitment of civil servants and at the same time heightens the risk of possible acts of corruption as well as frauds. The turnover of personnel, which has been trained by spending considerable financial resources, reduces to a greater degree the effectiveness of such investments. The retention of the highly qualified and experienced experts within the structures of CCU, AA, CA and MA is of high significance for the building up of the necessary efficient administrative capacity.

The proper remuneration for the staff will raise significantly the motivation, effectiveness and quality of executed duties as well as will lower considerably the turnover of experienced and qualified personnel. It will also increase the effectiveness of the invested resources in staff training activities and last but not least will facilitate the process of attracting highly qualified experts to occupy open positions and work as civil servants. Moreover, the additional remuneration will minimize the potential risk of involving employees into acts of corruption and frauds in regard of the EU funding.

In addition to the higher level of labour remuneration the Ministry of Finance (Human Resources Directorate) has elaborated a Programme for retention of the Ministry's employees with the aim to reduce the staff turnover and retain its most experienced and merited employees.

[5] The data is based on records of the Human Resources Directorate of the MF

All of the factors influencing the motivation of civil servants have an impact on the quality of their work performance and the relations between them as well as on the rate of staff turnover and the accomplishment of the organisational objectives. The Programme for retention of the employees includes measures such as:

- Availing of the possibility under the regulation of the Civil Servants Act for appointing a civil servant in a part-time position with the administration;
- Extending the content of the tasks assigned to the employees;
- Introducing the practice of informing all the employees on an annual basis of the benefits ensuing from their work with the administration;
- Improving the managerial approach and team interaction;
- Elaborating and implementing a procedure for introductory training for the newly-employed staff;
- Introducing good practices for exchange of recently-acquired knowledge.

The detailed analysis of all administrative structures presented below was based on extensive research carried out by external and internal experts. Apart from the findings specified for each of the central level bodies there are some main basic needs and weaknesses in terms of building up the necessary capacity, namely:

- training of the personnel aimed at enhancing the competencies and practical skills with regard to the EU funds absorption and general work performance;
- hiring external experts and consultants with regard to the identified needs and particular problems;
- provision and maintenance of software, hardware and office equipment which are deemed indispensable for the high-standard performance of the employees` duties;
- optimising the management, work performance, as well as raising the motivation of the human resources, preventing the loss of highly qualified staff and attracting new experienced and motivated persons to apply and start working in the beneficiary structures;
- exchange of experience and good practices, harmonization of methodologies with peer institutions from EU member states in the relevant spheres of SCFs implementation;
- developing and improving the capacity for reporting on the performance of the OPs/NSRF by all structures assigned with such duties;
- elaborating and updating the procedure manuals and guidelines for the work of all structures involved in the coordination, control, implementation of the SCFs;
- provision of high-standard translation and interpretation services.

Successful implementation will also be helped by widespread understanding of all aspects of the management system, the roles and responsibilities of the various players (CCU, MAs, IBs, CA and AA) and the regulatory environment in which the programmes are being managed. The procedure manuals and guidelines are important means of achieving this common understanding. The manuals set out the roles and responsibilities of the organizations involved in SCFs management, and why and how they will perform their roles. It is important that all these manuals

are comprehensive and actively maintained so that they are a working reference resource and are fully up to date on changes in circumstances, policy environment, and the light of experience.

2.2.1. Central Coordination Unit

With Decision of the Council of Ministers (DCM) № 965/16.12.2005 were designated the Central Coordination Unit, as well as the Managing Authorities and the Intermediate Bodies of the operational programmes.

Although the CCU does not directly manage the SCFs operational programmes (this is an exclusive role of the respective Managing Authorities and Intermediate Bodies), it operates at the top level of SCFs management and coordination in Bulgaria. The Central Coordination Unit has been reorganized in January 2006 and additional staff has been recruited.

The institutional capacity of the CCU within the MEUFD has continuously been strengthened since 2002. In view of the positive experience attained by the CCU personnel so far a number of activities for competence enhancement have been implemented with the aim to strengthen the capacity of this structure to perform all its future functions. The list of projects aiming at building the administrative capacity of the CCU includes: "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)"; "Strengthening the Institutional Capacity of the Ministry of Finance"; "Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria", "Strengthening of the capacity of the CCU at the MF in the field of policy making, implementation of coordination and negotiation with the EC in the all process of approval of the Bulgarian NSRF".

The staff performs particular tasks such as coordination of the OPs, coordination for overlapping with the other two programmes NSPRD and NSPFA (which are subject to the EAFRD and EFF respectively), EU Horizontal Policies, European Territorial Cooperation, Schengen, Transition Facility, coordination with National investments, State-aids other financial instruments, liaises with IFIs (EIB, EBRD, World Bank), and performs the activities connected with Public-Private Partnerships (PPP) policies.

The CCU has developed and delivered to the local authorities (via the School of Public Finance at the MoF) thirty-three specialised training courses and seminars, which have been attended by approximately 600 municipal experts.

Its main responsibilities as per the Internal Organic Rules of the Ministry of Finance include:

- Preparation of the NSRF, strategic monitoring, analyses and reporting of its implementation;
- Overseeing the performance of the MAs and the progress of the operational programmes (OPs); Nominates OP Liaison Officers to assist OP MAs and to monitor if the OPs are making progress to the achievement of the NSRF objectives;
- Functioning as NSRF MC secretariat;

- Participation in the Monitoring Committees and ensuring coordination of actions which are to be implemented under the operational programmes and programmes for European territorial cooperation;
- Coordination between the OPs and coordination between the SCFs, EAFRD, the EFF, the EIB and other financial instruments;
- Coordination of other EU instruments and bilateral programmes;
- Elaboration of investment strategy and coordination of the national investment policy in the public sector;
- Coordination of PPP activities and provision of PPP methodological guidance, elaboration on blending PPP and National Investments, PPP networking;
- Coordination and negotiation of major projects with the EC;
- Coordination of cross-border cooperation programmes with Macedonia, Serbia and Turkey and participation in working groups and meetings;
- Development and maintenance of the Unified Management Information System (UMIS);
- Participation in the decision making process of the EU institutions and agencies including the Council's working groups;
- Participation in the preparation of the Cohesion Policy Package for 2013 onwards;
- Guidance on the elaboration of the national legislation and documents and rules with regard to the SCFs;
- Elaboration of the General Manual on Structural and Cohesion Funds;
- Provision of trainings and awareness of the European Cohesion Policy to the wide public and local authorities.
- Preparation and submission of reports on the contribution of the EU co-financed programmes to the implementation of the NSRF and to the completion of the Cohesion policy objectives to the EC as required by the Regulations and the legal basis in Bulgaria;

In order to better perform their specific responsibilities the CCU staff members should assess their current level of competence and obtain additional skills and knowledge in order to be in a position to better perform their duties as a main coordinator of the OPs through targeted training courses, seminars, and study visits for experience exchange with other new member states with similar experience and old member states with extensive experience in the absorption of funds. The training of the CCU staff should closely relate to the areas of strategic planning and implementation of projects and programmes, policy and decision–making process, monitoring and evaluation.

The detailed operational manuals and procedures of the CCU have been elaborated. The CCU will review the content of the manuals and procedures on a regular basis and make any updates that are necessary after appropriate consultation.

Another specific need of the CCU is related to the provision of the necessary resources and data for the support and execution of the NSRF Monitoring

Committee's functions and all other events, closely related to the effective and efficient implementation of the NSRF objectives.

However, especially during the first years of the current programming period, the CCU will need additional technical assistance and consultant services from external organizations or experts with regard to the diversity of functions it executes under the structural instruments.

The activities foreseen in the OPTA are to be follow-ups of the ones under the Phare project 2006/018-343.08.05 (2 MEUR) "Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria" after their completion, given the fact that the project will operate throughout 2007 and 2008.

Adequate mechanisms are already set up by the OPTA Managing Authority to ensure that there will be no overlapping or duplication of financing. In the application form, any possible links between completed or ongoing projects in the same area will be declared and prevention of possible overlapping will be ensured. Moreover, in the scope of the final Transition Facility package, there are no projects related to the management of SCFs, neither there is duplication of the beneficiaries. In cases when other financing from the EU is possible in fields falling under the scope of projects under the OPTA, this will be reported to the EC as part of the annual implementation report.

2.2.2. Certifying Authority

The National Fund Directorate in the Ministry of Finance is appointed as the Certifying Authority (CA) and Body, responsible for receiving funds from the EC with Council of Ministers Decision No 988/27.12.2005. It operates according to the provisions of Article 61 of the Council Regulation (EC) 1083/2006. CA is responsible in particular for drawing up and submitting certified statements of expenditure and applications for payment to the EC as well as certifying that the:

- Statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
- Expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and National Rules;

CA certifies the expenditures listed in the Application for Payment which is submitted to the Commission. Further, it provides that MAs and IBs, reporting to the MA responsible for the relevant programme implementation, have met the conditions laid down in the EU Regulations and the National Legislation.

The CA is also responsible for ensuring that it has received adequate information from MAs on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure. For the purpose of obtaining the assurance it requires regarding the adequacy of the systems in place in the MAs and the IBs, the CA should take account of the results of all audits carried out by or under the responsibility of the Audit Authority. It should therefore ensure that it has access to these reports.

It maintains accounting records in computerized form of expenditure declared to the EC and keeps an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation.

CA is responsible for reporting to the EC any irregularities which have been subject to an initial administrative or judicial investigation, and informing the Commission, with reference back to any previous reports, about the procedures instituted following all irregularities previously notified, as well as about all important changes resulting from them.

In line with the basic responsibilities of the CA under the SCFs absorption various measures have been undertaken to strengthen its capacity. For the period January 2006 - May 2007 the employees of National Fund Directorate have taken part in several trainings under PHARE assistance, such as: "Certification and Paying Authority Systems utilized ","Financial Management", "Irregularities", "Certification and payment process for SF and the CF", "Internal audit" and "Training on the Implementing Regulation 1828/2006".

Nonetheless, the insufficient number of experienced employees in particular areas or staff turnover could affect the financial management and payments flows. On that account further proper training of the National Fund staff is considered a prerequisite for the effective fulfilment of the functions of the directorate under the Structural and Cohesion Funds as Certifying Authority and Body Receiving all payments as per Regulation 1083/2006. The trainings shall be planned and provided in a way as to assure that the personnel is continually trained in meeting the respective requirements, that relevant skills are obtained and that good practices and experience from the other member stated are shared. Identified possible risks are also related to inaccurate information provided by MAs and IBs the quality checks of which could lead to delay in payments. The tools for mitigating that risk include development of guidelines for the MAs and IBs, applying proper risk management policy, regular communications between the relevant officers, etc.

Apart from the description of the cash-flows and the responsibilities of the administrative structures concerning cash-flows management, the CA has to provide proper guidance and instruction to the Managing Authorities and Intermediate Bodies in relation to payment and certification processes. To this end it should develop the capacity to elaborate and update working documents as well as quality reports to the EC and other reports concerning the SCFs required for the smooth process of implementation of all operational programmes.

Other specific needs of the CA are related to the provision of the necessary resources for on-the-spot checks which are to be carried out in the Managing Authorities, Intermediate Bodies, beneficiaries, including on-project visits of the SCFs in Bulgaria; Participation in joint working groups, commissions and committees; On-the-spot checks of the CBC Programmes in the 3 neighbouring countries (FYROM, Serbia, & TR) as well as further development and modification of the accounting system of the Certifying Authority.

2.2.3. Audit Authority

The Audit of European Union Funds Directorate is assigned (Council of Ministers Decree No 300/29.12.2005, amending the Internal Organic Rules of the MF) with responsibilities for organisation and implementation of specific audits and checks on

the activities of the spending units under the EU Funds and programmes in accordance with the requirements of the EU regulations.

The auditors of Audits of EU Funds Directorate (AEUFD) have been appointed in conformity with Art. 45 par. 1 of Public Sector Internal Audit Act requiring minimum of 2 years experience in the field of internal or external audit and according to Art. 45, paragraph 2 the audit team leaders shall have at least two years in the field of auditing EU funds. At the moment 15 auditors from AEUFD have experience as civil servants within Public Internal Financial Control Agency, including in the Audit and Certification of EU Funds Directorate.

Since the year 2001 the auditors from the Directorate have been performing audits under the ISPA and SAPARD pre-accession programmes, as well as under the programmes "Leonardo da Vinci" and "SOCRATES". Up to the year 2006 these audits were executed within the framework of the former Public Internal Financial Control /PIFC/ Agency and since January – within the AEUF Directorate within the Ministry of Finance. Audits have been performed of both the management and control systems under these programmes and the legality and regularity of the expenditure, made under the specific projects. On the basis of these audits, certificates have been issued of the accounts under the programmes SAPARD, "Leonardo da Vinci" and "SOCRATES", as well as winding up declarations at the completion of a project under the ISPA Programme.

In the year 2003 the auditors from the AEUF Directorate performed within the framework of the former PIFC Agency audits for pre-compliance assessment under 7 measures of the SAPARD Programme. The audit comprises execution of assessment of the compliance of the management and control systems of the SAPARD Agency under these measures with the Multiannual Financing Agreement under the SAPARD Programme. On the basis of the issued audit report accreditation was given under all 7 measures which are still active.

In the year 2007 the AEUFD performed two pilot audits for assessing the preparedness of the systems for management and control of the funds under Operational Programme /OP/ "Administrative capacity" and OP "Regional development" in the Managing Authorities respectively in the Ministry of State Administration and Administrative Reform and the Ministry of Regional Development and Public Works. The audits were performed under a Twinning Light Project with the assistance and participation of auditors from the National Audit Office of the United Kingdom and from the Audit Authority of the Republic of Poland. Based on these audits an inception assessment was made of the systems, being prepared and of their compliance with the requirements of Regulation 1083/2006 and Regulation 1828/2006. This assessment will assist the preparation of the Managing Authorities and simultaneously the auditors from AEUFD for the forthcoming engagement for performance of compliance assessment.

A positive assessment of the AEUFD has been also expressed in the report, prepared by Deloitte and Touche on the preparedness for applying the system for extended decentralization under the ISPA Programme.

The above experience is stable basis for the professional qualification, required for performing the functions of an Audit Authority with regard to the financial resources under the Structural and Cohesion Funds. Based on this, a positive

assessment is received for the Audit of EU Funds Directorate in the process of obtaining EDIS under the ISPA programme.

The stable administrative capacity building within the AEUFD has also been reinforced by the trainings and specializations accomplished by the auditors from the Directorate, including within the framework of the Twining Projects under which the former PIFC Agency has been a beneficiary. List of the latter has been presented in Annex 8.

In the period 2002-2006 the personnel of the Directorate has taken part in the implementation of several projects aiming at strengthening its administrative capacity such as "Further improvement of the audit activities, performed by the "Audit of European Union Funds" Directorate at the Ministry of Finance of the Republic of Bulgaria", "Further implementation of the new model of public internal financial control in Bulgaria" "Further Development of the Independent Public External Audit Institution", etc. For the period January 2006 - May 2007 thirty four training events (including seminars, workshops, training courses, etc) have been carried out and attended by different AEUFD employees. The main focus was put on the management and control systems of the SCFs, EC regulations, financial and procurement laws, risk analysis, audit standards and other matters related to the imminent tasks of the AA.

- Audit methodology

The general methodology of the AEUFD is presented in the Audit of the EU funds Manual. The manual has been elaborated with the help of external consultants and was approved in February 2006 by the Director of the Directorate. It is being updated with the help of external consultants and under a Twinning Light Project in accordance with the requirements of the Structural Funds and Cohesion Fund. Since the manual sets out the defining principles, requirements and implementation for the audit activities, it is of utmost importance to provide for its constant updating and dissemination among the staff members and the relevant external bodies.

- Planning of audits

The Strategic Audit Plan /SAP/ of the Audit of EU Fund Directorate presents the whole framework for the performance of the audit activities and is the basis for the elaboration of the Annual audit plans. According to the Regulation 7 as of 4 April 2006 for the implementation, coordination and harmonization of the specific audit activities under EU Funds and Programmes, the AEUFD Director draws up Strategic Audit Plan for the AEUFD activities. The SAP is approved by the Minister of Finance.

In the position of Audit Authority of the SCFc the AEUFD shall be responsible for the following activities:

- Audit strategy (art. 62, point 1, c of Council Regulation № 1083/2006);

Within 9 months of the approval of the OPs the AEUFD must present to the European Commission an Audit Strategy. The Audit Strategy shall be a strategic document, which is to define the main directions for the performance of the audit of the OPs under the Structural and Cohesion Funds for the whole programming period. For the elaboration of the Audit Strategy the AEUFD will be assisted by external experts (qualified auditors/accountants) working in accordance with internationally accepted auditing standards and possessing extensive experience in the field of audits of the Structural Funds. The Audit Authority will be assisted by

these experts during the whole period of compliance assessment performance, as well as in the process of methodology elaboration, the implementation of the audit engagements themselves and the preparation of the audit reports. The funding of this expert assistance will be implemented under the "Technical Assistance" Operational Programme. The AEUFD performs specific audit activities under the EU Funds and Programmes on the basis of the Annual Audit Plan, prepared separately for each EU programme and approved by the Minister of Finance. The annual audit plans are elaborated by the AEUFD Director after the analysis of the results of the previous audits according to the AEUFD audit resources and on the basis of the risk assessment. The annual audit plans include the objects subject to audit in the respective year, the performance period, the objective and the scope of the audit engagements. Any change in the annual audit plans is performed on the proposal of the AEUF Director and articulate argument for the reasons for the change and is approved by the Minister of Finance.

- Systems audits and audits on operations under Article 62, p.1, a, b of Regulation (EC) 1083/2006;

During the programming period 2007 – 2013 systems audits shall be performed in the Managing Authorities, Intermediate Bodies and the Certifying Authority, as well as audits of the operations within the abovementioned structures and the beneficiaries.

- Annual control report (art 62, d, i of Council Regulation № 1083/2006);

The report shall set out the findings of the audits carried out during the previous 12 month-period in accordance with the Audit strategy of the operational programme and reporting any shortcomings found in the management and control systems of the programme.

- Audit opinion (art 62, d, ii Council Regulation № 1083/2006);

The AUEFD shall issue an opinion on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and consequently represent a reliable proof that the underlying transactions are legitimate and regular;

- Submitting a closure declaration (art 62, 1 e, Regulation № 1083/2006);

The AEUFD shall submit to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.

- Submitting declarations for partial closure (art. 62, p. 1 d (III) , Regulation № 1083/2006);

The AEUFD shall submit, where applicable under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.

- Compliance assessment (art. 71,2 Council Regulation № 1083/2006);

For the performance of the compliance assessment of the MAs, IBs and the Certifying Authority of the seven OPs The Audit Authority will be assisted by external experts (qualified auditors/accountants) working in accordance with internationally accepted auditing standards and possessing extensive experience in the field of audits of the Structural Funds. The funding of this expert assistance will be implemented under the "Technical Assistance" Operational Programme.

The compliance assessment of the Audit Authority itself will be performed by an external audit company contracted under the rules of the Public Procurement Act. The tender procedure is already launched. The activity will be funded under the OPTA.

- As the AEUFD will be an Audit Authority for cross-border cooperation programmes with Macedonia, Serbia and Turkey, auditors from the AEUFD may participate in the group of auditors for the cross-border cooperation operational programmes for which Bulgaria is not a leading partner.

In accordance with Art. 9 of Ordinance №7/04.07.2006 on the order and way for the performance, coordination and harmonization of the specific audit activities under EU funds and programmes the Audit Authority will take advantage of the possibility to use external executors for the performance of systems audits and audits on operations. These external executors will be external audit bodies, possessing the required skills and qualifications for performing the above audits. They will be selected following a public procurement tender which is to be launched in 2008.

These activities will be carried out under the control and methodology, provided by the Audit Authority, i.e. instructions and working programmes elaborated by the Audit Authority and distributed to the auditors carrying out the verifications, which guarantees the abidance by the audit methodology.

After quality assessment of the work of the Internal audit units at the line ministries designated to be Managing Authorities, the AA may take a decision that the Internal audit units can perform audits on operations on the basis of an appropriate sample and/or systems audits under the methodology approved or elaborated by the AA. The performing of the audits will be coordinated with the management of the ministries and will be stated in the audit strategy.

The stipulations in Art. 9 of Ordinance №7/04.07.2006 reflect the stipulations in Commission Regulation (EC) No. 1828/2006 of 08 December 2006 and Council Regulation (EC) № 1083/2006 of 11 July 2006. In compliance with these stipulations the Audit Authority has the right to assign to external organisations, under the above-laid conditions, the performance of systems audits and audit of operations, on the condition that it guarantees the functional independence of the external executors and ensures the quality of their work.

Despite the fact that part of the systems' audits and audits on operations including on the spot checks under the European Regional Development Fund, the European Social Fund and the Cohesion Fund will be performed by external executors, the Audit Authority will have to do a considerable amount of these audits using its own resources. As many of the audited entities are located outside towns/villages (such as wastewater treatment plants, waste disposal sites, roads construction, etc), as well as combined performance of several on-the-spot checks for a short period of time may be needed, their effectiveness and timeliness depends on the mobility of the audit teams. Having this fact in mind, it is essential that funds for transport as

well as portable equipment and special software for the needs of audit performance are provided. The need for securing mobility of the audit can be met by reimbursement of costs of public transport or the reimbursement of costs for the use of private cars, if these costs are necessary for carrying out on-spot audit missions. Where evidence is presented that these forms of transport are not feasible, the costs of car rental, limited to the duration of the on-spot mission, can be reimbursed. In that case, the principle of economy has to be respected.

In order to improve qualification and update knowledge and skills of the auditors a Training Programme for the period 2006-2008 has been elaborated and focused on the new Commission regulations, national legislation for public procurement, Structural Funds and the Cohesion Fund procedures and policies, IT audits, disclosure of irregularities and frauds etc. The newly employed officials should also be provided with extensive training in the field of audit and management of EU Funds and the respective national and EU legislation. In view of improving the quality of the audit activities and updating the auditors' knowledge periodic trainings should be envisaged.

2.2.4. Managing Authority of the OP Technical Assistance

The "Operation Programme Technical Assistance" Department within the Ministry of Finance is designated as the Managing Authority of OPTA.

The staff of the OPTA Department is mainly composed of experts with experience in the implementation of pre-accession programmes for the period prior to the accession of Bulgaria to the EU. Accordingly, all that is a prerequisite as well as a solid basis which combined with the trainings scheduled for the coming periods, are likely to lead to the establishment of a well functioning management structure (in terms of an organizational model, procedures as well as human resources potential) for achieving a high level of absorption under the SCFs. The Head of the Department was appointed following an open competition for the position on the basis of demonstrated high level of professional skills, proficiency, expertise as well as proven extensive experience in the area of project management, negotiations with officials from EU institutions as well as absorption of funds under the pre-accession programmes.
The experts responsible for the management of EU funds under OPTA have taken part in several trainings, such as: "Structural Funds" (ECORYS – The Netherlands); "Cohesion policy of the EU and Structural Funds", "Budget of the EU", (Institute for Public Administration and European Integration – Sofia); "Management and monitoring of EU-funded Operational Programmes" and "Structural Funds Financial Management ", (Institute for Public Administration - Dublin).

Primarily, the purpose of the above-cited trainings has been to address current issues, namely strengthening the staff's overall knowledge in the field of management of structural instruments as well as improving their professional skills and overall performance in EU Structural Funds related matters (programming, evaluation, monitoring, project management, etc.).

OPTA MA is responsible for the guidance and implementation of the operational programme in line with the provisions of Article 60 of the Council Regulation (EC) 1083/2006 and the principle of efficient and effective management.

As with all OPs the MA is one of the most important implementing bodies of the programme, because it carries most of the responsibilities for the proper programme management and implementation. Thus, the MA should have at its disposal working documents laying out clear, detailed and transparent segregation of duties and responsibilities throughout the period of OPTA implementation. OPTA MA has assigned to an external consultant the elaboration of the required procedure manual, guidelines and other related working documents meant to support the activities performed by the MA employees.

OPTA MA needs to develop the capacity to provide quality reporting within the monitoring system and to the EC as part of the Regulation (EC 1083/2006) requirements and in order to ensure that all possible changes in policy environment and circumstances or failures in the programme implementation have been registered and duly reacted to through the introduction of adequate corrections and adjustments. Regular reviews and updates of the procedures are also envisaged under Priority Axis 1.

For executing the programme in the most efficient and effective manner the OPTA MA personnel needs to be exceptionally well-trained. For this purpose it is envisaged comprehensive training, education and new skills development in such areas as strategic planning and management, project preparation, monitoring and evaluation of project implementation, basic skills for publicity and communication strategies, further elaboration of the IT knowledge base, including data storing and safety of data, networking, extending the financial knowledge, etc. Further elaboration of the OPTA MA employees' knowledge and skills in the area of National Public Procurement Law, internal control, payments, and prevention of irregularities is highly esteemed and foreseen to be developed as well.

2.2.5. NSRF Monitoring Committee

Based on Regulation 1083/2006 and Decree of Council of Ministers N 182/21.07.06 the Monitoring Committee of the NRFS shall review the implementation of the goals of NSRF and the contribution of the operational programmes co-financed by the SCFs towards the implementation of the National Reform Programme.

The main tasks of the NSRF Monitoring Committee are:

- Review progress towards achieving NSRF objectives;
- Consider results of OPs implementation through reports and evaluations;
- Consider and approve Annual Implementation Reports;
- Propose actions to improve the implementation of the operations under the Funds;
- Approve the NSRF Reports required by the Regulation;

It is extremely important to be provided for functioning of the NSRF MC as a strategic decision source and consensus producing forum. Therefore it is of utmost importance to establish a monitoring system capable of providing adequate information on progress and the corresponding results of NSRF implementation. For the purpose of proper execution of its monitoring functions the NSRF Monitoring Committee members should be extremely well acquainted with the long and midterm objectives of the NSRF and the Cohesion policy, the national strategic

priorities as well as with their own tasks and responsibilities under it. Thus, providing the necessary training for the MC is conceived as beneficial to the whole system for monitoring of the structural instruments' implementation.

The process of organising the NSRF MC meetings requires the provision of a variety of resources and services such as premises for the meetings, photocopying and distribution of materials, translation, etc. which will ensure the unchallenged running of the sessions.

2.2.6. OPTA Monitoring Committee

In compliance with article 66 the Managing authority and the Monitoring Committee shall ensure the quality of the implementation of OPTA. They shall carry out monitoring by reference to financial indicators and the indicators referred to in Article 37(1)(c) and specified in the OP.
In compliance with Decree of Council of Ministers N 182/21.07.2006 OPTA Monitoring Committee has been established for the purpose of conducting monitoring and assessment on a regular basis of the efficient spending of funds, launched projects as well as the proper implementation of the operational programme. The supervision of OPTA shall be carried out by the Monitoring Committee, comprising:

- the systematic assessment of the progress achieved in the realisation of the supported objectives;
- approval of the annual and closing implementation reports before presenting them to the European Commission;
- approval of the proposals on the substantial completion of the decisions of the European Commission relating to the funds; and
- making proposals to the Managing Authority on potential changes in the activities performed.

Since the OPTA Monitoring Committee is responsible for ensuring the proper implementation of the programme it is of utmost importance to establish a monitoring system capable of providing adequate information on progress and the degree to which the targets applicable to each of the measures have been achieved.

Providing the necessary resources, materials and services for the support and execution of OPTA Monitoring committee and all other events, closely related to the effective and efficient implementation of the OPTA is another identified need with regard to the functioning of the Committee.

Last but not least, the members of OPTA MC should elaborate their current level of competence and even obtain additional knowledge with regard to the content of the programme and other relevant documents related to it through targeted training in order to be in a position to better perform their duties.

2.3. Unified Management Information System

A Unified Management Information System (UMIS) has been set up in order to ensure efficient management and monitoring of the EU structural instruments in Bulgaria as well as permanent exchange of data with the Commission. It was developed in the period December 2005-November 2006 under Phare Project BG2003/004-937.10.04 "Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)".

The main purpose of the UMIS is to provide comprehensive, correct and timely information about the implementation of the projects, operations and programmes co-financed from the Structural Funds of the EU.

The UMIS is based on a client/server solution giving all relevant institutions/organisations (OP Managing Authorities, Intermediate Bodies, Certifying Authority, members of Monitoring Committees: e.g. Line Ministries and Local Institutions etc.) access to a central database installed in the Ministry of Finance. The system can be accessed through the Internet from any computer with a browser e.g. MS Internet Explorer. For this reason, the user can be located anywhere in Bulgaria and even abroad.

The UMIS will support at all levels the bodies responsible for the management, monitoring, evaluation and control of the OP "Regional Development", OP "Environment", OP "Transport", OP "Administrative capacity", OP "Human resources development" OP "Technical Assistance" and CBC OPs under European Territorial Cooperation.

The OP "Development of the Competitiveness of the Bulgarian Economy" has its own information system but there will be an interface between the two systems Furthermore, the key components of this particular interface have already been agreed upon between the Ministry of Finance and the Ministry of Economy and Energy.

Another feature of the UMIS is the extended support that it will provide to the users of the system in the CCU, CA, OP MAs and IBs. The system will contain a number of detailed rules and procedures adopted by the CCU, CA and OP MAs, document templates, check lists, lists of eligible costs and activities etc. that will help the users to perform their everyday tasks. The UMIS also contains several modules of system data (Core data) for the facilitation of the data entry process.

Currently the UMIS is installed in the Ministry of Finance but it will be further updated and brought in line with the current developments in Bulgaria. The actual OPs' priorities, operations, lists of eligible costs and activities, budgets, check lists, indicators, application forms and other document templates will be entered into the system. Both the expansion of the UMIS capacity, its further development and enhancement as well as the expected growth in the number of the UMIS users will require additional software and hardware supply.

The proper maintenance and use of the UMIS is of great importance to all stakeholders involved in the process of programme implementation. This requires:

1) A functional and working UMIS, able to monitor the implementation of the Structural Funds in high level of detail throughout the whole programme period;

2) Well-trained and capable users at all levels of implementation;

3) Appropriate equipment to perform the tasks.

A number of interfaces will be developed to ensure efficient exchange of information between the UMIS and other information systems including SFC 2007, the MIS of the OP "Development of the Competitiveness of the Bulgarian Economy", the Anti-Fraud Information System (AFIS) of the European Commission for Irregularities reporting Public Investment Data Base "Investor – Planner – Administrator.

An interface will also be developed with the Information system for monitoring of the EAFRD activities in Bulgaria. As the Information system for monitoring of the EAFRD is not developed yet, UMIS will provide an option for open interface that will ensure exchange and cross check of information in real time between the two systems.

At the initial stage of the UMIS implementation the users will be mainly from the OPs MAs and IBs. Furthermore, these are the users that will input the information into the UMIS during their everyday work. In particular they will be responsible for the initial registration of applicants and applications and the transfer of information from the received application forms into the UMIS. The financial part of the system will allow users to handle the complete financing procedure regarding the application and project management, from the disbursement of settlement(s) submitted by the Beneficiary or contractor until the submission of the statement of expenditure to the European Commission. The system will be used by CCU, Certifying Authority and Audit Authority as well.

Currently, over 100 experts from the CCU, CA, OP MAs and IBs have passed training on the UMIS. This preliminary introduction to the system was insufficient taking into account the fact that more than six months will elapse from the training to the real start of the system, and the training needs will change according to the different stages of the UMIS implementation. In this regard, at least three different types of training needs are identified: intensive training for all users (in the period 2007-2008): supporting training for the remaining period (2009 – 2013): and specialized training .

A Help Desk will be established to ensure the flawless exploitation of the system during the whole period 2007 – 2013. The Help Desk will support the users during the fulfilment of their everyday tasks for the correct implementation of all rules and procedures adopted by the OP MAs, document templates, check lists, lists of eligible costs and activities, core data etc. that are integrated within the UMIS. The Help Desk will be responsible also for the timely corrections of problematic issues (bugs) in the system, solving other technical problems and making minor changes to the system.

The development of the UMIS in Bulgaria is considered not as a single act, but as a process which will be implemented in parallel with the functioning and the daily usage of the system. Based on the experience of other EU member states after the start of the UMIS the number of users will increase within several years from approximately 500-800 users up to around 1200 users. Thus the necessary activities will be foreseen for the expansion of the UMIS capacity. These activities will include measures for further development and enhancement of the UMIS so that the system

could provide a limited access for the final beneficiaries as well as statistics to the wide public through the Unified Information Gateway.

Lessons learned from the introduction and use of PHARE and ISPA Management Information Systems

The PHARE Management Information System was designed to encompass the whole process of projects management and control, reporting and traceability. The system provides for public access to all Financial Memoranda/Agreements since 2000 and project fiches while the institutions involved in PHARE management have further access to maintain data on contracts, amendments and extensions, etc. There are provisions for the generation of various reports. The PHARE Management Information System is used rather for information than as a management tool due to the lack of interface with the SAP system containing financial information and managed by the National Fund Directorate. Unsuccessful attempts had been made for establishing a constant flow of data transfer into the PHARE MIS and further assistance is envisaged to overcome the problems. Another deficiency of PHARE MIS operation is the inconsistence of the stakeholders (esp. PHARE IAs) to insert data on regular basis as per their competences due to the existence of too many information systems concerning PHARE – the Perseus, the SAP, the internal Management systems of each IA.

The ISPA Management Information System fulfils its aims to support the programme implementation and facilitate the users in their daily work in the field of reporting and monitoring. The system accelerates the communication and coordination processes and establishes centralised information storage. During the exploitation period some difficulties and obstacles have arisen. This could be a threat to any similar information systems. They could be summarized, as follows:

- the uploading of data by responsible users was very slow in the beginning of its exploitation, which caused partial functionality of the system;
- furthermore, some of the functions of the system were available for use after the guarantee period and the later software errors were not repaired.

It could be concluded that the Developer of the system should as much as possible facilitate the users of the system in the beginning, including if necessary to input the data into the system. The software developer contract should provide extended duration of the guarantee period and the possibilities of further up-dates and developments e.g. 2-3 years.

The experience gained through exploitation of such systems shows that the testing of the operational system and the feedback from its daily usage are very helpful with regard to any further up-dates and developments and could ensure the best possible performance.

2.4. Data, Information and Overall Awareness

Information and Awareness

The public support for Bulgaria's membership in the EU is extremely high. Different sociological surveys data[6] show that the public approval ranges from 70% to 85% compared to the EU average of 53%, as shown in the Eurobarometer 66 (autumn 2006). However, the high percentage of positive attitudes is due to a large extent to the so called "uninformed optimism" and exaggerated expectations. Therefore, special efforts will be needed to contribute to the maintaining of the high level of support, by creating clear public and media awareness as regards the benefits provided by the Community assistance and on the content, implementation, mechanisms of operation and absorption of European financing.

Compared to 2004, when the available information was rated on the border line between unsatisfactory and satisfactory[7], there have been made considerable positive changes in the level of awareness and use of information channels for the Structural and Cohesion Funds - overall percentage of informed people has reached 45 to 51%[8].

The comparison of the sociological data from the above-mentioned surveys shows that finding information through direct contact and correspondence with central government officials, with regional structures and district administrations has decreased several times. There has also been a decrease in obtaining information through printed material distributed officially. At the same time finding information through electronic and printed media has remained almost unchanged. Acquiring information through the Internet and seminar-type training has grown and dominates the scene. Internet access is both a valuable source, since it is used intensively and a problem as for many organizations it is not among their primary sources of information. At the same time it is precisely Internet access that proves to be a differentiating factor between organizations for many aspects of capacity. In general, the information is gathered from sources and through the use of channels that are inherently different: NGOs are Internet and seminars oriented while businesses prefer television and press.

The other main issue to be resolved is the great disparity in the level of awareness between the capital city and the other big cities on the one hand and the smaller towns and villages, on the other hand. There is a significant difference in the awareness and motivation for referring and accessing sources of information.

According to the survey, done by Alpha Research in April 2007 only 27 % of the people in the country use Internet, compared to Sofia, where this percentage is 56 %. Another important finding of a survey, done by Vitosha Research in 2006 and included in the annual report 'E-Bulgaria 2006" shows that only 4.2 % of the population in the age group 50-69 and 13.3% in the age group 30-49 have the tools and knowledge to use Internet.

The conclusion is that while communication technologies are obviously important, face-to-face contact remains crucial, especially for people who do not have the

---

[6] UNDP poll 2004, Market Links 2005, UNDP 2006

[7] UNDP poll 2004

[8] Market links 2006, MBMD poll 2007

skills or the facilities to access and use that information. This is particularly important in the case of minorities, disabled citizens, rural areas inhabitants, elderly people, people in the lowest income bracket and other vulnerable groups.

In order to satisfy the obvious information needs, the Public Relations and Protocol Directorate of Ministry of Finance has already launched 2 campaigns in respect of European funding issues:

The first campaign - the "Structural funds - opportunities and challenges" was launched July 2006 and ended September 2006. It was targeted at potential beneficiaries - mainly local authorities, NGO's, SMEs and journalists. The campaign started with a Public Opinion Poll (POP) to specify the needs and the baseline values, followed by 6 road-shows in the 6 planning regions, intended to achieve awareness of the overall objectives and the national development priorities in the period 2007-2013, set forth in the NSRF and the OPs, as well as general promotion of the opportunities provided by the SCFs assistance.

The campaign was supported by promotional and informational materials - leaflet, booklets, bags, pens, notepads and DVDs. Within the campaign 2 infomercials (short educational and informative movies) were produced, presented and distributed. The campaign's effectiveness was appraised by the participants with 5.4 points on a 6 points scale. It reached its objectives by increasing the number of the targeted audience within the scope of the campaign from 45 to 51%[9].

The second campaign - "Be active" took place between March 2007 and June 2007. It emphasized the need for development of national capacity and pro-active position of all stakeholders for the successful absorption of the Community assistance and explained the particular parameters of the process - the operational programmes, their priorities and supported measures, institutional, legislative framework, description of procedures for assessing applications, national criteria for evaluation and selection of the operations, eligible expenses, standard requirements for potential beneficiaries, etc. In contrast to the previous campaign, "Be active" targeted not only the representatives of the potential beneficiaries of the EU funds - local and central authorities, NGOs, SMEs and media, but also the general public. Given the specificity of the subject, the campaign was divided into several parts. It started with a massive advertising campaign. Within this part logo, advertisement formats designs, 2 TV and 2 radio spots were produced. These communication tools enabled the general public to get the notion and the general concept of the EU Structural funds and reached effectively 84% of the general audience in the age range 25-60 years[10].

Moreover, our cooperation with the printed media enabled us to get into the details of the processes by advertisements and specially developed advertorials and editorials (informative advertising formats), thus allowing us to elaborate on all important aspects, to publish interviews and to answer to the most frequently asked questions.

During the campaign "Be active" the Ministry of Finance had the support of 53 leading national and regional printed and electronic media.

[9] Market Links September 2006

[10] MBMD poll, June 2007

Since the successful absorption requires also good collaboration and constant dialogue between all parties involved in the process, we decided to demonstrate the principle of well coordinated joint efforts in the campaign. Our partners were prominent Bulgarian NGO organizations and socio-economic partners - BIA (Bulgarian Industry Association), CED (Centre for Economical Development) and CEIB (Confederation of Employers and Industrials in Bulgaria). With their help and active participation 19 discussion forums and 3 national conferences were organized in different cities during the campaign. They were tailor-made to serve the specific needs of the targeted audiences - 7 seminars for journalists and PR specialists both from the governmental and non-governmental sectors, 6 seminars for NGOs, 3 seminars for SMEs, 3 seminars for large scale businesses, 2 press-conferences, 12 briefings, a national conference for potential beneficiaries and 2 national meetings of the business.

Apart from that, 6 road-shows were organized with the special participation of representatives of the Government, which enabled the participants to ask particular questions and get concrete answers from the Bulgarian Prime Minister and the ministers, managing the operational programmes. It had also demonstrated the importance of the issue and the political goodwill to successfully benefit from the opportunities provided by the EU in a transparent and open manner. More than 5 000 participants took part in the organized events.

Numerous communication channels were used to disseminate messages of the campaign - TV, radio, press, online media, information materials (brochures, Guides, folders, press-packs, booklets and other printed materials), internet banners and information, dedicated web-sites. The campaign was preceded by a POP in March 2007. A second wave was conducted in June 2007 to evaluate the effects.

The main conclusion is that such campaigns are much needed for all beneficiaries. The data of the second POP (MBMD poll June 2007), compared to the first one (MBMD March 2007) shows explicitly better awareness, increase of the capacity and the overall interest to participate in the processes.

69 % of the interviewed representatives of the business demonstrate readiness to take part in the absorption of the EU funds, compared to 39% before the campaign. In March 2007 less than 1/3 of them (29%) were optimistic about the effect of the EU assistance on the Bulgarian economy - in June 2007 this group accounted for 45%. The lack of general information was stated as a main problem by 32% of the interviewed in March 2007, in June this percentage decreased to 21%. The lack of practical information was a problem for 45% of the surveyed in March, while in June such a problem was identified by only 27% of the interviewees.

The analysis of the information and awareness measures implemented so far provides for the following conclusions:

- Regular information and publicity measures and campaigns in Bulgaria about the EU Cohesion policy and the use of the Structural and Cohesion Funds are much needed;
- The information provided should be more focused, diverse and inclusive with enhanced accessibility and comprehensibility;
- The information and publicity on the above-mentioned issues still does not reach all its addressees. Any successful communication must centre on citizens' needs.

It should therefore focus on providing the tools and facilities that give as many people as possible access to information. The Absorption Capacity report made by IDC also suggested "the establishment of "one stop shops" where beneficiaries can go for general advice on Structural Funds. An equal access to information and proper communication to all social groups can be ensured through the establishment and functioning of twenty eight district information points envisaged as sources of information and communication channels to all the stakeholders, potential beneficiaries and the wide public.

The results of the campaigns demonstrate that the Public Relations and Protocol Directorate of the Ministry of Finance have the appropriate capacity and experience to develop the publicity measures necessary for meeting the identified needs.

The MA will delegate to the Public Relations and Protocol Directorate, the planning, preparation and implementation of all information and publicity measures. The Public Relations and Protocol Directorate of the Ministry of Finance will act as a Central Information Office, being responsible for the coordination of information and public awareness activities, the planning and implementation of a comprehensive communication strategy, the setting up, controlling and coordinating of a national network of twenty eight District Info Points and the maintenance of a Unified Information Gateway.

Apart from the above-mentioned campaigns, the Directorate has planned, organised and conducted most of the Bulgarian Government's Communication strategies on Bulgaria's accession to the EU. The staff of the Directorate consists of 21 experts with profound knowledge and experience in promotion, coordination and implementation of publicity and information actions, developed over the years. The duties of the Directorate include:

- Coordinating and implementing the media policy and the public presentations;
- Studying and analyzing public opinion before the implementation of a certain policy of the Ministry by commissioning surveys and analyses;
- Ensuring publicity and transparency of the operation of the Ministry and the administrative structures thereto, by organizing the access to information for both media and citizens;
- Preparing, coordinating, organizing, carrying out and providing protocol support for the conduct of news conferences, symposia, seminars, discussions and round tables, formal and working meetings;
- Supporting the Ministry in the organization and management of the overall information and promotion activity regarding the issues related to the Republic of Bulgaria's EU membership within the competence of the MF;
- Planning and implementing projects and actions in pursuance of the Communication Strategy on issues within the competence of the Ministry;
- Supporting the work of the Ministry's structures to raise public awareness on the absorption of the assistance, provided by EU under SCFs and other grant schemes;
- Overall coordination of the single information gateway for general and specialized information on EU SCFs management in Bulgaria.

Despite the substantial experience in the field, given the specificity of the subject, it is necessary to provide and organise the relevant training, workshops, seminars, joint initiatives with similar structures/national networks from Member States to exchange information and practices in the field of communication, information and publicity of the Structural and Cohesion Funds.

Data and Impact Analysis

The access to proper information and data is crucial for assessment of the impact of the EU funded interventions and the preparation of the strategic documents. The Structural Funds interventions played a key role in triggering the social and economic cohesion of the so called "cohesion countries". The substantial amount of investment, funded through the structural funds, boosted the economic expansion by increasing the competitiveness of the domestic economic agents, improving the quality of the human capital and creating more favourable business environment.

It should be noted however that those interventions could endanger the macroeconomic stability if their consequences are not properly assessed in advance. The huge amount of money, entering the economy, apart from creating jobs and boosting incomes could result in undesired inflation acceleration and current account deficit widening. This imposes the necessity for precise impact assessment of the intended government actions and interventions.

Another strong argument for conduction of ex-ante impact assessment is the striving for maximum leverage effect and effectiveness of the interventions. One of the main tasks of the macroeconomic impact assessment is to define the industries, areas and fields, which will produce the highest value added in terms of realising of the set strategic goals. However, while systematic monitoring and evaluation frameworks are generally available at the national level (extensive descriptions provided in the Bulgarian NSRF 2007-2013), a rigorous and systematic method for quantifying the socio-economic impact of the SCF intervention has not been developed. According to the EC services the macroeconomic impact assessment within NSRF elaborated by the Bulgarian authorities has to some extent underestimated the effects from the EU co-funded operations. The necessity for building a solid macroeconomic structural model was several times reiterated. Hence, the need for adapting econometrical model assessing the impact of the EU Structural Funds on the macroeconomic situation in Bulgaria is evident.

One modelling framework - HERMIN, has been widely applied to SCF analysis at national (Greece, Ireland, Portugal, Spain, Estonia, Latvia, Poland) and macro-national level (East Germany and Northern Ireland). The HERMIN framework is designed as a macro econometric model with disaggregated sectors in order to identify the key sectoral shifts in a developing economy over the years of the SCF implementation. The model incorporates the mechanisms through which the national economy is inter-connected to the external world, and most importantly, it incorporates mechanisms through which the SCF impact on the economy is estimated in the short and long-run.

3. SWOT ANALYSIS

Strengths	Weaknesses
Comparatively high educational level / background in central-level administration	Lack of practical experience with regard to the SCFs instruments
Strong experience with pre-accession programmes and projects at central level (Ministries)	Large number of newly employed within the system for management and control of the structural instruments
High level of training of CCU, CA, AA with respect to the pre-accession funding	Unsystematic and incoherent knowledge among the newly employed staff of the targeted institutions
Possibilities of career development of civil servants (training, performance evaluation provided)	The staff performance appraisal is not always adequately related to the remuneration
Existing coordination and support for the implementation of the EU funded programmes and schemes	Insufficient skills of the civil servants in some SCFs related areas – strategic planning, project management, etc
Strong motivation and interest for the funding opportunities under the SCFs on the part of potential beneficiaries	Limited number of civil servants assigned for further development and maintenance of UMIS and lack of practical experience with the system's applications
Existing MIS experience (Phare MIS, ISPA MIS)	Weak capacity to formulate the mid-term and long-term objectives of the pursued policies and final results
Unified web-site existing for SCFs	Unsystematic and incoherent trainings on absorption of structural funds provided to the local authority
Advance investment in EU standards and norms as well as in acquis-related projects	Lack of capacity and readiness for project implementation at local level
Established communication towards potential beneficiaries	Inadequate or insufficient sources of information concerning the Cohesion Policy of the European Union and SCFs for the society in general
Communication and publicity experience	

Opportunities	Threats
Increasing support for capacity building of the structures dealing with SCFs	Loss of funds due to weak management or insufficient control
Providing specific trainings with regard to the management and control of the structural instruments	Lack of practical experience in the structures dealing with SCFs implementation, monitoring, control, etc.
Improvement of the coordination mechanism in the process of policy formulation	High turnover of the qualified staff
Analysing the training needs of the local authorities and providing relevant trainings	Lack of sufficiently experienced staff at local level
Overall absorption monitoring and horizontal support to the management, monitoring and control of structures dealing with SCFs via UMIS	UMIS malfunctioning
Improvement of the opportunities for career development	Lack of sufficient and accurate information provided to the general public and potential beneficiaries
More competitive remuneration for the staff dealing with SCFs	Low level of usage of Internet throughout the country and among all age groups of the population
Training UMIS users at all levels of administration	
High use of the coherent guidelines and manuals	
Building administrative capacity for goal setting and elaboration of indicators for measuring of the on-going progress as well as achieved results	
Increasing public awareness among potential beneficiaries as well as the economic and social partners	
Functioning of the Unified Gateway giving access to general and specialised information about the management of the SCFs in Bulgaria	

A table demonstrating the link between the Analysis and the Strategy of OPTA has been presented as a separate Annex 10. Based on the threats and weaknesses outlined in the SWOT Analysis the interrelation between the needs identified in the Analysis and the corresponding activities and objectives set in the Strategy has been provided.

4. STRATEGY

Strategy reflects the identified problem areas in the analysis and proposes measures and activities that will lead to achieving the main objective of OPTA. It is written in accordance with the requirements set out in Article 32 of the General Regulation 1083/2006.

The logic of the interventions is based upon the concept of OPTA as a key horizontal instrument to function as a pre-requisite for the proper functioning of the system for Structural and Cohesion Funds implementation in Bulgaria in the new environment.

OPTA addresses the needs and weaknesses identified in this system through its two specific objectives and three priorities as described in detail below.

Objectives

The overall objective of OPTA is to: "Further improve the coordination, control implementation and evaluation of the Structural and Cohesion Funds in Bulgaria for the period 2007-2013".

Along with the strengthening of the responsible structures, OPTA aims to ensure the functioning of a reliable Unified Management Information System and to provide an appropriate information, communication and publicity to the general public about the Bulgarian National Strategic Reference Framework (NSRF) and the European Cohesion Policy and its objectives.

The Operational Programme Technical Assistance will ensure tools and financial means for covering all needs of the institutions involved in the programming, coordination, monitoring, management, control and certification, audit activities and evaluation of structural instruments.

It is also essential to ensure that structural instruments support is used correctly and transparently and the outputs achieved will be of a permanent nature and thus contributing to the improvement of the conditions promoting growth and employment, of the quality of investment in physical and human capital, to the development of innovations and knowledge society, to the protection and improvement of the environment as well as to the administrative efficiency in Bulgaria. In this respect, the OPTA role, by its first specific objective, is to ensure smooth management and implementation of the structural instruments in Bulgaria.

Ensuring general public awareness on the role of the Community support and an understanding of the interventions of the structural instruments among potential applicants, ensuring proper level of public awareness of structural instruments as well as providing information on the opportunities of EU support is crucial for creating a supply of high quality projects which are necessary to achieve high absorption of available funds. All the measures under this specific objective shall be consistent with the EU requirements concerning information and publicity of structural instruments operations and are meant to reach an appropriate level of transparency and general knowledge on the structural instruments and of the possibility of the EU financial support availability among potential beneficiaries.

It is also essential to have a coordination of information and publicity measures regarding structural instruments in order to ensure a coherent and balanced

approach to information and communication, to avoid contradictory information and to cover the gaps related to the objectives of EU financial support and required rules and procedures of the structural instruments in Bulgaria.

The specific objectives of OPTA are:

1. Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

2. Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;

In order to achieve these objectives, the following priority axes have been identified:

Priority axis 1 – Support to the implementation of the activities, performed by the Structures at central level: Central Coordination Unit, Certifying Authority, Audit Authority, OPTA Managing Authority, NSRF Monitoring Committee and OPTA Monitoring Committee; Capacity building measures for SF implementing structures;

Priority axis 2 – Further development and support to the functioning of the Unified Management Information System;

Priority axis 3 – Promotion of the European Cohesion Policy and its objectives in Bulgaria and ensuring the provision of general and statistical Information;

PRIORITY AXIS 1:

Support to the implementation of the activities, performed by the structures at central level: Central Coordination Unit, Certifying Authority, Audit Authority, OPTA Managing Authority, NSRF Monitoring Committee and OPTA Monitoring Committee; Capacity building measures for SF implementing structures;

Rationale to priority axis 1

The capacity of the institutions involved in the programming, coordination, monitoring, management, control and certification, audit activities and evaluation of structural instruments is crucial to the proper use and successful absorption of the Structural Funds. This priority axis of OPTA will provide the necessary support to the bodies not covered by the axis Technical Assistance within the other OPs, namely the Central Coordination Unit, the Certifying Authority, Audit Authority, NSRF Monitoring Committee, OPTA Managing Authority and OPTA Monitoring Committee.

This priority will provide the necessary support for capacity building in monitoring and evaluation of the NSRF and OPTA. It will also facilitate the collection of the necessary information allowing the establishment of successful strategic management of the Funds.

The identified needs for capacity building of the beneficiaries at central level will be covered through the implementation of the following common measures:

- Narrowly-focused and programmed trainings of the personnel of the key structures for coordination and financial control – Central Coordination Unit, Certifying Authority, Audit Authority, Managing Authority of OPTA as well as of the NSRF and OPTA Monitoring Committees' members;
- Providing trainings and other relevant capacity building measures to regional and local authorities, Managing Authorities and Intermediate Bodies;
- Supply of hardware, specialised software (for managing the audit activities, for sampling and performing financial analysis, for carrying out and processing on-the-spot checks documentation, etc), as well mobile and office equipment;
- Reviewing on a yearly basis the Guidelines and Manuals of the CCU, CA, AA, OPTA MA, thus undertaking up-dating procedures of the Guidelines and Manuals if necessary and reducing any future recommendations made by internal or external evaluators and/or auditors;
- Organization and participation in working meetings, workshops and seminars for exchange of experience and good practices in the relevant spheres of SCFs implementation and for the purposes of coordinating and synchronizing activities;
- Optimising the management and raising the motivation of the human resources, increasing the effectiveness and improving the quality of its work performance, undertaking preventive measures against loss of highly qualified staff and attracting new experienced and motivated persons to apply and start working in the CCU, CA, AA, and OPTA MA;
- Ensuring maximum information, easy and transparent access to the overall process of absorption, management, monitoring and control of the resources under the EU Structural and Cohesion Funds;
- Providing technical assistance/consultation services/specialized expertise by external organizations/experts according to the beneficiaries' needs;
- More competitive remuneration of experts;
- Ensuring the provision of high-standard translation and interpretation services;
- Ensuring the execution of on-the-spot checks by the relevant authorities.

OPTA should be able to ensure a constant capacity building at central and local level allowing quick and efficient training for newly appointed and substitute staff.

The CCU will be responsible for the provision of a unified prior assessment of the training needs of local authorities and for the implementation of the trainings on the basis of an appropriate training plan on horizontal issues, common to the beneficiaries of all OPs.

The indicative financial allocation necessary for the implementation of these training activities has been included in the OPTA financial plan.

Aims:

- Further developing the capacity of the structures to coordinate, programme, monitor, manage, control and certify the expenditure as well as audit and evaluate in an efficient manner the implementation of the SCFs;

- Ensuring a coordinated approach to technical assistances with the OPs and the assistance from the EAFRD, the EFF, the EIB and other financial instruments;
- Organising the efficient functioning of the NSRF Monitoring Committee and OPTA Monitoring Committee;
- Optimising the management, raising the motivation and increasing the efficiency and quality of the execution of staff's responsibilities;
- Undertaking preventive measures in order to lower the turnover of the qualified staff and also to attract highly competent specialists;
- Reducing the risk of corruption or fraud with SCFs funding for the purpose of protecting the EU financial interests;
- Satisfy the needs of additional knowledge and helping local level by providing particular trainings and information to local structures;
- Human resources development;

Key areas of intervention:

- Technical Assistance for the Central Coordination Unit;
- Technical Assistance for the Certifying Authority;
- Technical Assistance for the Audit Authority;
- Technical Assistance for the Managing Authority of OPTA;
- Technical Assistance for the NSRF Monitoring Committee;
- Technical Assistance for the OPTA Monitoring Committee;
- Providing particular trainings for local structures/beneficiaries.

Indicative Indicators

Indicators	Type	Baseline value	Frequency of reviewing *	Midterm Target-by the end of 2009 (cumulative value)	Final target (cumulative value)	Source of information
Payments under OPTA from the funds allocated	Result	0	Once a year	40%	95%	UMIS, MA accounting system
Certified expenditures under OPTA of total provided for certification	Result	0	Once a year	30%	95%	CA, UMIS
Reduced turnover of Beneficiaries' staff per year	Result	14,6%**	Once a year	less than 12%	less than 10%	HR Directorate files and records
Total No of training sessions for the beneficiaries	Output	82***	Twice a year	350+	500+	Monthly reports of the beneficiaries' personnel
Average number of participations in training events per Beneficiaries' expert	Output	4***	Twice a year	25+	40+	Monthly reports of the beneficiaries' personnel
Total No of training sessions for the local authorities and other SF implementing structures	Output	33	Twice a year	120+	200+	Project reports
No of trained local authorities, and other SF implementing structures	Output	600	Twice a year	2000+	3500+	Project reports
Level of satisfaction of the trainees with the provided training	Result	0	Twice a year	70%	80%	Surveys, Questionnaires

* Since 2008

** Average number for the beneficiary structures for 2004, 2005 and 2006

***Average number for the beneficiary structures for 2006

Priority Axis 1, Intervention measure 1: Technical Assistance to the Central Coordination Unit

Specific Target: to strengthen the administrative capacity and to improve the quality and effectiveness of the performance of the Central Coordination Unit and the functioning of NSRF Monitoring Committee.

This priority concentrates on improving the programming, coordination and strengthening the capacity for overall management, monitoring, evaluation and control within the CCU. Coordination between all stakeholders, NSRF MC and the other seven Monitoring Committees is crucial to ensuring a successful implementation of the NSRF. The quality of reporting to the European Commission is also enhanced by this operation.

The implementation of the NSRF will constantly require adjustments to the programmes and the funds distribution between priorities as needs arise during the implementation. It is important that all experts responsible for monitoring and management of the funds have the capacity to understand and react to any changing circumstances in due time. The low level of adaptation will certainly reduce the efficiency, absorption and ultimately lead to a loss of funds in addition to missing objectives.

Indicative activities:

- Periodic trainings for the staff of the CCU, such as organization and participation in training courses, workshops, study trips and seminars;
- Providing technical assistance/consultation services/specialized expertise by external organizations/experts according to the beneficiaries' needs;
- More competitive remuneration of experts;
- Supply of the necessary software, hardware, specialised and office equipment;
- Organising the work and the proper functioning of the NSRF Monitoring Committee and its sub-committees; providing trainings for the members of the NSRF Monitoring Committee;
- Providing quality reporting to the EC and other reports concerning the performance of the funds and development of the post-2013 strategic documents;
- Organisation and participation in events related to the coordination between the OPs;
- Organisation and participation in events related to the coordination and management of the programmes for European territorial cooperation and the cross-border programmes under IPA;
- Organisation and participation in events related to PPP at Member States level; provision of methodology, expertise and support in blending EU funding with PPP; preparation of PPPs and complex financial schemes; creation of a network for sharing, collating, synthesising, analysing and disseminating information, and know-how regarding best practice in PPP;
- Updating on a yearly basis the Guidelines and Manuals of the CCU;

- Gathering statistical information and analytical data for EU funds absorption in Bulgaria;
- Elaboration and distribution among all stakeholders of reports with best practices for SCFs' management for the 2007 – 2013 programming period;
- Assigning the on-going evaluation to an external organisation;
- Participation in joint working groups, commissions and committees;
- Exchange of practices with peer institutions from EU countries in study trips, working meetings, seminars and conferences;

Beneficiary: The Central Coordination Unit, The NSRF Monitoring Committee.

Priority Axis 1, Intervention measure 2: Technical Assistance for the Certifying Authority

Specific Target: *to strengthen the administrative capacity and to improve the quality and effectiveness of the performance of the Certifying Authority.*

To strengthen the performance of the Certifying Authority which is also the Competent Body for receiving payments made by the EC OPTA has to provide support to the National Fund Directorate focused particularly on the development of the human resources employed. Being entrusted with numerous responsibilities related to the overall process of financial management and control under Article 61 of the Council Regulation 1083/2007 the CA needs to improve its capacity with a special focus on enhancement of the competence of the staff, but also on facilitating the fulfilment of its tasks and improving the working conditions and mechanisms for certification and disbursement of expenditure.

Indicative activities:

- Periodic trainings for the staff of the CA;
- Organization and participation in working meetings, workshops, study trips and seminars for exchange of experience and good practices in the relevant sphere of CA`s responsibilities;
- Providing technical assistance/consultation services/specialized expertise by external organizations/experts according to the beneficiaries' needs;
- More competitive remuneration of experts;
- Supply of necessary software, hardware, specialised and office equipment;
- Updating on a yearly basis the structures and procedures of the National Fund;
- Finalizing and updating on a regular basis the guidelines, instructions and other documents to MAs and IBs;
- Support in relation to the participation of the CA in the work of OP MCs, NSRF MC and OPTA MC;
- Support for providing quality reporting to the EC and other reports concerning the SCFs;

- Further development and modification of the accounting system of the Certifying Authority;
- Participation in joint working groups, commissions and committees;
- On-the-spot checks, carried out by the employees of the Certifying Authority in the Managing Authorities, Intermediate Bodies and beneficiaries, including on-project visits of the SCFs in Bulgaria;
- On the spot checks of the CBC Programmes, carried out by the employees of the Certifying Authority in the 3 neighbouring countries (FYROM, Serbia, & Turkey).

Beneficiary: The Certifying Authority

Priority Axis 1, Intervention measure 3: Technical Assistance for the Audit Authority

Specific Target: *to strengthen the administrative capacity and improve the quality and effectiveness of the performance of the Audit Authority*

In relation with the utilization of funds, a fundamental requirement ensuing from the regulations is the formal, efficient and effective utilization of the supports made available to the member states, and one of the most important guarantees of this is sufficient controlling. In order to ensure the latter AA needs support under OPTA especially focusing on the human resources

The Audit Authority will be assisted by external experts (qualified auditors /accountants) working in accordance with internationally accepted auditing standards and possessing extensive experience in the field of audits of the Structural Funds. The Audit Authority will be assisted by these experts during the whole period of compliance assessment performance, as well as in the process of methodology elaboration, the implementation of the audit engagements themselves and the preparation of the audit reports. The funding of this expert assistance will be implemented under the "Technical Assistance" Operational Programme.

Indicative activities:

- Specific trainings in the field of audit and management of EU Funds and the respective national and EU legislation for the newly employed officials;
- Periodic trainings, working meetings, workshops and joint audit initiatives with auditors from the EU member states for exchanging experience and audit practices in the field of audit of the Structural and Cohesion Funds, harmonizing the audit methodology and ensuring training for auditors from Serbia, FYRO Macedonia and Turkey;
- Providing technical assistance/consultation services/specialized expertise by external organizations/experts according to the beneficiaries' needs;
- More competitive remuneration of experts;
- Supply of necessary software, hardware, specialised and office equipment;
- Annual meetings with the EC to coordinate and to avoid overlapping of audit activities and to improve their quality;

- Spreading and updating of audit methodology in relation with the audit on the Structural Funds and the Cohesion Fund; updating working documents, Guidelines and Manuals in compliance with the requirements of the EU legislation and the internationally accepted Auditing Standards;
- Caring out systems audits of all Managing Authorities, Intermediate Bodies and of the CA under the ERDF, ESF and the Cohesion Fund as well as audits on operations within MAs, IBs, CA and the final beneficiaries under the ERDF, ESF and the Cohesion Fund throughout the country. Due to the number of the audits and their scope, it is necessary to allocate resources for:

  - assigning the performance of systems' audits and audits on operations to external bodies;

  - securing of experts` investigations, laboratory analyses and research when carrying out audits on infrastructural projects, information systems projects, supply of specialised equipment, etc;

  - securing mobility of the audit by transport as well as providing portable equipment and special software for the needs of audit performance.
- Caring out systems` audits and audits on operations, including on-the-spot checks of final beneficiaries of OPs for Cross Border Cooperation with FYRO Macedonia, Serbia and Turkey, as well as with Greece and Romania.
- Hiring external audit organisation under the rules of the Public Procurement Act for performing Compliance Assessment of the Audit Authority;
- Participation in joint working groups, commissions and committees;

Beneficiary: The Audit Authority

Priority Axis 1, Intervention measure 4: Ensuring Support for the OP "Technical Assistance" Implementation

Specific Target: *to ensure the effective OPTA implementation*

OPTA MA shall ensure all activities in relation to the proper administration, implementation, monitoring and evaluation of OPTA. In order to accomplish the latter MA needs support under OPTA and in particular focusing on the human resources.

Indicative activities:

- Specific trainings in the relevant spheres of the Structural and Cohesion Funds implementation;
- Periodic trainings for the staff of the OPTA MA, such as organization and participation in training courses, seminars for exchanging experience and good practices in the field of the Structural and Cohesion Funds;
- Providing technical assistance/consultation services/specialized expertise by external organizations/experts according to the beneficiaries' needs ;
- More competitive remuneration of experts;
- Supply of necessary software, hardware, specialised and office equipment;

- Providing the necessary resources for the proper execution of on-the-spot checks and missions;
- Elaborating and updating on a yearly basis the guidelines and Manuals on the OPTA Implementation;
- Providing the necessary resources and data for the support and execution of the Monitoring committees and all other events, closely related to the effective and efficient implementation of OPTA; providing trainings for the members of the OPTA Monitoring Committee;
- Exchange of practices with peer administrative structures from EU countries in study trips, working meetings, seminars and conferences;
- Assigning to an external organisation the on-going evaluation of OPTA in pursuance of Art. 48.3 of the Council Regulation 1083/2006;
- Elaborating high-quality reports on the implementation of OPTA;
- Collecting project data, monitoring data and relevant studies or tests.
- Participation in joint working groups, commissions and committees;

Beneficiaries: The OPTA Managing Authority, the OPTA Monitoring Committee

Priority Axis 1, Intervention measure 5: Support for Structural Funds implementing structures in particular at local level by providing training and other capacity building measures according to the identified needs

Specific Target: To build capacity to implement the EU funds, particularly at local level by providing horizontal training and other measures as appropriate;

Local authorities are stakeholders of high importance with respect to the EU funds who as beneficiaries have to efficiently and effectively implement the provided support. Activities for strengthening the capacity of potential beneficiaries are envisaged within the Technical Assistance of each OP, such as specific training courses, seminars and workshops, closely related to the particularities of the relevant programme. On the other hand, training activities regarding the general principles related to receiving financial assistance from the EU Funds such as public procurement, audit trail, verification of expenditures, financial management and control, horizontal principles, will be provided within the OP "Technical Assistance". They will be targeted mainly at regional and local authorities but also at MAs and IBs when appropriate. Cooperation and coordination with the other MAs will be ensured, in order to avoid duplication of the activities and to maximise the effectiveness and efficiency of the information and trainings.

Having in mind the importance of capacity building at local and regional level, other relevant assistance of horizontal nature, such as provision of special advice, consultancy services, or studies, relating to EU Funds implementation will be provided whenever a need for these is identified.

The capacity building measure of horizontal nature will be organised at central level by the CCU for all central, regional and local authorities. The elaboration of an analysis of the training needs of municipalities in relation to the SCFs as well as a Training plan based on analysed data is foreseen under a Phare project 2006/018-

343.08.05 “Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria”.

In addition, the CCU shall compile information from the OPs’ Managing Authorities on the training needs and corresponding activities envisaged within each programme. Likewise, the CCU shall have at its disposal data about regional and local authorities’ training needs, aggregated through the information campaigns of the MoF. Based on these sources the CCU, in close collaboration and cooperation with the MAs of the OPs and the National Association of Municipalities in the Republic of Bulgaria, will elaborate Annual training plans by the end of January each year for providing specific thematic trainings to the above-mentioned authorities.

Due to the nature of the training activities requiring specific qualification and skills, the elaboration of the above mentioned documents as well as the provision of the trainings envisaged may be assigned to an external organization possessing the required experience and resources in this field.

The CCU shall coordinate, disseminate and provide information on trainings and seminars aiming at capacity building to all target groups.

Indicative activities:

- Identifying needs at local level;
- Analysing the needs and elaborating particular trainings for these authorities;
- Preparing set of materials and/or qualified presentations;
- Organising meetings and forums on local level;
- Strengthening the capacity of the local authorities by providing overall training about general principles of the EU funds;
- Organising and coordinating capacity building measures of a horizontal nature for the local authorities
- Organising and coordinating activities, trainings and seminars provided to the different institutions of the Bulgarian public administration in relation to the structural instruments;
- Organising and coordinating trainings and seminars aiming at strengthening the knowledge and practical experience of the OP Managing Authorities and Intermediate Bodies.

Beneficiaries: *Central Coordination Unit*

Target groups: Regional and local level authorities

OP Managing Authorities and Intermediate bodies;

Administrative structures involved in the Structural Funds implementation.

PRIORITY AXIS 2:

Further development and support to the functioning of the Unified Management Information System

Rationale to priority axis 2

The overall aim of Unified Management Information System (UMIS) is to ensure the efficient management and monitoring of the EU structural instruments in Bulgaria.

The system supports the project management procedures throughout the whole project cycle in line with the individual requirements of the OPs Managing Authorities, definite EU regulations and relevant national laws.

Due to online availability, the system serves for project implementation follow-up as well as for real time project management of institutions and organisations at various locations, like local authorities, regional corporations, governmental organisations, etc.

The system will allow all required information on programme/project performance, appropriately codified, to be relayed electronically to the Commission by the CCU and the OPs Managing Authorities, as well as financial reporting by the CA to the EC. The frequency of electronic transmission will conform to the management requirements as agreed between the Commission and the Managing Authority.

UMIS will facilitate the tasks of all levels of implementation: monitoring, management, project evaluation, and financial control. It is an integrated system allowing clear and constant monitoring of the performance of the NSRF implementation, providing for flawless aggregation of the information on the performance of the EU Structural Instruments from individual project level up to priority or OP/NSRF levels. Clear and precise monitoring reports will be produced on the basis of the information extracted from the system;

In order to ensure the functioning of the system throughout the whole programming period, several phases can be identified within the life of the system:

- *deployment phase- for adapting the system to the requirements of the Managing Authorities of the Operational programmes, launching of the system,*
- *expansion phase* – expansion of the capacity of the system and development of additional *functionalities,*
- *a maintenance phase* when the system is stable, and
- *a phasing out phase* that may again request additional elements for the system.

These four phases are directly linked to the life cycle of the European programmes. UMIS is currently passing through the *deployment* phase (as mentioned in the Analysis chapter, UMIS is generally capable to fulfil all the relevant functions for the programmes' definition and management, projects' approval and modification, monitoring and evaluation, audit and funds flow management), which will continue during the first year of the structural instruments implementation in Bulgaria.

In the first 2-3 years of the EU structural instruments application in Bulgaria, UMIS will go through the expansion phase. It is expected that by the end of the programming period the system to become stable, unless new regulations appear, bringing important changes.

In order to ensure the proper launching and functioning of UMIS, a common centralised support structure for the whole mechanism (Help Desk) will be created. This structure must ensure the link between the UMIS management team (the Monitoring and Reporting Unit within CCU) and the users. The centralised support structure must guarantee the operational character of the system /system quality, ensuring that it is perfectly adapted to the demand of good management and effectiveness, and optimal use of the system (mechanism coordination).

In the process of the programme implementation and based on the analyses and evaluations of the operations under the priorities, at the end of the programming period, the Help desk will be further financed by governmental sources should any such need arise.

Besides the further development, system maintenance will also have to be implemented. This maintenance aims at ensuring the proper functioning of the system throughout the whole programming period.

The training of all users is essential since it is linked directly to the quality of the system registered data. All users must be trained as quickly as possible when the programmes start and the initial training should be updated on a cyclical basis of 2 to 3 years. It is also necessary to foresee specific training sessions when new functions are developed.

Considering that UMIS will cover a large number of users, certain communication activities are needed, such as presentation seminars, regular meetings for sharing of good practices and at the same time passing on to the project management team of possible problems encountered in the field.

In order to ensure appropriate operation of UMIS, maximum security and back-up solutions have to be provided to the system, along with the communication and users equipment.

The indicative timetable on the activities envisaged to make the system fully operational is presented in Annex 5.

Aims:

The aims of this priority axis are:

- Ensuring the functioning of the integrated UMIS system in line with the needs of CCU, the Certifying Authority, Audit Authority, OPs Managing Authorities and the European Commission;
- Ensuring the proper use of the system at all levels of administration in charge of the structural instruments;
- Ensuring the maintenance and introduction of appropriate upgrades during the whole period, including equipment expansion;
- Providing extensive training to users at all levels of administration;
- Providing support to the activities, implemented under Priority axis 3, ensuring appropriate statistics and data;

Key areas of intervention:

- Development and maintenance of UMIS;

- Continuous support and training of the UMIS users;
- Equipment Supply;
- Support to the Help Desk;
- Development of integrated system of indicators, standardised queries and reports on request by OP MAs;
- Development of interfaces with external systems

Indicative Indicators

Indicators	Type	Baseline value	Frequency of reviewing*	Midterm target-by the end of 2009 (cumulative value)	Final target 2013 (cumulative value)	Source of information
No. of training sessions organised	Output	10	twice a year	80+	130+	Reports
No. of trained people	Output	100	twice a year	800+	1300 +	Reports
Duration of UMIS unavailable	Result	7**	twice a year	3	1	UMIS
Training effectiveness assessment based on the participants evaluation	Result	50%	twice a year	75%	90 %	Surveys. Questionnaires, reports, eval. forms
Users satisfaction index with UMIS	Result	30%	twice a year	50%	75%	Surveys. questionnaires
Users satisfaction with the services provided by the Help Desk	Result	0%	twice a year	50%	75%	Surveys. questionnaires

* Since 2008

* *The baseline value is indicative as UMIS is not operational yet. It will be calculated after the first three months of UMIS operation. The indicator will measure how many hours the system is unavailable per week.

Priority Axis 2, Intervention measure 1: Overall support to the UMIS launching, implementation, further software development and adaptation

Specific Target: to provide support and technical assistance for the UMIS implementation and further development

The operation will cover a whole range of activities focused on the proper launching and initial implementation of the system as well as further development of its functionality.

The future development of UMIS will be coordinated by the Monitoring and Reporting Unit within CCU in the Ministry of Finance on the basis of a Plan for the implementation and further development of UMIS, the problems identified during the functioning of the software as well as the additional needs raised by the users.

Due to the complexity of the system, an adequate support by a team of software developers and a properly functioning Help Desk are considered crucial to the successful launching and initial implementation of UMIS. The support should cover at least the following activities:

- Definition of proper user groups and assignment of the corresponding user rights;
- UMIS should fully correspond to and properly incorporate all administrative procedures adopted by MAs and IBs for the implementation of the EU structural instruments in Bulgaria. Consequently, the ability to amend and modify the procedures within UMIS in a timely manner, with reference to all changes in legislation and administrative procedures, should be deemed essential for its proper use;
- Development of additional module for the Operational Programmes under Objective 3 "European Territorial Cooperation".
- Preparation of standardised documents (document templates) and their incorporation within UMIS;
- Development of a broad range of standardised queries and reports on request on the part of MAs;
- Elaboration and implementation of written procedures for the daily use of UMIS;
- Provision of the necessary connectivity (interfaces) of the system to other external information systems such as SFC 2007, MIS of OP "Development of the Competitiveness of the Bulgarian Economy", Anti-Fraud Information System (AFIS) of the European Commission, the Information system for Monitoring of the EAFRD activities, the accounting systems for the structural instruments, etc;
- Follow up of the system's usage, analysis of the discovered problems, elaboration of possible solutions;

The software development and the Help Desk function will be entrusted to external companies based on an open competition. Each new version or additional module will be tested by the Monitoring and Reporting Unit within CCU with the support of a core user group comprising representatives of the main users.

Indicative activities:

- upgrade of UMIS and development of new functionalities;
- development of interfaces with external systems;
- development of standardised queries and reports on request by MAs;
- elaboration of procedure guidelines;

- developing interface with the Anti-Fraud Information System (AFIS) of the EC/OLAF;

Beneficiaries: The Central Coordination Unit

Priority Axis 2, Intervention measure 2: Continuous support and training for the users of UMIS

Specific Target: *to ensure the training of current and potential UMIS users*

Training is an essential element of the system's implementation strategy. All users must have enough knowledge in order to be able to work properly and accurately with the system's modules during the whole programming period.

At least three different types of training are defined.

The first one is an *extensive training* for all users during the launching and expansion phase of UMIS.

The second one is a *standard training* during the maintenance phase of UMIS.

The third type is *ad-hoc training*, provided when important changes to UMIS are made and new modules are introduced.

The intervention will support the organisation of training sessions for all users of UMIS. A rough estimation of the number of users is around 1200 users (CCU, OPs MAs, CA, AA, IBs) at central and regional level. Most of the users are going to be trained in the early years of implementation; however there is a need for regular training. Also there is a need to train the users whenever a new module or functionality is introduced in the system.

Trainings will be organised as on the job training in specific modules, according to the job description of the experts and their user profiles. In order to ensure appropriate functioning of the system and the efficiency of the training, some of the users will be trained as trainers.

The intervention will also finance the elaboration of procedure and user manuals.

The manuals will be updated on a yearly basis, if necessary.

Indicative activities:

- Organisation of training for new users and periodic training events for all users;
- Assistance and Consultancy on specific operations;
- Elaboration and distribution of user guidelines;
- Organisation of presentation seminars and working meetings for exchange of experience;

Beneficiaries: the Central Coordination Unit;

Target groups: the Audit Authority, the Certifying Authority, the OPs Managing Authorities, the Intermediate Bodies, Beneficiaries:

Priority Axis 2, Intervention measure 3: Establishment of Help Desk for UMIS

Specific Target: *to ensure support for UMIS users and correct and smooth running of UMIS in long term*

The operation will support the functioning of a Help Desk within the MF.

In order to ensure the proper functioning of UMIS, a common centralised support structure for the whole mechanism (Help Desk) should be created. This structure must ensure the link between the UMIS management team (the Monitoring and Reporting Unit within CCU) and the users. The centralised support structure must guarantee the operational character of the system (system quality), meaning to make sure that it is perfectly adapted to the demands for good management and effectiveness as well as guarantee an optimal use of the system (mechanism coordination).

The activities of the Help Desk are:

- bug reporting (during the launching and expansion phase of the system);
- change management;
- support to UMIS users;
- core data and procedures update (including possible interface with other information systems);
- maintenance of the production and training databases;
- support for the implementation of administrative procedures at the MA and IB level;
- other relevant tasks that may appear necessary at the stage of implementation;

Indicative activities:

- o Support the establishment and functioning of a Help Desk

Beneficiaries: The Central Coordination Unit;

Priority Axis 2, Intervention measure 4: Hardware supply for the UMIS needs

Specific Target: *to secure the necessary IT and communication equipment for the proper functioning of UMIS.*

For the full operation of the system (with an average number of 1000 users) additional hardware will be needed.

This applies to servers and hardware, used for the maintenance of the central database installed in the Ministry of Finance, and IT and telecommunication devices necessary to ensure the required bandwidth of connections.

UMIS infrastructure shall provide the maximum security of the computer system and back-up solutions.

Indicative activities:

- Supply of hardware and software necessary to maintain the central database;
- Supply of IT and telecommunication devices necessary to ensure the required bandwidth of connections;
- Supply of hardware and software to provide maximum security of the computerised system and back-up solutions.

Beneficiaries: The Central Coordination Unit;

PRIORITY AXIS 3:

Promotion of the European Cohesion Policy in Bulgaria and ensuring the Provision of General and Statistical Information

Rationale to priority axis 3

Demonstration of significant progress in enhancing the effectiveness, transparency and equality of using and managing resources from the EU Funds, in ensuring an operating mechanism and capacity for absorption and publicity thereof and ensuring free and easy access to the information concerning these Funds is a key factor for winning the confidence of the Bulgarian citizens, organisations and business.

The overall aim of the successful communication on CSFs in Bulgaria would be to create information synergy and optimum publicity. The objective is to raise the public awareness from 51% of those who have heard about the SCFs[11] to levels, similar to those supporting the EU membership - over 70 %[12].

Therefore, there is a strong need for detailed and regular information on the processes, benefits, responsibilities and challenges arising from the EU membership.

Aims

The aims of this priority axis are:

- Ensuring easy and transparent access to information about the overall process of absorption, management, monitoring and control of the resources under the EU Structural Funds and Cohesion Fund;
- Creating better understanding of the objectives of the national development priorities in the period 2007 – 2013, the development strategy, set forth in the National Strategic Reference Framework, and the operational programmes, as well as achievements so far;
- Creating better understanding of the importance of the Community assistance for transforming Bulgaria into a country with high quality of life, and broad public awareness on the content, implementation, the mechanism of operation and absorption of CSFs, by presenting the conditions and parameters for funding projects through the European Structural and Cohesion Funds;
- Ensuring the provision of adequate strategic and comparative data throughout 2007-2013 and for the 2014-2020 strategic-level (non-sector specific) programming documents;

[11] MBMD poll 2007

[12] UNDP poll 2006

- Ensuring establishment and functioning of the 28 Information Points on the Cohesion Policy in Bulgaria;

Key areas of intervention:

- Planning, coordination, and realisation of a comprehensive information campaigns and public awareness activities;
- Providing data and analyses of the current economic situation and elaborating model for assessments of the EU funding impact and effects of funding on the various sectors;
- Further development of Unified Gateway giving access to general and specialised information about the management of the Structural Funds and the Cohesion Fund of the European Union in Bulgaria;
- Securing the establishment / development of 28 district Info points - development and roll-out operations, securing the running operations, securing the publicity measures on local level, providing equipment required for the normal operation of the points as well as relevant trainings;

Indicative Indicators

Indicators	Type	Baseline value	Frequency of reviewing*	Midterm target – by the end of 2009 (cumulative value)	Final target 2013 (cumulative value)	Source of information
Number of all publications (guides, fact-sheets, booklets, brochures and information leaflets)	Output	10	Once a year	30+	65+	Copies of the publications (printed materials)
Level of satisfaction of the target groups with the publications	Result	45%	Twice a year	70%	85%	Questionnaires
Number of organised events (forums, conferences, seminars, press-conferences, workshops) promoting EU and national strategic documents and guidelines, structural funds policies and measures	Output	20	Twice a year	55 +	90+	Dossier of the events Media coverage analysis
Level of satisfaction among the targeted audience with the organised events/ campaigns	Result	42%	Twice a year	65 %	85 %	Before-after surveys for campaigns, Questionnaire for the events
Establishment of functioning and equipped 28 District Info points	Output	0	Semi-annually	100%	100%	Functioning info-points
Satisfaction rating among the users of the Info-points services	Result	0%	Once a year	60%	80%	Questionnaires Interview grids
% of citizens informed about	Result	45%	Once a	55 %	70%	POP, Surveys

the EU Cohesion Policy and SCFs			year			
Average number of connections on the web site/month	Result	30 000	Twice a year	60 000	100 000+	Expert audits - log file analysis
Adapted HERMIN model for assessing the impact of the EU funding on macroeconomic situation in Bulgaria	Output	0%	Once a year	Methodology for adapting HERMIN model in Bulgaria; building a core block of the model	Fully-functioning HERMIN model	Evaluation of macroeconomic impact assessment of Structural Funds interventions

*Since 2008

Priority Axis 3, Intervention measure 1: Supporting public information campaigns of the European Cohesion Policy

Specific Target: *Promoting public awareness and transparency of SCFs funding opportunities and achievements and NSRF development priorities and objectives*

The main instrument for achieving Intervention measure 1 priorities will be the realisation of information campaigns at regional and national level. The main focus as regards enhancing the awareness of Bulgarian society will be:

- to conduct information campaigns concerning the objectives and the national development priorities in the period 2007 – 2013;
- to explain to all stakeholders the development strategy, set forth in the National Strategic Reference Framework and the operational programmes and build a clear perception of the successive efforts on implementing the national priorities and achievements so far;
- to inform the general public about the benefits of the processes of financing under the European Funds as well as prospects and opportunities offered by the Community;
- to inform the general public and the individual social and economic groups, associations and public organisations and to present the conditions and parameters for funding projects through the Structural and Cohesion Funds in order to successfully benefit form the opportunities provided;
- to ensure a proactive position, strong interest and great efforts on the part of stakeholders in meeting the relevant requirements for funding, as the receipt of SCFs resources depends thereon.

In order to ensure optimum publicity efficiency and information synergy at all levels, a comprehensive NSRF Communication Strategy will be developed and implemented. The global objective of this communication strategy at national level, close to that of the individual operational programmes Communication Plans, is compliance with the Council Regulation, as well as with the implementing Commission Regulation with the aim of highlighting the role of the Community and ensure that assistance from the Funds is transparent for all target groups by

ensuring wide publicity for all OPs at each level of their implementation, using a wide spectrum of communication tools. The strategy will define communication goals, tasks, target audiences, communication channels, will clearly state the competences of the involved institutions, will provide guidance on publicity actions performance indicators, will set the SF communication management scheme and will regulate the establishment of the National Network of the communication officers.

The creation of NSRF Communication Strategy will also ensure the successful implementation of the Communication Plans of all OP, providing them with single platform to adapt and facilitating them in implementing their publicity measures directed towards their specific target groups.

The establishment of National Network of communication officers and its coordinating mechanism, set in the Strategy, will ensure the cooperation and partnership among the institutions, involved in SF management. Thus communication and coordination between all planned communication activities will be established. The most important implication is the avoidance of overlapping and duplications between the planned activities of all OPs, including the two funded by ESF. The network will also exchange good practices, share experience and identify tools for increasing awareness and improving visibility and transparency of SF implementation.

Indicative activities

Interactive initiatives – series of informative events such as public forums, road shows, seminars, conferences and production of supportive informational and promotional materials (like folders, press-packs, pens, souvenirs, with EU logos of use at events), to achieve high public awareness of the main strategic and programme documents for EU Structural funds absorption and clear understanding of the process, as well as ensuring understanding and acknowledgment of the role of the Community. The initiatives will be targeted at general public, beneficiaries, potential applicants, professional publics, projects target groups, internal target groups, implementing authorities, economic and social partners, NGOs and organisations, representing the business.

- Media relations - pro-active outreaching with the journalists, contributed articles and programmes, co-productions, press-conferences, briefings, press-releases, journalistic contests and press-trips, trainings and consultations, aimed at promoting the targeted objectives and directed towards media representatives, general public, professional publics, beneficiaries, internal target groups and implementing authorities.
- Publications - design, printing and distribution of materials (external – documents, programmes, reports, guidelines, posters, brochures, leaflets, etc. and internal – manuals, instructions, rules, etc) for promotion of measures and particular aspects of the processes of management, control and implementation of the projects. Targeted groups are general and professional public, beneficiaries, economic and social partners, internal target groups and implementing authorities ;
- Standard media – production and dissemination of informative and educational pieces, broadcasting and publishing them in the electronic and printed media, outdoors media, Internet promotions – such as TV and radio spots, promotional

films, national and regional newspapers and magazine advertisements, editorial and advertorials, outdoor medias and Internet promotions. The targeted audiences are general public, beneficiaries, professional publics, stakeholders of each OPs, ESP, NGOs, business organizations ;

- Planning, preparation and implementation of Communication plan of OP TA in line with the requirements Regulation 1083/2006 and Implementing Regulation 1828/2006.
- Development and implementation NSRF National Communication Strategy
- Establishing, implementing and coordinating national network of communication officers from all Operational Programmes.

Indicative financial allocation for this intervention measure is 18 % of the total budget of the programme.

Beneficiaries: the Central Coordination Unit, the Central Information Office

Target groups: the implementing structures, the general public, potential beneficiaries, professional publics, media representatives, ESP, NGO, business organizations, internal target groups.

Priority Axis 3, Intervention measure 2: Ensuring appropriate statistics, data and impact analyses throughout the current as well as the next programming periods;

Specific Target: *to ensure the provision of adequate statistical and comparative data throughout the 2007-2013 and for the 2014-2020 strategic-level (non-sector specific) programming documents:*

Respecting the transparency principle and in order to contribute to a future sound management and proper decision making process as well as to gather important data about the concrete understanding of the EU funding and its effects, it will be necessary:

- to analyse the current economic situation and to elaborate assessments of the EU funding impact and effects;
- to ensure equal and easy access to information;
- to compare the effects of funding on the various sectors;
- to examine and integrate the European Cohesion Policy into the macro-economic policy of Bulgaria;

The compilation, development and analysis of adequate information are of great importance in order to prepare the strategic (non-sector specific) programming documents for the period 2014-2020. The programming for the period will be conducted respectively under the "Technical Assistance" priority of each operational programme – Environment, Transport, Competitiveness, Human Resources, Administrative Capacity, and Regional Development. OPTA will support the preparation of the next cycle NSRF-type documentation within the scope of its responsibilities and duties, including lessons learned from programming period 2007-2013. The gathered information and analysis will be mainly used by the bodies, responsible for the sound strategic documents for the next programming

period. However, some data indicating unfavourable trends might already be used in 2007-2013 programming period for partial policy re-design, upon decision of NSRF and OPs Monitoring Committees.

Main results from the conducted analysis, as well as the relevant policy implications, will be included in the periodical reports on the NSRF implementation.

Intervention measure 2 will finance various activities, related to gathering of information and analyses, absorption levels analyses, analyses of the EU funding impact as well as the costs covering the production and publication of programming documents for the period 2014-2020. The adaptation of the HERMIN econometric model for Bulgaria, envisioned under this Intervention Measure will allow proper assessment of the impact of EU SCFs on the macroeconomic situation in the country, the acceleration of the convergence path of dualistic economic growth in the country, offsetting market failures and making growth transmission channels more efficient. The structural dynamic econometric model will register these changes. The model could be at a later stage enriched in order to take into account the regional aspects of the intended interventions. Once completed, HERMIN model will allow not only ex-ante assessment of the EU co-funded interventions for the next programming period, but also could serve as a sound basis for potential policy shifts and re-allocations between NSRF\OPs priorities and measures. The direct users of the build model will report to the NSRF Monitoring Committee the outcomes of the implemented policy, the identified bottlenecks and main gains. On this basis, MC might decide to suggest to the OP's MCs re-allocation between different measures\actions in order to avoid inefficiencies and to achieve maximum value added of the used EU funds.

Within this intervention measure the existing website *www.eufunds.bg* will be further developed into a Unified Gateway giving access to general and specialised information about the management of the Structural Funds and the Cohesion Fund of the European Union in Bulgaria, PPP related issues and documents, and blending of EU funding with PPP.

Employees of the relevant MAs will also be responsible for the elaboration and updating of the information. The access of the administration to specifying and inputting procedures will be duly regulated with updating activities executed exclusively by officers appointed with an order.

Detailed information will be available at the site within 5 working days of the adoption of the relevant legislation, manual or strategic programming document or of the event related to the execution of the SCFs absorption activities.

The following documents and related information shall be made available at the Unified Gateway:

- EU Regulations on SCFs;
- Bulgarian legislative framework;
- Strategic programming documents;
- Manuals, guides and rules of procedure;
- Information on implemented projects;
- Guidelines and application forms;
- News about the implementation of the SCFs absorption activities;
- Other documents and information related to the SCFs management;
- PPP methodological guidance and unified documents;

- Blending of EU funds with PPP;
- PPP network.

Indicative activities:

- adaptation of HERMIN econometrical model for assessing the impact of the EU Structural Funds co-financed policies and measures on the macroeconomic situation in Bulgaria
- preparing short- and long-term absorption strategic data (current and forecast);
- expert assistance / consultation services for providing analyses of the current economic situation and assessments of the EU funding impact and effects of funding on the various sectors and the elaboration of statistical, analytical and other relevant documents according to the particular needs;
- maintaining a Unified Gateway as a main tool ensuring equality and easy access to information, enabling end users to find the overall information in one place – programming documents, institutional and legislative framework, implementation of NRP, NSRF, Funds, Programmes, mechanisms of application, methods for financing, schemes, etc.; links to the OPs websites and as well as other useful links;

Indicative financial allocation for this intervention measure is 1 % of the total budget of the programme.

Beneficiaries: the Central Coordination Unit, the Central Information Office

Target groups: decision-makers, NSRF and Ops Monitoring Committees, institutions involved in programming for the next programming period, the general public

Priority Axis 3, Intervention measure 3: Functioning of a national network of District Info Points on the Cohesion Policy in Bulgaria.

Specific Target: *to ensure the effective running of 28 District Info Points providing information on Cohesion Policy, its objectives and the opportunities available in Bulgaria.*

In view of achieving equality and transparency and further ensuring close and appropriate access to information concerning the objectives of the EU Cohesion Policy and NSRF, a national network of 28 district Info Points (i.e. one in each regional centre) is envisaged to be set up, run, controlled and coordinated by CIO. They will guarantee the right to fair and full access to information about the CSFs funding opportunities for all social, ethnic and age groups all around the country, providing wide range of opportunities to obtain that information. Their establishment will further enhance the transparency and promotion of the EU-funded projects and the Community assistance among the beneficiaries and general public. The Info Points will function as resource centres to the population in the respective regions.

The District info points will function as “one-shop stop”, where general public, beneficiaries and potential applicants can go for general advise on Structural Funds, NSRF and OPs scopes and interventions, mechanisms of functioning, implementation

and management of the SF financing, EU and national legislation of the matter, etc. The District info point will have at their disposal specially developed database, providing all necessary information in structured and user friendly manner, so that all kind of inquiries can be answered or re-directed competently, providing the clients the facility to ask questions of various nature. The concept of the network is to cover all possible types of interests and inquiries – uniformed, informed, and professional, to provide the customers with initial understanding, helping them to define their question and identify the proper OP\institution\authority to direct it to.

The network will work in close cooperation with the National network of the communication officers and other similar structures within other OPs (network of beneficiaries, IBs, Information and publicity officers), who have different nature – i.e support of co-operation between beneficiaries, development of capacity-building, expert advise and consultations and deal only with issues and activities in regard to their own Operational Programme. As contrast, The District Info Points will be able to handle questions of general nature about **all of the OPs**, forwarding the further specific interests to the appropriate MA\IBs\relevant structures, inform visitors on principle procedures and rules, related to the SF projects funding and implementation processes, issues and legislative and normative framework.

The database will be developed and regularly updated in close cooperation with all OPs, thus ensuring the provision of competent, accurate, up-to-date and simple information on site to all visitors. The Central Information office will support the liaison between all these structures and the District Info points and will be responsible for the general management of the process. The District Info point will also provide visitors and potential beneficiates with information about ongoing calls for proposals and tenders of all OPs, projects implementation and status at later stage, will provide them access to specialised literature and promotional materials, and will allow all OPs with opportunity to disseminate information, by acting as alternative communication channel.

All District info points will also allows access to information by answering to enquiries made by phone, by post, e-mail, facsimile or through the network's web site. In support of the operations of the national network of district Info Points will be organized a hotline, as part of the network structure. It will aim to render aid in finding information, directing users to additional specific sources and servicing the population that has no direct access to the Internet or physical access to any of the district Info Points.

The Info Points will be interrelated and linked to the Central Information office through a broadband internet connection, allowing access to the computer network and a unified web-site. Their establishment will follow the "cascading" principle, starting with few model district info-points, which will allow adjustments during the implementation process, resulting in greater efficiency, vitality and effectiveness. The cascading principle will also help the district info points staff's training processes, allowing the staff of next-to-be launched info-points to have on the field training at the already functioning district points.

Proper equipment, recruiting enough qualified consultants, training and selection of staff therein is also of key importance for the accomplishment of the tasks set. To that end, it is necessary to provide and organise the relevant training, workshops, seminars, joint initiatives with similar structures/national networks to exchange

information and practices in the field of communication, information and publicity of the Structural and Cohesion Funds.

Indicative activities

- Securing establishment / development of 28 district Info points - the application and IT infrastructure concepts, developments and roll-out operations, processes definitions, location selections, marketing plan, HR activities - role descriptions, hiring plan and recruiting;
- Securing the running operations - locations costs, running and maintenance costs, HR running costs; management, application evolution (upgrading re launch).
- Securing the publicity measures, on-going marketing etc. on local level;
- Providing office hardware, specialised software and electronic equipment required for the normal operation of the 28 district Info points network, IT and process training, IT help desk - first and second level support.
- Providing relevant initial training, continuous add-on training, workshops, seminars, joint initiatives with similar structures/national networks to exchange information and practices in the field of communication, information and publicity of the Structural and Cohesion Funds

All activities connected to the establishment and the implementation of the operations of the National network of Info points will be committed through a public call for proposal respecting the National legislation and the EU rules on transparency of the procedures.

In the process of operation and according to the results from the analyses made in the course of the programme implementation and the operations under the priorities, at the end of the programming period, state financing will be provided if necessary to ensure the sustainability of the Info points established under 2007-2013 OP Technical Assistance.

Indicative financial allocation for this intervention measure is 14 % of the total budget of the programme.

Beneficiaries:

The Central Coordination Unit, The Central Information Office

Target groups: - The Municipalities, wide public

5. FINANCIAL PLAN

Table 1: Estimated EU contribution to the Operational Programme Technical Assistance 2007-2013, by Year

(in euro)

Total 2007 – 2013 ERDF	2007	2008	2009	2010	2011	2012	2013
48 296 513	3 512 400	5 141 700	7 001 019	7 377 256	7 898 065	8 421 780	8 944 293

Table 2: Indicative financial table of the Technical Assistance Operational Programme 2007-2013, by Priority Axis

Priority Axis	Community Funding ERDF *(euro)*	National funding			Total OP	EU co-financing rate (%)	EIB, other financial instruments
		Public	*Private*	*Total*			
1	**2**	**3**	**4**	**5=3+4**	**6=2+5**	**7=2/6x100**	**8**
PA 1	25 00 0000	4 411 765	0	4 411 765	29 411 765	85	-
PA 2	9 659 303	1 704 583	0	1 704 583	11 363 886	85	-
PA 3	13 637 210	2 406 566	0	2 406 566	16 043 776	85	-
TOTAL	48 296 513	8 522 914	0	8 522 914	56 819 427	85	-

Categorization of funds assistance:

According to the Categorization of Structural funds assistance 2007-2013, the present priority axis comes under the scope of:

Code No. 81 – Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes;

Code No. 85 – Preparation, implementation, monitoring and inspection

Code No. 86 – Evaluation and studies; information and communication;

6. IMPLEMENTATION

As stipulated in the Council Regulation (EC) 1083/2006, the implementation of the Operational Programme is assigned to the relevant Managing Authority. Council of Ministers' Decision No 289 of 30 October 2006 constituted the establishment of a Department "Operational Programme Technical Assistance" within the Ministry of Finance which will play the role of a Managing Authority for OPTA.

6.1. Functions of Operational Programme Technical Assistance Managing Authority

The functions of the Managing Authority are defined in Art. 60 of the EC Regulation № 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund. According to this article, the Managing Authority shall be responsible for effective and efficient management and implementation of the Operational Programme:

- Elaboration of eligibility rules and project selection criteria to serve as a basis for selecting eligible projects;
- Preparation of programme implementation documents (including a Procedure Manual for the implementation of OPTA, templates of different documents, check lists, etc.);
- Preparation of the entire set of documentation for the certification of the programme (the expenditure certification, the certification report on eligibility, etc.);
- Setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 90 of the Regulation;
- Monitoring of the tendering and contracting procedures conducted by the OPTA beneficiaries;
- Ensuring a 100% verification of documents received with the payment requests submitted by the Beneficiary;
- On-the-spot checks of projects implemented under OPTA;
- Execution of payments based on the submitted payment requests;
- Preparation of regular progress reports, payment requests to and financial forecasts for the Certifying Authority;
- Preparation of annual and final programme implementation reports;
- Ensuring a proper accounting system for recording and storing data is in use and a separate one is maintained by the beneficiaries;
- Support to the overall work of the Monitoring Committee and providing it with analyses and supplementary documents;
- Ensuring the performance of evaluations of OPTA by contracted external experts in full compliance with the EU Regulations, rules and procedures;

- Ensuring compliance with the information and publicity requirements laid down in Article 69 of the Council Regulation (EC) 1083/2006.

6.1.2. Operational Programme Technical Assistance Monitoring Committee

In compliance with the Article 63 of the Council Regulation (EC) 1083/2006 a Monitoring Committee has been established with the purpose of conducting monitoring and assessment on a regular basis of the efficient spending of funds, launched projects as well as the proper implementation of the Operational Programme.

The OPTA Monitoring Committee is established to perform the following duties:

- Consider and approve the criteria suggested by the Head of the Managing Authority for project selection. Within the programme period may adopt amendments to the approved criteria after a motivated proposal by the Head of the Managing Authority has been presented;
- Periodically review progress made towards achieving the specific targets and of the priorities of OPTA on the basis of documents submitted by the Head of the Managing Authority;
- Initiate proposals to MA for any revision or examination of OPTA likely to make possible the attainment of the programme's objectives, or to improve its management or its overall contribution to the SCFs management; may decide to reallocate funds from the OP budget among priorities which should be approved by the EC upon negotiation with the Managing Authority;
- Examine the information on the annual OPTA implementation report as well as the comments of the Commission;
- Consider and approve the annual and final reports on the implementation of OPTA;
- Approve information on the annual control reports of OPTA, submitted by the Audit Authority; adopt a schedule for applying corrective measures; approve the report concerning the implementation of the corrective measures;
- Carry out additional tasks, resulting from the internal rules of procedure;
- The Monitoring Committee of OPTA adopts on its first meeting the entire set of internal regulations, including its own Rules of Procedure and Code of Conduct,

MA will regularly inform the Monitoring Committee on the implementation progress of the decision taken during the previous MC meetings.

The MC may, if it is deemed a necessity, establish permanent or temporary sub-committees dealing with specific issues.

6.1.3. Beneficiaries

Beneficiaries of the OPTA are structures within the Ministry of Finance, responsible for initiating and/or implementing operations. Due to this particular feature of OPTA, Internal Rules stipulating the rights and liabilities of the Managing Authority and the beneficiaries of OPTA will be elaborated. These are aimed at regulating the terms of application, implementation, control and reporting on operations under the operational programme as well as the payment claims and procedures for irregularities reporting.

The Beneficiaries should retain the original documents referred to every single operation, in such a way as to permit the aggregated amounts checked by the MA, and certified by this one to the CA to be reconciled with those documents and the accounting records in compliance with the provisions of art. 15 d of the Commission Regulation 1828/2006.

In accordance with the Internal Rules stipulating the rights and liabilities of the Managing Authority and the beneficiaries of OPTA the latter shall be responsible for the following:

- Carry out correctly and precisely the activities within the operation approved for financing;
- Conduct 100% checks of the invoices and carries out verification of the compliance of the provided products/services with the set criteria, incl. 100% on-the-spot check;
- The report on the certification of the delivered products or services has to be submitted together with the claim for payment to the MA for checking and approval.
- Guarantee the maintenance (filing and archiving) of financial data, supplementary documents and reports consistent with the requirements of Art. 60 of EC Regulation №1083/2006;
- In the project progress reports beneficiaries provide the Managing Authority with information on carrying out public procurement procedures (if applicable). Supporting documents need to be attached to the reports (only for the first report after carrying out the public procurement procedure), and kept in the project dossier.

The operations financed by OPTA will be implemented following the strict application of the public procurement rules.

6.2. Financial Management and Control System of OPTA

Financial management and control of co-financing is responsibility of the MA. The described division of functions and responsibilities in the management of requests for funds and certification processes is based upon the current national legislation and the established EU rules.

Technical assistance applications are prepared, selected and implemented in the same way as other applications. However, the beneficiaries of technical assistance projects include the Managing Authority which is also responsible for preparing,

selecting and monitoring projects, as well as the Certifying and Audit Authority. Therefore, the Managing Authority ensures that in the selection phase preparation, appraisal and approval of the projects are separated and in the implementation phase financing and auditing the projects are duly separated as well.

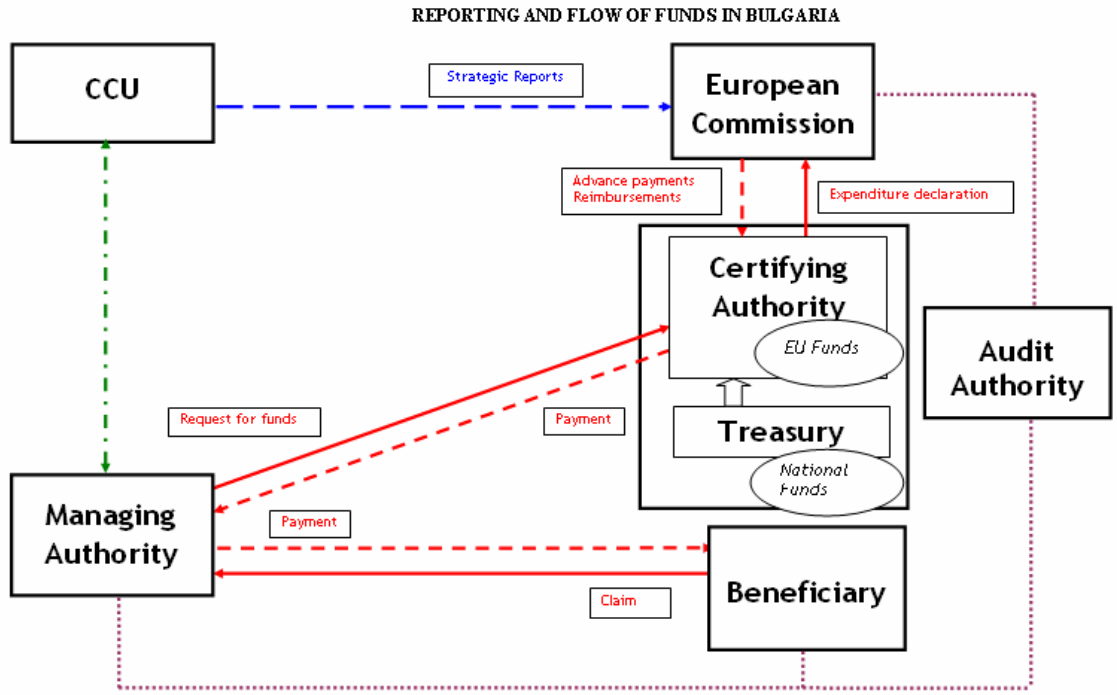
The MA shall select the project proposals, shall pass them on for endorsement and shall make payments to the beneficiaries according to the approved expenditures.

The MA checks the Beneficiary's Report on certification

The MA is responsible for the aggregation of information on expenditures submitted by the Beneficiaries in the periodic Reports on certification and for certifying such expenditure. The report is completed at Programme level, and references made to the certification of the beneficiaries.

The MA shall bear the responsibility for paying only eligible expenditure within the approved limits in compliance with the objectives and the relevant Community and national rules, including the national eligibility rules.

The process of flow of funds is presented in the chart below:



6.2.1. Selection of projects to be financed

The Managing Authority has full responsibility for the project selection procedure. It prepares the main project selection criteria and presents them for approval to the Monitoring Committee. The Managing Authority guarantees the transparency, objectivity and effectiveness of the selection procedure and therefore, the quality of the approved projects.

According to the Council of Ministers' Decree concerning the SCFs grants each line Ministry shall develop internal rules for the compliance assessment of projects where the beneficiaries are state institutions.

The Compliance Assessment Committee will be established with an order of the Minister of the MF. In order to guarantee the objectivity of the evaluation, the experts who are related in a certain way to the project proposal that is being evaluated, do not participate in the evaluation process. The Compliance Assessment Committees may include independent experts invited due to their specialised expert knowledge in a certain field necessary for the correct evaluation of the projects.

The Compliance Assessment Committees will assess the compliance of the project proposals with the project selection criteria approved by the MC.

To be supported under an OP, projects should respond well to the objectives of the operational programme, fit clearly into one of its priorities, be financially and economically sound and be capable of completion within the required time scale.

6.2.2. Verifications of operations

The Managing Authority performs activities in order to verify to the Certifying Authority that the co-financed works, products and services are delivered or executed and the expenditure declared by the beneficiaries has actually been incurred and complies with Community and national rules.

Verifications executed by the MA include:

- Administrative verifications in respect of each application for reimbursement by beneficiaries, and
- On-the-spot verifications of individual operations.

MA will ensure a 100% verification of documents received with the payment requests submitted by the beneficiary.

6.2.3. Accounting system

The MA shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting system. This system shall be run in accordance with the accounting policies and rules that apply to the budget enterprises in Bulgaria and to the activities co-financed with EU funds. Accounts and expenditure relating to the operations must be easily identifiable and verifiable. This can be done by using separate accounts for the operation concerned or an adequate accounting code for all transactions relating to the operation.

The Managing Authority has to keep also:

- Computerised accounting records and other relevant accounting information;
- Proof of commitments such as contracts and order forms;
- Proof of delivery of services such as approved reports, time sheets, transport tickets (including boarding passes), proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- Proof of receipt of goods such as delivery slips from suppliers;

- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor.

6.2.4. Audit trial

An adequate audit trail should be maintained at all levels. The audit trail is a set of information which should record the activities and events occurring during the OP implementation, in particular, the movement of funds and of associated documentation. Information obtained from an audit trail enables to determine the sequence of events in any process.

To that end the MA shall keep all documents regarding the expenditure and audits in accordance with the criteria set in the Commission Regulation (EC) No 1828/2006 ensuring the availability of an adequate audit trail.

6.2.5. Risk Management

The risk management is a continuous process. The detection, assessment and management of the risks that could affect the attainment of OPTA's objectives, is a responsibility of the OPTA top management. The OPTA risk management sets the framework for enhancing the management effectiveness. It helps to determine the problems, which are above the tolerable risk level, and to identify the fields in which the control systems are most effective.

Furthermore, it is a tool for making strategic decisions. MA is responsible for ensuring risk assessment and will do the utmost efforts to minimise and alleviate the possible risks in the institutions concerned by the OPTA implementation.

6.2.6. Irregularity reporting

The Managing Authority reports to the Certifying Authority (CA) without delay all suspected and/or actual cases of fraud and/or irregularity as well as measures related thereto undertaken by the Head of the MA. On a quarterly basis the Head of the MA reports to the CA on the follow up of the already reported cases of suspected and/ or detected irregularity / fraud.

If there are no irregularities to be reported or to be followed up, the CA is informed quarterly and receives from the MA a Declaration explicitly stating the name of the operational programme, the period and the absence of any irregularity suspected / detected.

All relevant bodies involved in management, control and implementation of the OPTA are responsible for detecting irregularities and notifying them to the OPTA Managing Authority, which on this basis will prepare irregularity reports to the Certifying Authority. The Certifying Authority will prepare reports on irregularities and will have the overall responsibility for financial corrections.

6.3. Unified Management Information System

As the UMIS is a complex system and it is structured in several modules. These modules represent the main steps in the implementation, monitoring, financial

management and control of an Operational Programme. A brief description of the UMIS modules and main functionalities in the field of programming, project management, implementation, monitoring, commitments and payments, reporting, audit and control is listed below:

- *System access module* - the system access and coordination module provides the opportunity to define and distribute the limits and rules of access, depending on the user's authorisation level, his position in the institutional hierarchy, his role in the project cycle, the project type, etc.

- *System data (core data) modules* – with the help of the core data modules, it is possible to define uniformed code systems, to set up and define the obligatory used data and data relations (e.g. city, town, post code, county, and region).

- *Parameters module* - it plays the role of system data (core data) for the whole system. The module is used to define and set up the structure and the outlook of all Operational Programmes and all the related lower programme levels.

- *Status points (functionality)*- the status points are the steps of the rules of procedures. They are describing the whole procedure and lifecycle of the projects/applications and can be set and customised.

- *Application and client registry module* - the system can generate a unique identification code for the applications carrying some essential information within it (e.g. the applied operation, date of application registering).

- *Decision-making and assessment module* - following the receipt and registration, applications and projects will be checked for compliance (formal, administrative and technical errors, eligibility etc.). This procedure contains the assessment of the applications, evaluation of their performance and the decision about them.

- *Contracts management module* - the contracts management functionality supports the contracting process from the preparation of draft contracts, through the modifications of the contracts until the completion of the contracts.

- *Project follow-up module* - with the help of this module the system supports the analysis of the indicators, the implementation and the results of the project.

- *Public procurement module* - the public procurement functionality is able to follow up the processes of tendering from the planning of tender notices and tender documentation, through tender evaluation, until the awarding of contract.

- *Central document storage (functionality)* - the central document manager captures all electronic information materials (text, graphics, sound, video, etc.), which are attached to but not inserted into the applications.

- *Checking module* - the module is able to manage on-the-spot checking (planned and extraordinary ones as well) from the planning of the checks, through the project selection or procedures recommended to check, until the execution of and reporting on examinations and visits.

- *Irregularity management module* - the purpose of this module is irregularities administrating under SCF that includes registering, following up of the detected irregularities (or suspicions of irregularity) and the measures (operations) taken for the corrections.

- *Financing module* - the financing module will support the complete financing procedure regarding the application and project management, from the disbursement of settlement(s) submitted by beneficiary or contractor until the submission of the statement of expenditure to the European Commission.

The UMIS will be able to provide data for the MF SAP accounting system via an interface. The SAP system can get all necessary information for treating the accounting from the UMIS at invoice level.

- *Data store module* - the UMIS is developed to handle different types of rules of procedures with different administrative tasks. The system can handle the statistical and reporting functionality.

- *Project level listing (functionality)* - the content of the different statistics can be opened and deepened to detailed project level information.

Procedures for computerised exchange of data with the EC

- According to the Council regulations, all exchanges concerning financial transactions between the Commission and the authorities designated by the Member States shall be made by electronic means in accordance with the implementing rules adopted by the European Commission. For this purpose, the system SFC 2007 will be used.
- By an order, issued by the Minister of Finance, the SFC 2007 Liaison officer and experts that have right to view, update and send data via SFC 2007 were nominated.
- As regards OP "Technical Assistance", the person responsible to exchange data with EC via SFC 2007 is the Head of "OP Technical assistance" Department within Management of EU Funds Directorate.
- At a later stage the Unified Management Information System (UMIS) will be used for the exchange of data between the Commission and the Bulgarian Operational Programmes via interface between the two systems. The interface will be developed by the contractor in charge for the final adaptation and further development of UMIS in accordance with EC requirements and instructions.

6.4. Public procurement, State aid and environment rules

Any public support under this programme must comply with the procedural and substantive State aid rules which are applicable at the point of time when the public support is granted.

All operations financed by OPTA have to be in compliance with the provisions of the Treaty establishing the European Community (EC Treaty) as well as with the EU legislation in the field of economic competition and environment.

- Public procurement

All issues concerning the activities related to granting of public procurement contracts are regulated by the Public Procurement Act (PPA) which came into force on 1st October 2004. With the latest amendments and supplements of the PPA from

the year 2006, the whole normative framework has been harmonised with the European legislation and with the requirements of the EU directives in the field of public procurement. The PPA and the secondary legislation for its enforcement contain provisions that guarantee the principles of publicity and transparency, free and fair competition, equal treatment and non-discrimination.

An independent administrative structure – the Public Procurement Agency – has the responsibility to guarantee the effectiveness of the public procurement system in Bulgaria.

Due to the specificity of the beneficiaries of OPTA (Directorates within the MF) it is foreseen the public procurement activities to be assigned to the Central Finance and Contracts Unit (CFCU). The CFCU Directorate has been designated as per the Internal Organic Rules of the Ministry of Finance as the main body and sole performer of all procedures related to preparation of tender documentation, conduct of ex-ante control, tendering and contracting for public procurement with regard to absorption of funds under EU-supported Programmes.

The Unit has the status of PHARE Implementing Agency and has significant (more than 8 years) experience in carrying out tenders and concluding contracts under Phare programme. Among the main responsibilities CFCU is in charge of:

- preparation of tender documentation of projects in compliance with the legal requirements and the applicable rules of the European Community and the Bulgarian Public Procurement Act.

- performing ex-ante control over tendering and contracting procedures

- conducting public tenders in accordance with the legal requirements and the applicable rules on procurement of the European Community and the national legislation

- preparation and concluding contracts for public procurements in its capacity of authorised assignor of public procurements for the Ministry of Finance

- implementation of principles of transparency, equal treatment and non-discrimination, during the tendering and contracting process and the award procedures.

It is the beneficiary's duty to cooperate with this Directorate in the process of preparing and running of the tenders for project implementation. As stipulates the Council of Ministers Decree 121 / 31.05.07 laying down the provisions for awarding of grants under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, and under the PHARE Programme of the European Union, representatives of the Managing Authority may participate only as observers during the implementation of tendering procedures conducted by Beneficiaries.

- State aid

After the accession of the Republic of Bulgaria to the EU, the provisions of Article 87 and 88 of the Treaty establishing the European Community as well as the regulations in the field of state aid are directly applicable. The European Commission possesses the exclusive authority in relation to the assessment and control of the State aids' compatibility with the common market. The new State

Aids Act (SAA), in force since 1st January 2007, is fully harmonised with the European legislation.

The Minister of Finance is the national body responsible for the monitoring, transparency and coordination of State aid.

The Managing Authority ensures the compliance of operations financed by the OPTA with the procedural and substantive State aid rules which are applicable at the point of time when the public support is granted.

- Environmental impact

The implementation of the OPTA operations will have no direct environmental impact.

7. MONITORING AND EVALUATION

7.1. Monitoring system

Monitoring is a process of examining the progress of interventions and expenditure under the operational programme. In compliance with article 66 the Managing Authority and the Monitoring Committee shall ensure the quality of the implementation of OPTA. The monitoring process will be carried out by reference to indicators specified in the operational programme. It shall cover both physical monitoring related to implementing objectives, priorities and measures set out in the programme, and financial monitoring, which is a function of the programme financial management and that of expenditure incurred in implementing individual priorities and measures. The UMIS will support the Managing Authority with the monitoring of the OP.

The process of collecting monitoring information

The purpose of the monitoring arrangements is to collect the data and information required to measure the indicators established *ex-ante*. Such data collection is one of the attributions of the MA although expert help could be sought if necessary. At the level of the interventions, monitoring means making sure that the necessary records and systems are in place to justify what is reported within application forms and payment claims of projects supported by OPTA. The MA employees are assigned duties related to collecting and processing of the relevant statistical, technical and financial data on project implementation.

The basic building block for gathering monitoring information is the project. The details of what each project is expected to achieve will have been stated at the time of application and captured by the UMIS.

It is the responsibility of the Managing Authority to ensure that all projects are subject to the monitoring regime under their Programme. The MA is also responsible to provide appropriate guidance to beneficiaries to ensure that they understand their monitoring requirements. The beneficiaries also require support to have the proper capacity and systems in place to ensure that comprehensive records are maintained to allow monitoring and evaluation to take place.

Monitoring reports

Articles 29 and 67 of Regulation (EC) No 1083/2006 identify the frequency and content of reports that have to be presented for the monitoring of the structural funds assistance provided to Bulgaria. One of the main functions of the UMIS is to provide the EC with such reports. The MA officers are responsible for UMIS recording and verification of data on every single operation in accordance with their specific duties so as the system be used as a main source of statistical, technical and financial kind of information.

Quarterly Progress Reports (programme level)

Reports produced by the beneficiaries are the building blocks for all reports prepared by the Managing Authority. The beneficiaries' reports are sent to the Managing Authority. They constitute the direct input for the compilation of the reports to be prepared by the Managing Authority (i.e. Annual/Final Report and Quarterly Progress Reports). Quarterly Progress Report summarizes progress of all OPTA priorities implementation within the reported period.

The report includes overview of technical progress: activities carried out and outputs achieved, problems encountered and planned major activities and schedule for the next period. As annexes it includes procurement status and forecast, commitment status and forecast, as well as disbursement status and forecast.

Project Monitoring Reports (project level)

The findings made for the implementation of a particular project and the results of the monitoring visits are recorded in Project Monitoring Reports by the monitoring experts in the MA. These reports provide that the actual achievement on project level (output indicators) is compared against the objectives set in the application. Based on output data, respective conclusions on project progress and the achievement of project objectives by the end of project implementation, the information is compiled in the Quarterly Progress Reports at programme level, which are later summarized in the Annual Report drawn to the attention of the Monitoring Committee. In addition, this document may be used as detailed source of information to brief national and EU institutions and independent evaluators on the state of play and the performance measurement of the project concerned.

Reports from beneficiaries (project level)

The beneficiary reporting requirements are set in a document stipulating the rights and liabilities of the Managing Authority and the beneficiaries of OPTA. The technical and financial reporting requirements are set according to the specific nature of the programme operation. The reports describe progress made against the quantified targets set, and also provide a qualitative assessment of the development made. In general there are quarterly reports, interim reports and final reports to be produced by the beneficiary.

Annual and Final Implementation Reports

Annual and Final Implementation Reports are fundamental tools for measuring the advancement of OPTA. They serve as a basis for communication between the Managing Authority and the European Commission. They are also important documents when it comes to the annual review of the programme between the EU and the Member State.

In addition the reports allow the Monitoring Committee to have a comprehensive view of the achievements and shortcomings of the programme implementation in order to decide major adjustments to its priorities, measures or instruments.

The Annual Implementation Report (AIR) of Operational Programme Technical Assistance (for the first time in 2008) should be prepared by the Managing Authority of OPTA and approved by OPTA Monitoring Committee in accordance with the Rules of Procedure. After approval the AIR should be submitted to the European Commission. The deadline for submission is 30th June of the year following that of the report.

Main results information required in the OP implementation reports is as follows:

- the progress made in implementing the OP and priorities in relation to their specific, verifiable targets, with a quantification, wherever and whenever they lend themselves to quantification, using the indicators referred to in Article 36 (1)(c) at the level of the priority axis;
- the financial implementation of the operational programme, detailing for each priority axis;

- the steps taken by the Managing Authority or the Monitoring Committee to ensure the quality and effectiveness of implementation;
- the measures taken to provide information on and publicise the operational programme;
- the use made of assistance released following cancellation as referred in Article 98(2) to the Managing Authority or to another public authority during the period of implementation of the operational programme
- a statement by the Managing Authority that, in so far as they are aware, community law has been complied with in the implementation of the operational programmes. Where problems have been encountered, the Managing Authority should qualify the statement and identify these problems and the measures taken to deal with them;

A main benefit of monitoring projects on a regular basis is the collation of significant information in connection with the projects being undertaken within the OP as a result of receiving financial assistance. This information will be valuable when assessing and compiling an evaluation of the Programme.

7.2. Evaluation

Evaluation of operational programmes is an activity inseparable from the overall OP management and implementation arrangements, as a tool for assessing the relevance, efficiency, effectiveness of the financial assistance deployed, as well as the impact and sustainability of the results achieved.

The requirement to conduct systematic evaluation activities of the operational programmes and the general rules for those activities are determined in the Council Regulation (EC) No 1083/2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (Articles 36, 45 – 47).

Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from the ERDF and the implementation of the operational programme with respect to the specific objectives set out in it.

Evaluations shall be carried out before, during and after the programming period. Evaluations shall be carried out under the responsibility of the Managing Authority as well as the Commission, as appropriate, in accordance with the principle of proportionality laid down in Art. 13 of the Council Regulation (EC) 1083/2006.

Evaluations shall be carried out by experts or bodies, internal or external, functionally independent of the Managing Authority. The results shall be published according to the applicable rules on access to documents. The MA will provide the resources necessary for carrying out evaluations, organise the production and gathering of the necessary data and use the various types of information provided by the monitoring system.

- **Ex-ante evaluation**

The ex-ante evaluation of OPTA has been done in pursuance of Art. 48 of the Council Regulation №1083/2006. The purpose of the ex-ante evaluation is to optimise the allocation of the resources and improve the quality of the programme. It identifies and assesses the mid and long term needs, the goals to be achieved, the expected results, the quantifiable outputs, the compliance of the strategy with

the priorities of the EU and the quality of the procedures for implementation, monitoring, evaluation and financial management.

All recommendations of the ex-ante evaluation team regarding the improvement of the operational programme and its future implementation have been taken into consideration.

The summary on the OPTA ex-ante evaluation report has been provided in the attached Annex 4.

- **On-going evaluation**

According to the principles of subsidiarity and proportionality (Art. 13 of Regulation No 1083/2006) the member states are responsible for the monitoring of the OPs, the on-going evaluations and for taking corrective actions should any problems arise. In compliance with these principles the OPTA MA shall organise the on-going evaluations of the programme. The MA shall prepare and submit to the MC the evaluation plan of OPTA.

The evaluation plan sets the general framework for the on-going evaluations and ensures the effective use of integrated management methods during the implementation. The plan will be elaborated in compliance with the indicative guidelines of the Commission on the on-going evaluation methods (working paper No 5). The evaluation plan will consist of two parts:

- Coordination – explaining the overall arrangements for the process of on-going evaluation, such as links with the monitoring system, criteria for defining evaluation topic, resources allocated, publication and use of reports, training programmes for evaluation capacity building within the MA, etc;

- Evaluation activities and reports specifying: the indicative list of evaluations to be carried out, their scope, main questions to be considered, use of each evaluation, indicative time-table, financial resources planned for each evaluation and the management structure for the process, including the establishment of a steering group responsible for the evaluation activities, if appropriate.

The on-going evaluations will be carried out during the period of programme implementation. The on-going evaluation will be mainly two types:

The mid-term evaluation – will be carried out April– September 2010.

The mid-term evaluation will assess the progress in the implementation of OPTA in the middle of the programming period. It will analyse the achievement of the intermediate target values for the indicators, thus measuring the quality and attainment of the objectives of the Programme. As a result the MA and the MC will be provided with adequate information and recommendations for the necessary corrective actions for improvement of the implementation.

The interim/thematic evaluations will be carried out according to the evaluation plan or following a decision of the MA or a proposal of the MC.

The interim evaluations will be carried out if the monitoring reveals a significant departure from the goals initially set or where proposals are made for revision of the Programme. They can also address implementation or management issues of an individual Priority Axis or Intervention Measure, or can be thematic.

According to Art. 48(3) of Regulation (EC) 1083/2006 and the above-mentioned arrangements, there are two specific cases in which an evaluation will be launched, namely:

- where the monitoring system reveals a significant departure from the goals initially set.

In this case, financial and physical data are going to be examined in order to see if the operational programme objectives will be met. For the purposes of the OP Technical Assistance "significant departure" could be defined as a deviation in a range of 10% to 20% from the initially set goals, which could be considered as a prerequisite for undertaking an evaluation. This could be used as an "early warning call" for identification of problems-to-arise and reasons for them and thus facilitating the undertaking of corrective measures.

- when revisions to the operational programme are proposed.

A revision of the OP should be preceded by an evaluation. The Regulation (Art. 33) stipulates that OP could be re-examined in certain cases, namely significant socio-economic changes in the programme environment, major changes in Community, national or regional priorities, implementation difficulties, affecting the OP.

The on-going evaluations of OPTA will be carried out as outside services (hiring external organization(s) under the rules of the Public Procurement Act). The results from the evaluations will be included in the annual reports for the implementation of OPTA which have to be approved by the MC and then sent to the EC.

The evaluation results and recommendations are submitted and discussed at the meetings of the OPTA Monitoring Committee, thus being a fundamental tool for decision-making. The Managing Authority elaborates an action plan to implement the recommendations from the evaluations carried out and regularly monitors its progress. The Managing Authority shall also publish the summary of the approved evaluation reports including the conclusions and recommendations on its unified website in compliance with the transparency requirements.

Without violating the relevant provisions of the acquis or the national law, the implementation system described in this chapter may be modified if this will lead to more effective implementation of the OP.

- Ex-post Evaluation

In pursuance of Art. 49 (3) of the Council Regulation №1083/2006, the EC shall carry out ex-post evaluation in cooperation with the Member State and the OPTA MA which shall provide for the gathering of the necessary data. The ex-post evaluation shall take into account all evaluation activities performed during the programming period. It shall examine the extent to which resources were used, the effectiveness of funds programming, the social and economic impact and the Community priorities` impact. It is aimed at drawing conclusions about the economic, social and territorial cohesion. It shall identify the factors contributing to the success or failure of the implementation of the operational programme, including in terms of sustainability and recognition of good practices.

8. INFORMATION AND PUBLICITY REQUIREMENTS

Art 69 of Council Regulation 1083/2006 requires that the member states provide information on and give publicity to EU co-financed programmes and operations. The CCU for the NSRF and the MAs for the OPs are responsible for the publicity in accordance with the implementing rules of this regulation adopted by the Commission. The beneficiaries will be informed by the MA in accordance with art. 5 and 6 of Commission Regulation (EC) No 1828/2006.

Due to the specificity of OPTA which aims to increase the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria the whole Priority Axis 3, Intervention measure 1 is being specially designed and consisting of publicity and information measures and actions. Besides this, the Unified Gateway, financed under PA 3, Intervention measure 2 would be giving access to general and specialised information about the management of the Structural Funds and the Cohesion Fund of the European Union in Bulgaria. The dissemination of materials and information and provision of the broad access to it is further guaranteed by the 28-info points, subject to Intervention measure 3 of Priority Axis 3.

The OPTA Communication plan (CP) will be jointly developed by MA and PRP Directorate at the MF and will contain the following obligatory elements: a strategy, the definition of target groups, the planning of information and communication measures, an indicative budget and actions to assess the communication plan. It will be implemented using all forms of mass communications on the relevant level – communication campaigns, printed or electronic publications, etc. Each of the planned activities will contain the mandatory technical features, set out in the Commission Regulation (EC) No 1828/2006.

MA and Public Relations and Protocol Directorate of the Ministry of Finance will also be jointly responsible for the Annual working plans for implementation of the CP and the communication campaigns and actions.

The OPTA MA, CCU and the Central Information Office will jointly negotiate the Communication Plan with the European Commission and will perform the following:

- managing the CP;
- preparing reports for implementation of the information and publicity measures.

The Communication Plan shall be submitted to the Commission within four months of the date of adoption of the OPTA.

The MA shall inform the OP Monitoring Committee of the following:

- the communication plan and progress in its implementation;
- information and publicity measures carried out;
- examples of the products or information tools used;
- the means of communication used.

The annual reports and the final report on implementation referred to in Article 67 of Regulation (EC) No 1083/2006 of an operational programme shall include the following:

- examples of information and publicity measures for the operational programme taken in implementing the Communication Plan;
- the arrangements for the information and publicity measures including where applicable, the electronic address at which those data may be found;
- the content of major amendments to the Communication Plan.

The annual implementation report for the year 2010 and the final implementation report shall contain a chapter evaluating the results of the information and publicity measures in terms of transparency, awareness of operational programmes and of the role played by the Community.

9. COMPLIANCE OF THE EUROPEAN COMMUNITY AND NATIONAL POLICIES

Cohesion policy

Cohesion policy was enshrined in the Treaties with the adoption of the Single European Act (1986). It is built on the assumption that redistribution between richer and poorer regions in Europe is needed in order to balance out the effects of further economic integration.

On 14 July 2004, the European Commission adopted the acquis on cohesion policy reform. With this new Cohesion policy the resources have been grouped into three new priority axes objectives for structural actions:

- Convergence

The key aim of the renewed cohesion policy under the "Convergence" objective will be to promote growth-enhancing conditions and factors leading to real convergence within the Union. It covers Member States and regions whose per capita gross domestic product (GDP) measured in purchasing power parities is less than 75% of the Community average (EU-25). The whole territory of Bulgaria is under this objective.

- Regional competitiveness and employment

The "Regional competitiveness and employment" objective will support regions and regional authorities to anticipate and promote economic change in industrial, urban and rural areas by strengthening their competitiveness and attractiveness, taking into account existing economic, social and territorial disparities.

Through programmes financed by the European Social Fund, it is also aimed at helping people to anticipate and to adapt to economic change by supporting policies aimed at full employment, quality and productivity at work and social inclusion.

- European territorial cooperation

This is a new objective proposed by the Commission, building on the experience of the Interreg initiative (interregional cooperation). It is aimed at furthering the balanced integration of the EU's territory by supporting cooperation between regions across land or sea frontiers. It will include actions to promote integrated territorial development and support for interregional cooperation and the exchange of experiences.

Lisbon Strategy

The aim of the Lisbon Strategy is to make the EU the most dynamic and competitive economy of knowledge in the world, able to achieve sustainable economic growth, offering more and better jobs, characterized with higher degree of social cohesion and environmental care. The revised Lisbon Strategy from 2005 encourages also better legislation, policy making and implementation aiming to create economic growth and more and better jobs. This comprises measures such as simplification, well shaped legislation and efforts to reduce the burden of administrative costs aiming at efficient public administration.

European Regional Development Fund (ERDF)

The role of the ERDF is to promote investment and correct the main regional imbalances of the European Union. Priority financing is aimed at research, innovation, environmental questions and risk prevention, whilst infrastructural investment continues to play an important role, notably in the least developed areas.

National Strategic Reference Framework, 2007-2013 (NSRF)

The NSRF provides a description of Bulgaria's developing strategy and the major development policy objectives, which will receive support under the Structural funds for the period 2007-2013. The document is based on a social economic analysis and key aspects of national strategies adopted and implemented in Bulgaria.

The long term vision of the NSRF is by 2015 Bulgaria to become a dynamic, competitive and accessible EU country with high quality of life, incomes and social awareness. The long term vision for Bulgaria combines two specific medium-term goals for the duration of the 2007-2013 programming period. These have been developed, based on the EU priorities:

- Strengthen the competitiveness of the economy to achieve high and sustainable growth;

- Develop human capital to ensure higher employment, income and social integration.

In accordance with the Council Regulation №1083/2006, laying down general provisions on the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), the European Commission and the EU Member States will guarantee that the support under the Funds will be in compliance with the activities, policies and priorities of the Community. Further on, both the assistance from the structural instruments and the Member States has to be consistent with the activities, policies and priorities of the Community. The operations financed by the funds shall fully comply with the provisions of the Treaty and of Acts adopted under them. The OPTA will be implemented by strictly observing the Community and National Policies especially the regulations regarding the public procurement legislative framework.

As of 1 January 2007 Bulgaria has become a full member of the EU and has to enforce the EU Policies and to accomplish the Community's Strategic Objectives specified in the relevant documents. Hence, OPTA has been developed in full compliance with the European and National Policies for improvement of the institutional and administrative capacity. It is an instrument for the realisation of the goals of:

- The updated Lisbon Strategy;
- The Integrated Guidelines for Growth and Jobs, 2005 – 2008;
- Community Strategic Guidelines on Cohesion, 2007 – 2013;
- The National Strategic Reference Framework, 2007 – 2013;
- The National Reform Programme, 2006 – 2009;

In line with the Community Strategic Guidelines on Cohesion, strengthening of the administrative and institutional capacity and good governance are defined as a priority for the new programming period. Through technical assistance, the Funds

will reinforce the management capacity of Member States and managing authorities in implementing the regulations. Furthermore, the term smart administration is designed to signify the effectiveness of public administrations and public services; hence it is a fundamental requirement for economic growth and jobs. Thus in accordance with the revised Lisbon Strategy which calls for better legislation, policy design and delivery to create the conditions for economic growth and job creation, the Funds will support investment in the human capital and related ICT facilities of administrative and public services at all territorial levels.

In line with the principle of concentration, OPTA has been developed after the coordination, management, control, implementation and evaluation of the SCFs have been identified as a policy area of great importance in the public sector requiring substantial support for administrative capacity.

OPTA will contribute to the successful implementation of the NSRF by providing the necessary logistical and material support to the administrative bodies in charge of the coordination, control and implementation of the structural instruments. It has been set up to ensure coordination and implementation of the cohesion policy, the necessary reliable management as well as the introduction of a Unified Management Information System for all OPs, the supply of appropriate communication to the general public about the EU interventions and last but not least, to raise the quality of the financial control and audit systems. The OPTA will support the work of the Central Coordination Unit, the Certifying Authority and the Audit Authority. As users of the UMIS, all Managing Authorities shall benefit from this OP.

Application of the Horizontal principles

The Managing Authority of OPTA will impose and request at all stages of the OPTA administration and implementation the strict application of the guiding horizontal principles of support from the Structural Funds listed below:

1. Gender equality and prevention of discrimination

The application of the principle of gender equality and prevention of discrimination on the basis of gender, race, ethnical origin, religion or beliefs, injuries, age or sexual orientation is a compulsory and an integral part of all policies and practices supported by the Structural Funds. The priorities and the activities of OPTA are observing the principle of gender equality and lack of discrimination. An important task of the Managing Authority is to ensure its observance during all phases of the OPTA implementation through dissemination and promotion of existing best practices as well as the forms and ways of implementing the principle of gender equality and prevention of discrimination when developing project proposals;

The Managing Authority will make sure that all operations co-financed by the Structural Funds are in compliance with and contribute to the equal opportunities policy and legislation of the Community. The equal opportunities principle will also be guaranteed at meetings of the Monitoring Committee.

2. Innovations

The application of the innovation principle means development of new approaches and exchange of best practices when enforcing the different policies. The

realisation of the principle for innovations encouragement will be done through the use of appropriate tools and procedures:

- The use of the positive experience of other EU Member States;
- Funding of analysis, studies and evaluation of the effectiveness of actions;
- Dissemination and popularising of the existing best practices as the forms and the ways for the application of the innovation principle in project development;
- Reporting and impact assessment through performance indicators, specified for the respective operation / project;

3. Partnership

As a basic element of the good governance, the Managing Authority of every OP stimulates the appropriate participation of social partners in actions supported by OP. The EU requires the provision of adequate participation and access of the social partners and NGOs to activities supported under OP, as well as support for specific activities for strengthening the capacity of the social partners and the execution of joint initiatives. The application of the principle of partnership is an important component of all policies and practices supported by the Structural Funds. The basic objective of this principle is to guarantee to a sufficient degree the access and participation of socio-economic partners and other parties concerned in the processes of programming, monitoring and evaluation of the ERDF support.

In relation to this, it is also of great importance to ensure wide public awareness about the possibilities of application of the indicated principles by all parties concerned.

4. Sustainable development

The concept of sustainable development is the basis for the Economic Policy of the Community and represents a comprehensive long-term objective laid down in the Sustainable Development Strategy from Göteborg. It is directed towards continuous improvement of the quality of life for the present and future generations through the creation of stable communities, capable to effectively manage and use resources and to benefit to the maximum from the potential of the economy in relation to the environment and the social innovations, providing for prosperity, environmental protection and social cohesion. The Lisbon Strategy is closely related to the EU Objectives for Sustainable Development. In the context of the EU Sustainable Development Strategy, OPTA sets the goal to contribute to the economic prosperity by encouraging the sustainable development in Bulgaria through better absorption rate of the SCFs, raising efficiency, promoting transparency and accountability in its activities.

10. COORDINATION WITH THE OPERATIONAL PROGRAMMES

Capacity availability is one of the main prerequisites for effective absorption of the EU Funds. That is why each operational programme includes a **"Technical assistance" priority.** It will assist the realisation of activities for improving the knowledge and skills of the respective Managing Authorities, their Intermediate Bodies (if any) and the beneficiaries of the programmes.

The decision for the elaboration of OPTA was taken later when the other operational programmes were at quite an advanced development stage. This made possible not only to use the experience of the other working groups but also to avoid overlapping with the scope of the other OPs. The coordination with respect to complementarity and coherence between the different operational programmes has been ensured through the participation of representatives of all stakeholders in the working group for the elaboration of the programme. Due to its specific coverage, OPTA does not overlap with the other operational programmes. It supplements their Technical Assistance priority axes. The working group which was nominated to elaborate OPTA and the representatives of the other six MAs created a table (Annex1) which shows that any overlapping has been avoided.

The objectives, priority axes and key areas of intervention have been coordinated with the Technical Assistance objectives and priorities of the other six operational programmes in order to ensure that any duplication has been avoided. Each operational programme Managing Authority is responsible only for the activities related to its own programme. The Technical Assistance priority axis within each of the other six operational programmes will provide specific assistance to project preparation, monitoring, evaluation and control, as well as to the communication activities ensuring appropriate publicity for the respective operational programme.

With regard to the aim of strengthening the capacity of the local authorities, coordination with the other MAs will be ensured in order to avoid duplication of activities and to make the trainings provided useful to the highest extent.

The CCU shall collect information from the OPs' Managing Authorities on the specific types of training they will provide to their beneficiaries, as well as on their general training needs and in close collaboration and cooperation with the MAs of the OPs and the National Association of Municipalities in the Republic of Bulgaria, CCU will elaborate Annual training plans by the end of January each year for providing specific thematic trainings to the above-mentioned authorities.

The CCU shall also organise and coordinate capacity building measures of horizontal nature for all structures at central and local level related to the implementation of the OPs.

Organising and coordinating trainings and seminars aiming at strengthening the knowledge and practical experience of the Managing Authorities and Intermediate Bodies falls also within the scope of OPTA.

Demarcation with OP "Administrative Capacity"

Priority Axis "Technical assistance" will support and facilitate the OP "Administrative Capacity" MA in the process of programming, management, control,

beneficiaries and projects selection, monitoring, evaluation and publicity of the operational programme:

- Under this priority axis the capacity of the potential beneficiaries to apply and implement the projects under OPAC will be improved.
- Promotion of the programme among the general public and the media will ensure awareness of its goals and the results from its implementation.
- Using good practices and exchange of experience with other EU member states for working with the ESF will contribute to the effective management and implementation of OPAC.

4 % of the total budget of the OP "Administrative Capacity" has been devoted to the TA priority axis.

Demarcation with OP "Human Resources"

Priority Axis "Technical assistance" aims to ensure continuous strengthening of the administrative capacity of the staff from the units responsible for the HRD OP management and the supporting physical and technical arrangements for carrying out their tasks and duties.

- The financial resources of the Technical Assistance will support the process of on-going evaluation of the operational programme, as well as the ex-ante evaluation and the elaboration of the programming document for the next programming period.
- Specialised research and studies needed for programming and re-programming purposes are also envisaged as well as studies related to the evaluation of the effective and efficient utilization of the ESF financial resources and to the assessment of the impact of the OP HRD supported measures on the human resources development in Bulgaria.
- The area of intervention will also focus on building the administrative capacity of the staff in MA and IBs through trainings, study visits in Member States, etc.
- Cost will be covered for participation in meetings/ sessions of the different committees, working groups, networks, etc. related to the activities for management and implementation of the operational programme.

4 % of the total budget of the OP "Human Resources" has been devoted to the TA priority axis.

Demarcation with OP "Competitiveness"

Priority Axis "Technical assistance" will provide support for the management, implementation, monitoring and control of OP "Competitiveness" activities as well as backing for the work of the OP Monitoring Committee including support for the research and studies necessary for the implementation and evaluation of the OP

and for the information and publicity measures ensuring the transparency of the OP's activities.

The activities under the present priority will cover two areas of interventions:

- Support for the management, implementation, monitoring and evaluation of the operational programme - preparation, selection, appraisal and monitoring of the assistance and of operations; meetings of the Monitoring Committee; audits and on-the-spot checks of operations.
- Other activities for the implementation of the OP - provision of external expertise to develop technical, operational, methodological, institutional and procedural capacity at all levels of OP implementation; training of staff of all organizations involved in all stages – programming, planning, management, monitoring, control and implementation of the OP; preparation of research for the needs of the OP; assistance to evaluation of projects – expertise, studies, evaluation, formation of pool of experts; information campaigns and promotion activities

Approximately 3 % of the total budget of the OP "Competitiveness" has been devoted to the TA priority axis.

Demarcation with OP "Regional Development"

Priority Axis "Technical assistance" will support OPRD Managing Authority and its regional departments to effectively perform their programming, management, implementation, monitoring, control and evaluation activities. It will assist the MA in providing information and public awareness about the funding opportunities under the programme. It will also strengthen the OPRD beneficiaries' capacity for successful participation in OPRD implementation and absorption of SF financial resources.

The following kinds of operations will be supported under this priority axis:

- Programming, Management, Monitoring, Evaluation and Control - provision of technical support, consultancy, studies, analyses, surveys, etc. necessary for the proper management, implementation, monitoring, evaluation and control of OPRD operations; support for the project evaluation and selection process; training of MA staff and its regional departments; evaluation of OPRD implementation; OPRD MA organisation, running costs and training; support to preparation of documents for the next programming period.
- Communication, Information and Publicity - different types of actions to inform the public; distribution of OPRD related documentation (rules, procedures, guidelines, methodologies, etc.), awareness campaigns, analyses, publications, questionnaires, studies, workshops to stimulate citizens' support and responsibility for proposed investments.
- Training of staff of all organizations involved at all territorial levels and at all stages – programming, management, monitoring, control and implementation

of OPRD, project generation and project pipeline development, awareness raising, strengthening the capacity of the potential beneficiaries, dissemination of information, knowledge and skills throughout the country. Elaboration and implementation of training programmes specifically designed for and related to facilitating the implementation of OPRD operations, like: capacity building in elaboration and implementation of integrated urban regeneration plans/strategies, in using the JESSICA instrument in relation to OPRD, in implementing energy efficiency measures and using the potential of the renewable energy sources, in preparation of preliminary studies, feasibility studies, assessment of demand and feasibility, social-economic and financial appraisal; in environmental issues concerning OPRD projects as Environmental Impact Assessment, partnership building activities aiming at the improvement and facilitation of cooperation among smaller municipalities in project preparation and implementation

- Capacity building of OPRD beneficiaries – consultancy assistance for identifying project ideas and elaboration of OPRD relevant proposals, development and maintenance of a pipeline of "ready-for-funding" projects

Approximately 3.38 % of the total budget of the OP "Regional Development" has been devoted to the TA priority axis.

Demarcation with OP "Transport"

The Priority Axis "Technical Assistance" aims to back up the implementation of the other Priority Axes and operations (horizontal activities and studies) specified in SOPT; it is connected to the strategic need of strengthening the instruments for improvement of the effectiveness and efficiency of the SOPT.

Basic measures, that will be financed under this Priority Axis :

- Preparation of General Transport Master Plan - investment programmes and guidelines for long-term project identification;
- Preparation of Strategic Business Development Plan for the Development of the Railway Transport - service strategy on a number of core market segments (for both passenger and freight transport);
- Preparation, Evaluation, Monitoring and Control of SOPT - support to the SOPT MA in implementing common activities related to the provisions and prescriptions of the EU Regulations (analyses, ex-ante and on-going evaluations, implementation of monitoring control systems, etc).
- Strengthening the administrative capacity - focused on the strengthening of the institutional capacity of the Ministry of Transport and its regional structures (beneficiaries of the programme).
- Information and Publicity – information, communication and publicity activities of the SOPT;

- Preparation of General Plan for Monitoring of the Environment and its implementation - ensuring ecological monitoring of the environment on the implementation of SOPT for the avoidance and mitigation of the impacts on the environment.
- Administrative management of SOPT - providing the necessary technical conditions for administration of SOPT (translation, equipment, etc), as well as providing motivational scheme for the employees of the Managing Authority and the beneficiaries of SOPT, for working extraordinary, accommodation and travel expenses for the employees participating in the programming, monitoring, control and management of activities, financed by SOPT.

4 % of the total budget of the OP "Transport" has been devoted to the TA priority axis.

Demarcation with OP "Environment"

The Priority Axis "Technical Assistance" will provide support for the programme management, implementation, monitoring, control, and evaluation as well as for publicity measures, programme promotion and exchange of experience. This priority will support the realization of the activities, as well as all studies, considered by the Managing Authority as necessary for the successful programme and priorities implementation. This priority axis will also support the strengthening of the existing capacity of the structures involved in the general management system of the OP and the municipalities as main beneficiaries.

The following indicative types of activities are envisaged for funding under this priority axis:

- Activities will aim at providing the necessary support for the OP implementation.
- Preparing, organizing and carrying out trainings for strengthening the capacity of the Managing Authority, Intermediate Body, Internal Audit Directorate, Monitoring Committee (and its sub-committees) and Project Selection and Coordination Committee within the OP;
- Implementing studies, experts' reports, statistics, tests and evaluations, including those of a general nature, concerning the operation of the OP, as well as providing external expertise for improvement of the OP implementation system and for preparation of the programming documents for the next programming period.
- Preparation, organization and implementation of the OP communication plan, including the envisaged OP publicity, information and dissemination measures;

- Preparation, translation and dissemination of the official programming documents related to OP overall management and implementation to potential beneficiaries and/or the public;

Approximately 2.7 % of the total budget of the OP "Environment" has been devoted to the TA priority axis.

The table provided in Annex 1 below demonstrates the demarcation line between the activities envisaged within the Technical Assistance Priority Axis of each OP and the OP "Technical Assistance".

ANNEX 1 Technical Assistance Coordination Table

OP Technical Assistance	**OP Environment** **Technical Assistance Priority axis**	**OP Transport** **Technical Assistance Priority axis**	**OP Administrative Capacity** **Technical Assistance Priority axis**	**OP Human Resources Development** **Technical Assistance Priority axis**	**OP Regional Development** **Technical Assistance Priority axis**	**OP Competitiveness** **Technical Assistance Priority axis**
1. Support to the implementation of the activities, performed by CCU, CO, AA, OPTA MA, NSRF MC and OPTA MC; Support for SF implementing structures 1.1. TA for the CCU and NSRF MC 1.2. TA for the CA 1.3. TA for the AA 1.4. Ensuring Support for the OPTA implementation 1.5. Support for SF implementing structures 2. Further development and support to the functioning of the UMIS 2.1. Overall support to the UMIS launching, implementation 2.2. Continuous support and training	1 Activities aiming at providing the necessary support for the OPE implementation: • Assessment of submitted projects and their selection; • Organization and holding the meetings of the OPE MC; • Collecting and analyzing data for the OPE implementation and monitoring; • Financing of the human resources, involved in the implementation of OPE • Carrying out OP audits and controls • Review/upgrade and/or maintenance of the overall information system and providing the necessary equipment	1. Preparation of General Transport Master Plan 2. Preparation of Strategic Business Development Plan for the development of the Railway Transport 3. Preparation, Evaluation, Monitoring and Control of SOPT 4. Strengthening the administrative capacity related to SOPT implementation 5. Information and Publicity of SOPT 6. Elaboration of General plan for monitoring of the environment and its implementation 7. Administrative management of SOPT • Provision of motivational scheme for the employees of the MA of SOPT;	1. Management and implementation of the OPAC • Development and actualisation of procedures and documents for OPAC management • OPAC management activities • Strengthening the capacity of the OPAC beneficiaries • Audit – training the internal auditors of the MSAAR to conduct audit of the OPAC implementation 2. Promotion of OPAC –increasing the public awareness of OPAC and ensuring transparency and openness in its implementation 3. Transnational and interregional cooperation	1. Support for HRD OP management - Strengthening the administrative capacity related to OP HRD implementation 2. Assistance for Information and promotion of HRD OP - information and promotion tools suitably adapted to the needs of the HRD OP recipients and potential beneficiaries 3. Strengthening the capacity of potential HRD OP beneficiaries- providing potential beneficiaries with maximum amount of information and skills on how to apply for assistance, on project development, implementation and reporting by holding specific trainings and seminars.	1. Programming, Management, Monitoring, Evaluation and Control: • technical support necessary for OPRD implementation, project evaluation and selection process; • financing OPRD implementation; • training of the OPRD MA staff, stimulating the OPRD MA structures; • provision and maintenance of SW, HW and office equipment for the OPRD implementation; • evaluation of OPRD implementation; • financial control and audit; • OPRD MC running costs and training; • preparation of documents for the	1. Support for the management, implementation, monitoring and evaluation of the operational programme - preparation, selection, appraisal, monitoring and control of the assistance and operations - meetings of the Monitoring Committee. - audits of the operations - provision of services relating to the preparation and implementation of an operation provided by a public authority which is itself the beneficiary 2. Other activities for the implementation of the OP - programme

for the users of UMIS 2.3. Establishment of Help Desk for UMIS 2.4. Hardware supply for the UMIS needs 3. Promotion of the European Cohesion Policy in Bulgaria and Ensuring the Provision of General and Statistical Information 3.1. Supporting public information campaigns 3.2. Ensuring statistics, data and impact analyses 3.3. Functioning of a national network of 28 district Info Points on the Cohesion Policy in Bulgaria	for the OPE implementation; • Strengthening the administrative capacity related to OPE implementation • Implementing studies, statistics, reports, evaluation, etc • Implementation of future projects under the OPE 2 Providing support for publicity and promotion of the OPE • Preparation, organization and implementation of the OPE communication plan • Preparation and dissemination of documents related to OPE implementation 3 Development of future projects for subsequent financing within priority 4 of OPE.	• Securing the SOPT management and implementation activities - audits and on-the-spot checks, trainings, etc; • Providing equipment, necessary for the management and implementation of the SOPT;			next programming period 2 Communication, Information and Publicity measures promotion of OPRD 3 Capacity Building of OPRD Beneficiaries	management – provision of external expertise to develop technical, operational, methodological, institutional and procedural capacity at all levels of OP implementation. - training of staff of all organizations involved at all stages of implementation of OP; - preparation of researches for the needs of the OP; - assistance to evaluation of projects – expertise, studies, evaluation, formation of pool of experts; - information campaigns and promotion activities

ANNEX 2 OPTA Monitoring Committee

The OPTA MC is composed in accordance with the provisions of Council of Ministers Decree № 182/21.07.2006. With an order issued by the Minister of Finance members of the Monitoring Committee and their deputies are nominated. The deputies may participate in the meetings as observers. They shall exercise their voting right only in the cases of the absence of the nominated member.

The Bulgarian public authorities recognise that the partnership principle is a necessary element in the process of programming and implementation of the NSRF and OPs. For the purpose of the Monitoring Committees and for securing the effective observance of the partnership principle, the following three groups of partners can be distinguished: employers organisation and unions (including industrial and trade chambers, business and entrepreneurship associations), trade unions and other working alliances, civil society (including the nongovernmental sector (NGOs), academic communities, consumer associations, ecological and other thematic organisations).

The OPTA MC consists of a chairman, members and observers.

The Chairman of OPTA MC is the Deputy Minister of Finance. The OPTA MC members with full voting rights are:

1. at central level:

- the Director of the Central Coordination Unit;
- the Counsellor to the Minister of Finance on media policy;
- the Head of the Managing Authority of OP “Technical Assistance”;
- the Heads of the Managing Authorities of the other six OPs;
- the Heads of the Managing Authorities for the Programme for development of the rural areas and the National Strategic Plan for development of fisheries;
- the executive director of the Agency for Economic Analysis and Forecasts;
- a representative of the Certifying Authority within the Ministry of Finance;
- representatives from “Economic and social policy” Directorate, “Strategic planning and management” Directorate, “Coordination of EU matters and international financial institutions” Directorate within the Council of Ministers;
- representatives of state agencies, state commissions and other institutions, relevant to the priorities of OPTA;

2. At regional and local level:

- one representative of the National Association of the Municipalities in the Republic of Bulgaria;
- one representative from each of the Regional Development Council at the NUTS II level regions;

3. Of the social – economic partners: one representative from each of the nationally presented organisations of employers, workers and employees, acknowledged by the Council of Ministers based on the Labour Code.

The Head of the Audit Authority participates as an observer in the OPTA Monitoring Committee

According to Art. 65 of the EC Regulation No 1083/2006, the Monitoring Committee observes the effectiveness and quality of the implementation of the operational programme, and:

- considers and approves the general criteria for selecting the operations
- periodically reviews the progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the MA;
- examines the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Art. 48(3) of EC Regulation No 1083/2006;
- considers and approves the annual and final reports on implementation referred to in Art. 67 of EC Regulation No 1083/2006;
- is informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- may propose to the MA any revision for reallocation of the ERDF funding within the priority axis framework of the operational programme likely to make possible the attainment objectives or improvement of the management, including the financial management;
- considers and approves any proposal to amend the content of the Commission decision on the contribution from the ERDF.

Within the framework of its competences, the Monitoring Committee may decide on reallocating the budget from the ERDF between the different sub-priorities. In these cases, this will be implemented under the same conditions for the national co-financing part. Every change in the ERDF share and reallocation of resources among the different priority axes within and among the operational programmes is a matter that should be decided by the European Commission with and upon negotiation with the MA.

The Managing Authority regularly informs the Monitoring Committee on the implementation progress of the decision taken from previous Monitoring Committee meetings.

Rules for procedure of the OPTA Monitoring Committee

The OPTA MC shall adopt its own Internal Rules of Procedure and Code of Conduct.

As a general rule the decisions of the Monitoring Committee shall be made by consensus. The Internal Rules need to provide also a procedure for voting with majority with the purpose of making the necessary decisions for implementation of the programme.

The Monitoring Committee shall meet at least twice per year, normally in the spring and in the autumn unless urgent matters need to be discussed. The spring meeting shall normally examine the progress throughout the previous year and the approval of the report on implementation. The autumn meeting shall examine the progress until June 30th of the current year. In case circumstances demand a decision to be

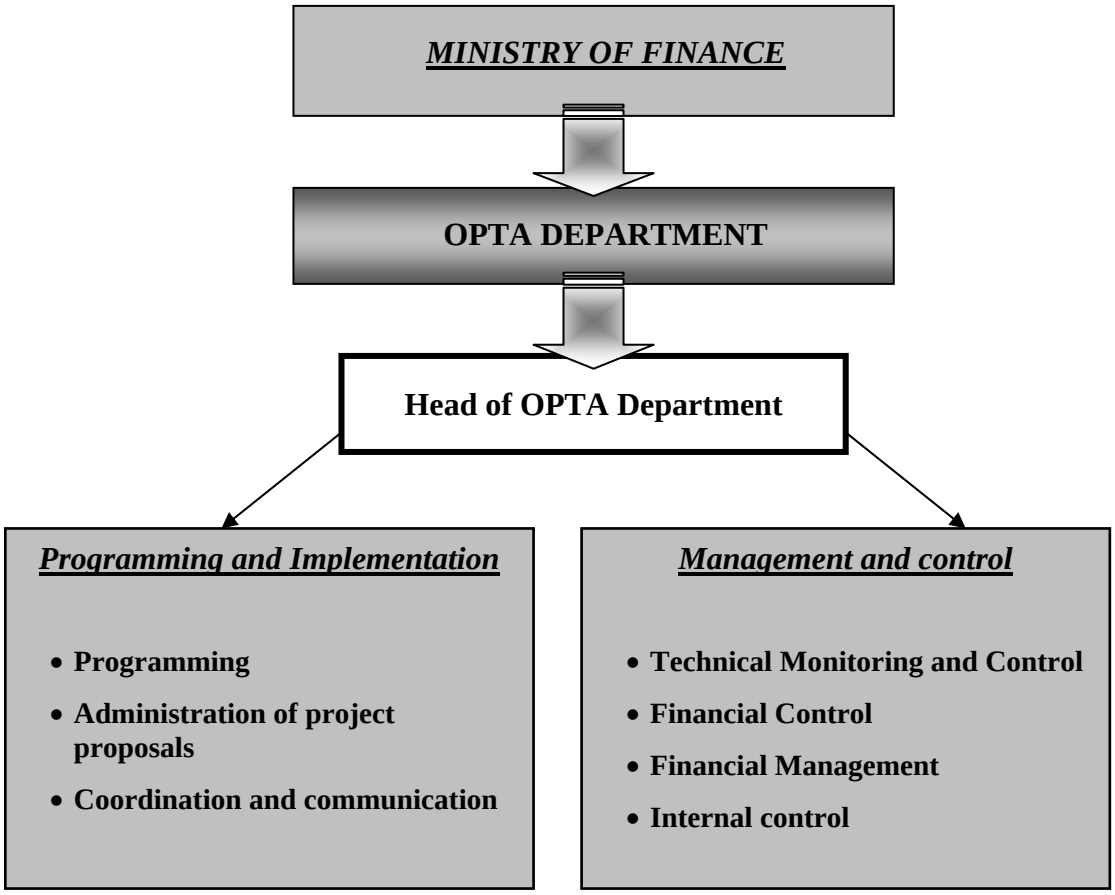
made prior to the following meeting, the Monitoring Committee makes a decision via a written procedure.

OPTA MA will act as a Secretariat of the OPTA MC.

Code of Conduct

OPTA Monitoring Committee shall adopt its own Code of Conduct. The members of the Monitoring Committee shall be responsible for their actions and should base their work and behaviour on the principles of selflessness, impartiality, accountability, openness, honesty and objectivity. Each member of the MC signs a Declaration for avoidance of conflict of interests.

ANNEX 3 Organisational chart of the OP"Technical Assistance"



For the purpose of ensuring transparent, clear and distinct separation of duties the OP "Technical Assistance" Department has been structured in two principal divisions, comprising the entire process of programme implementation. Currently the number of posts within the Department is eight, including the Head of the MA. The specific functions and responsibilities are enumerated in more detail in the following section:

Duties and responsibilities of the Head of the OPTA Department

- acting as a Head of the Operational Programme "Technical Assistance'
- overall monitoring and controlling of the operational programme
- monitoring the enforcement of all procedures as well as organisation of all activities related to the whole process of programme implementation
- final approval of all projects, selected by the Compliance Assessment Committee for funding under the OPTA and submitting them to the Minister for endorsement
- coordination and approval of all types of reports for the implementation of OPTA

- submission of OP modification proposals to the Monitoring Committee and the European Commission for approval
- ensuring the existence of procedures for effective management and control of the OP
- ensuring the establishment of a reliable system for financial control
- ensuring the establishment of a reliable system for audit trail
- prevention / reporting of irregularities

PROGRAMMING AND IMPLEMENTATION

Duties and responsibilities of the "Programming" officer(s):

- developing programme document of the OP and complementary documents
- elaborating system for management and control of the programme
- elaborating system for monitoring of the OP
- developing indicators related to the implementation of the OP
- elaborating project selection criteria and applicable detailed eligibility rules
- developing Application form and Guidelines for the applicants
- developing Internal rules stipulating the rights and liabilities of the MA and the Beneficiaries of OPTA
- organising and coordinating the OP evaluation
- producing analyses and preparing corrective measures based on monitoring and evaluation data
- proposing modifications of the OPTA documentation and submitting the proposals to the OP Monitoring Committee and the Commission for approval
- updating of procedures, manuals and all applicable documents
- providing consultations to the beneficiaries for the preparation of project proposals
- preparing inquiries, information and reports

Duties and responsibilities of the "Coordination and communication" officer(s):

- ensuring the logistical and administrative support to the MA activities
- implementing internal and external coordination of the OP
- managing the overall documentation flow within the MA
- organising and supporting the activities of the OPTA Monitoring Committee, ensuring all the necessary documentation and performing the duties of a secretariat/secretary of the OPTA Monitoring Committee
- ensuring and disseminating information of the OPTA Monitoring Committee sessions
- coordinating, collecting and processing of statistical, technical and financial data on projects and programme implementation
- archiving - keeping and storage of the programme's file for auditing purposes
- ensuring that all the requirements concerning information and publicity for the programme implementation have been strictly followed
- coordinating activities related to the publicity and communication
- coordinating dissemination of information to the 28 Info Points
- coordinating the development and implementation of the communication plan

- coordinating the compilation and official issuance of monthly, progress, annual and final reports related to the implementation of the OP, inquiries and information.

- **Duties and responsibilities of the "Administration of project proposals" officer(s):**

  - proceeding the Application forms
  - performing quality control of documentation and preliminary verification of the compliance of the project proposals with the requirements
  - maintaining constant exchange of information and project documentation with the Compliance Assessment Committee
  - organising the Compliance Assessment Committee sessions, ensuring technical support and preparation of reports based on the decisions of the Committee
  - keeping all documents for the procedures related to the selection of project proposals
  - developing the dossiers of the approved projects to be submitted to the Minister for endorsement
  - observing the tendering activities related to the selection of contractors by the Beneficiaries
  - MIS recording and verification
  - preparing inquiries, information and reports

MANAGEMENT AND CONTROL

Duties and responsibilities of the "Technical Monitoring and Control" officer(s):

- executing monitoring of the technical implementation and progress of beneficiaries' projects
- executing control of the tendering and contracting procedures applied by the beneficiaries with regard to the selection of contractors
- conducting on-the-spot checks and preparing relevant reports
- collecting and analysing data produced by the various categories of indicators
- conducting control on beneficiaries' reports and preparing monthly, progress, annual and final reports on implementation
- preparing inquiries, information and reports
- MIS recording and verification
- reporting of detected irregularities

Duties and responsibilities of the Financial Control officer(s):

- overall checking (100%) and controlling of the financial documentation and claims for payment of the beneficiaries
- conducting on-the-spot checks of the financial documentation and preparing the relevant reports
- executing control of the eligibility of the expenditure
- preparing documentation for executing payments to the beneficiaries / contractors
- developing and maintaining a separate accounting system and recording all transactions related to the undertaken obligations, payments, etc

- maintaining the accounting activities of the OP
- collecting and keeping all payment documents for auditing purposes
- preparing inquiries, information and reports
- MIS recording and verification

Duties and responsibilities of the "Financial Management" officer(s):

- preparing and providing to the Certifying Authority the Reports of certification and Statements of expenditure
- preparing and providing to the Certifying Authority the Requests for funding
- performing budget management, including preparation of budget forecasts and indicative financial plans
- performing second level control on the documentation and endorsing it for the purpose of executing payments to the beneficiaries / contractors
- MIS recording and verification
- conducting control on beneficiaries' financial reports and preparing monthly, progress, annual and final financial reports on implementation
- preparing inquiries, information and reports
- reporting of detected irregularities

Duties and responsibilities of the "Internal control" officer:

- establishing reliable management and control system
- establishing reliable system for financial management and control
- establishing reliable system for monitoring of the OPTA
- establishing reliable system for audit trail
- issuing guidance and coordinating the modification of the internal rules and procedures
- issuing guidance on control over the eligibility of expenditures, payment claims, etc
- issuing guidance on conducting on-the-spot checks
- performing second level control of the documentation
- reporting all detected irregularities to the Certifying Authority
- maintaining a register, comprising all detected irregularities

ANNEX 4 Vademecum of the system of monitoring indicators of OP "Technical Assistance"

1. Quantification of objectives and monitoring indicators

Quantification is defining adequate and measurable indicators and targets in an interactive way to achieve a clear and realistic specification of objectives and interventions. It is an integral element of programming serving all parties involved.

The OP "Technical Assistance" Managing Authority together with the Monitoring Committee pursuant to Article 65 of EC Regulation 1083/2006, carry out the monitoring of the ERDF intervention by reference to the financial indicators and the indicators referring to in Article 37(1)(c) specified for the OP.

Programme monitoring is a crucial activity to each Managing Authority throughout the entire programme implementation cycle. Data collection is among the primary activities of the employees dealing with monitoring within the OPTA MA structure. It is a continuous process of routinely gathering information on all aspects of the given programme as well as a close check on how programme implementation is progressing. The most objective way of comparing progress to targets is by using diverse categories of indicators. The indicators shall make it possible to measure the progress in relation to the baseline situation and the achievement of the targets of the priority axis and the operational programme in general. Measuring progress could be further supported by means of applying additional specific qualitative analysis.

The system of criteria for selecting reliable, appropriate and applicable indicators takes into account rules recommended by the European Commission (correctness, appropriateness, availability, reliability, measurement, comparability). The indicators used are meant to show:

- the specific targets, quantified where they lend themselves to quantification;
- results, and as soon as practicable, impact at the appropriate level;
- the progress of particular measures of the operational programme;

The Ministry of Finance of the Republic of Bulgaria in co-operation with external consultants drew up in mid 2007 **"***Guidelines for indicators of Bulgarian NSRF and its operational programmes"***.** The aim of these Guidelines is to provide better understanding of the role for indicators in the programming process, how to define them, at what stage in the process and by whom during the development process of the NSRF and OPs. Furthermore, they have been created on the basis of existing principles and practice in Structural Funds' programming.

The indicator system of the operational programme reflects the objectives of OPTA. The groups of indicators within OPTA have been developed following closely the above-cited Guidelines and serve basically to measure the real progress of the operational programme, priority axes, intervention measures and activities as well as for evaluation of their effectiveness and overall impact on the beneficiaries. The baseline period, against which indicators are measured, is the year(s) preceding the start of the current programming period.

2. Monitoring indicators structure

In line with EC methodological instructions, programme structure, Priority Axes and intervention measures the Managing Authority and the Monitoring Committee shall carry out monitoring on the basis of the following two basic categories of indicators:

- *Output indicators* – specify what the programme is producing/delivering. They also demonstrate the progress made in the implementation of a project, directly relate to the outputs produced by the beneficiaries / contractors; measure the physical output or product of the activity undertaken; In the programme document the output indicators are formulated at the intervention measure level, because at this specific level of the strategic document clear activities and operational objectives are defined. To sum up, the output of an activity is the end state of the deliverables after implementation of the activity.
- *Result indicators* – measure the immediate effect of the project after completion; also measure the immediate benefits of the programme for the beneficiaries;

The physical and financial objectively verifiable indicators described in the operational programme are referred to during the programme lifecycle. The financial indicators reflect the progress in commitment and disbursement of funds, whereas the physical indicators reflect the technical and substance-related achievements.

The results of the indicators shall be periodically analysed and measured against the initially set target levels. They will also be observed on a regular basis for the purpose of the day-to-day implementation of the programme. Special analysis of the results of the indicators under review will be produced and further submitted for consideration by the OPTA Managing Authority and the members of the MC at their regular meetings.

3. Data source and collection periodicity of indicators

One of the requirements for obtaining assistance is the regular provision of information on the part of beneficiaries which is aimed at enabling the process of monitoring and evaluation of the effects of the assistance. Necessary data to be submitted will be listed in the document called “Internal rules for the rights and liabilities of the Managing Authority and Beneficiaries of OPTA”, developed by the experts of the operational programme.

Regular monitoring should provide some of process/operational information (mainly on outputs and results achieved, financial absorption and on the quality of implementation mechanisms) that allows the performance of evaluation to be undertaken, for example, when actual or potential difficulties arise.

All data which is necessary for performing monitoring of the programme shall be provided by:

- The Unified Management Information System (UMIS), established in the MoF for the efficient management of the structural instruments in Bulgaria (especially as a reliable source, providing useful aggregated data on a project level as well as on a programme level); furthermore, with reference

to carrying out effective and efficient monitoring procedures, UMIS will be used to register and store:

- *Operational (Technical) information*
  - the results of assessment of the application forms
  - the approval (decision) for financing projects.
  - the modification proposals
  - records of tendering arrangements and contractual documentation
  - on-the-spot check related data
- *Financial information*
  - all original invoice and income documentation
  - records of both expenditure and income
  - any financial covenants, contained in the signed contracts;

- OPTA management and control system and procedures
- The overall OPTA framework which defines priorities, operations and activities to be fulfilled;
- reports from on-the-spot checks;
- Compliance Assessment Committee (namely, the regular protocols of the meetings together with all attached data, analyses etc.)
- Beneficiaries – submitting the following documents:

  - *application forms* - The application form will also provide details on how the applicant will gather and collate monitoring information, including details of the methodology to be used and the frequency of collection;
  - *claims for payments,*
  - *regular progress reports*;

However, the collection of data depends on the nature of particular indicators. As to the output and result indicators all the information needed is extracted and collected from project application forms and progress reports.

The periodicity of updating indicators will respect both the monitoring needs and the possibility to acquire relevant data within a short programme period. Collection and review of financial data from both the output and result indicators will be done on a regular basis which is specifically indicated for each particular indicator.

The OPTA MA shall ensure strong links between monitoring and evaluation and define the periodicity of the monitoring and evaluation events in order to guarantee continuous delivery of information and analysis which is to be used for management purposes.

Priority Axis 1							
Indicators	Description	Type	Baseline value	Frequency of reviewing *	Midterm Target-by the end of 2009 (cumulative value)	Final target (cumulative value)	Source of information
Payments under OPTA from the funds allocated	Disbursement of funds from the ERDF under OPTA in comparison to the funds committed aims to show the effectiveness of the implementation of the programme. It is interrelated with the first specific objective of OPTA.	Result	0	Once a year	40%	95%	UMIS, MA accounting system
Certified expenditures under OPTA of total provided for certification	The share of expenditure certified by the CA of all provided by the OPTA MA for certification will measure the quality and effectiveness of the performance of the beneficiaries and the MA. It is interrelated with the first specific objective of OPTA.	Result	0	Once a year	30%	95%	CA, UMIS
Reduced turnover of beneficiaries' staff per year	This indicator measures the number of resigned employees from the beneficiary structures out of the number of permanently employed staff on a yearly basis. Staff turn-over cannot be reduced to 0, due to objective reasons. However, it is estimated that about 1/3 of the persons leaving their job could have been retained provided appropriate mechanisms to motivate them.	Result	14,6 % **	Once a year	less than 12%	less than 10%	HR Directorate files and records
Total No of training sessions for the beneficiaries	This indicator measures the total number of training sessions organized for the beneficiary structures – CCU, CA, AA, OPTA MA, for the current programming period (2007 – 2013)	Output	82***	Twice a year	350+	500+	Monthly reports of the beneficiaries' personnel

	and is directly related to the need for capacity building on the central level of the administration.						
Average number of participations in training events per beneficiaries' expert	This indicator is of key importance to the enhancement of competence and management capacity of the administrative structures implementing the structural instruments. It quantifies the training sessions successfully completed by each expert from the central level structures – CCU, CA, AA, OPTA MA.	Output	4***	Twice a year	25+	40+	Monthly reports of the beneficiaries' personnel
Total No of training sessions for the local authorities and other SF implementing structures	This indicator measures the total number of training sessions organized for experts from the local authorities on SCFs related topics which are common to all operational programmes.	Output	33	Twice a year	120+	200+	Project reports
No of trained local authorities and other SF implementing structures	This indicator is of key importance to the capacity building of local level administrative structures. It gives data on the number of local authorities' experts who have successfully completed a training session.	Output	600	Twice a year	2000+	3500+	Project reports
Level of satisfaction among the trainees with the provided training	The satisfaction rate is estimated on the basis of questionnaires filled in by the participants after the closure of a training programme. The trainees are given appraisal sheets which are to be later summarized and an average figure produced. It also provides for relevant feedback and undertaking of corrective measures if necessary.	Result	0	Twice a year	70%	80%	Surveys, Questionnaires
* Since 2008 ** Average number for the beneficiary structures for 2004, 2005 and 2006 *** Average number for the beneficiary structures for 2006							

Priority Axis 2							
Indicators	Description	Type	Baseline value	Frequency of reviewing *	Midterm Target-by the end of 2009 (cumulative value)	Final target (cumulative value)	Source of information
No. of training sessions organised	The number of the sessions is determined by the indicative needs of trainings of the MA of OP in accordance with the number of the expected users of each administration. For the period 2007 – 2013, Over 120 training sessions will be performed. More intensive training sessions will be conducted in the first two years of the programming period. After the first trainings are conducted and the users start to work with the system in real time, trainings for new users of the system and trainings on new modules of the system will be organized The trainings will be measured via specially elaborated reports by the CCU	Output	10	twice a year	80+	130+	Reports
No. of trained people	The number of the trained people in general is determined by the concrete number of the users who will work for the Structural funds absorption. These will be experts from the Managing Authorities of the Operational programmes and the Certifying Authority, Audit Authority and the CCU in the Ministry of Finance.	Output	100	twice a year	800+	1300 +	Reports

	The indicator will be measured by the specially prepared list of participants per each meeting as well as specially designed reports on the UMIS implementation and the progress report on the UMIS Helpdesk work, which will contain section on the frequently asked questions by the beneficiaries						
Duration of UMIS unavailable	This indicator will measure the time in the programming period during which UMIS will be unavailable.	Result	7**	twice a year	3	1	UMIS
Training effectiveness assessment based on the participants evaluation	This indicator will measure the effectiveness of the training activities, according to the participants' evaluation. The results from the measurements of the effectiveness of the trainings will lead to better organization and conduction of trainings. Only quality training leads to sustainable improvement in the results achieved by the administration The scale used is from 0 to 100% satisfaction which is a complex value based upon quality, usefulness, relevance and others. For the period 2007 – 2013, all trainings will be evaluated by their participants with the support of questionnaires and evaluation form that have been filled in after the training is conducted. The target average satisfaction rate is 90%.	Result	50 %	twice a year	75%	90 %	Surveys. Questionnaires, reports, evaluation forms
Users satisfaction index with UMIS	The users will fulfil different surveys and questionnaires to show the strong and weak places in the UMIS. The baseline of this indicator will be determined after 3 months of the launch of the system by a specially prepared questionnaire by the CCU. This indicator will help to improve the system	Result	30%	twice a year	50%	75%	Surveys. questionnaires

	The scale used is from 0 to 100% satisfaction which is a complex value based upon quality, usefulness, relevance and others. The midterm target is satisfaction of 50 % and the final target is 75 %.						
Users satisfaction with the services provided by the Help Desk	The users will fulfil different surveys and questionnaires to show the strong and weak places in the Help Desk functioning and organization. This indicator will help to improve the Help Desk work. The baseline will be determined by a survey issued by CCU 3 months after the launch of UMIS Helpdesk The scale used is from 0 to 100% satisfaction which is a complex value based upon quality, usefulness, relevance and others. %. The midterm target is 50 % of satisfaction and the final target is 75	Result	0 %	twice a year	50%	75%	Surveys. questionnaires
* Since 2008 ** The baseline value is indicative as UMIS is not operational yet. It will be calculated after the first three months of UMIS operation. The indicator will measure how many hours the system is unavailable per week.							

Priority Axis 3							
Indicators	Description	Type	Baseline value	Frequency of reviewing *	Midterm Target-by the end of 2009 (cumulative value)	Final target (cumulative value)	Source of information
Number of all publications (printed materials - guides, fact-sheets, booklets, brochures, information leaflets, etc.)	Provides quantitative and qualitative information to be used in annual reports and to inform the steering committee, helps to ensure compliance with EU requirements regarding transparency and publicity	Output	10	Once a year	30+	65+	Copies of the publications (printed materials)
Level of satisfaction of the target groups with the publications	Related to the first indicator that determines if the publication matches the needs and expectations of the target groups and verifies whether the objectives set during the design of the publications are achieved, facilitates learning from experience and adjustment of future publications	Result	45%	Twice a year	70%	85%	Questionnaires - included in a print publication or sent separately to sample group, results from POP
Number of organised events (forums, conferences, seminars, press-conferences, workshops) promoting EU and national strategic documents and guidelines, structural funds policies and	Provides feedback of all organised events to be used in annual reports, which can be used to improve the communication strategy (suitable communication channels, message, etc); provides objective appraisal of the activities targeted at different groups, monitoring indicator, designed to monitor transparency of the individual measures	Output	20	Twice a year	55 +	90+	Dossier of the events Media coverage analysis to evaluate the impact of the activities (qualitative

measures							and quantitative)
Level of satisfaction among the targeted audience with the organised events/campaigns.	Measures overall impact on the general public and targeted audience of the communication activities and determines if the objectives set at the beginning of the campaign were achieved, determines whether the organisation and the content of the event met the needs and expectation of the participants	Result	42%	Twice a year	65 %	85 %	Before-after surveys (consists of two measurements of the attitude and behaviour that the campaign aims to change, one before its start and another after it ends) for the campaigns, Questionnaire for the events - distributed at the end of the events
Establishment of functioning and equipped 28 District Info points	Number of fully functioning info-points, put into operation according to working/establishment plan to be developed	Output	0	Once a year	100%	100%	Functioning info-points
Satisfaction rating among the users of the Info-points services	Monitoring indictor that provides feedback to be used to improve the functioning of the info-points, determines overall impact on the general public and verifies if the objectives set at the beginning of the project were achieved, making possible to adjust or modify the operational concept of the info-points	Impact	0%	Once a year	60%	80%	Questionnaires to be filled in on place, Interview grids that facilitates exchange and

							collection of new ideas
% of citizens informed about the EU Cohesion Policy and SCFs	Evaluates the degree of success in promoting awareness of the public and enhancing their perception of EU Structural Funds	Result	45%	Once a year	55 %	70%	POP, Surveys
Average number of connections on the web site/month	Provides quantitative and qualitative information that can be used in annual reports and measures No of people dealt with/accessing information, facilitates an objective evaluation of the visibility of the web-site among the target audience	Impact	30 000	Twice a year	60 000	100 000+	Expert audits - log file analysis
Adapted HERMIN model for assessing the impact of the EU funding on macroeconomic situation in Bulgaria	Indicator to evaluate the level of implementation of the adapted econometrical model.	Output	0%	Once a year	Methodology for adapting HERMIN model in Bulgaria and building a core block of the model	Fully-functioning HERMIN model	Evaluation of macroeconomic impact assessment of Structural Funds interventions
* Since 2008							

ANNEX 5 Indicative timetable on activities for the UMIS

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Priority axis 2, IM 1: UMIS maintenance – during the launch of the system, implementation, further software development and adaptation of the system									
1. Launch of UMIS and complete adaptation to the requirements and procedures of OP MAs									
2. Expansion of the system capacity									
3. Development and launch of new functionality of the system									
4. Development and introduction of e-services									
5. Adaptation of the system for the next programming period									
Priority axis 2, IM 2: Continuous support and training for UMIS users									
1. Training of trainers									
2. Intensive training of UMIS users									
3. Supporting training									
4. Training and exchange of experience – Monitoring and Reporting unit									
5. Training on new functionalities									
Priority axis 2, IM 3: Development and functioning of the Helpdesk									
1. Development of Helpdesk conception, Needs assessment and Technical specifications									
2. Employment and training of Helpdesk staff									
3. Functioning of the helpdesk									
Priority axis 2, IM 4: Purchase of hardware for the needs of UMIS									
1. Expansion of the capacity of UMIS									
2. Introduction of new functionality									
3. Maintenance of the system									
4. Equipment supply for the UMIS Helpdesk									

ANNEX 6 NSRF Monitoring Committee

The NSRF is composed in accordance with the provisions of Council of Ministers Decree № 182/21.07.2006. With an order issued by the Minister of Finance members of the Monitoring Committee and their deputies are nominated. The Deputies may participate in the meetings as observers. They shall exercise their voting right only in the cases of the absence of the nominated member.

The Bulgarian public authorities recognise that the partnership principle is a necessary element in the process of programming and implementation of the NSRF and OPs. For the purpose of the Monitoring Committees and for securing the effective observance of the partnership principle, the following three groups of partners can be distinguished: employers organisation and unions (including industrial and trade chambers, business and entrepreneurship associations), trade unions and other working alliances, civil society (including the nongovernmental sector (NGOs), academic communities, consumer associations, ecological and other thematic organisations).

The NSRF and Ops Monitoring Committee are composed by experts not only of the central administration (Ministries), the Agency for Economic Analyses and Forecasts, the State Agency of Youth and Sports and the National Statistical Institute, but also of the representatives of the district governors, National Association of Municipalities of the Republic of Bulgaria, Employers Association of Bulgaria, Bulgarian Chamber of Commerce and Industry, Bulgarian International Business Association, Union of the Private Bulgarian Entrepreneurs “Vazrajdane”, Bulgarian Industrial Capital Association, Bulgarian Industrial Association, Union for Economic Initiative, Confederation of Labour “Podkrepa” and Confederation of Independent Trade Unions in Bulgaria, Bulgarian Regional Development Association, National Council for People with Disabilities, Bulgarian Association of the Social Enterprises.

The NSRF MC consists of a chairman, members and observers.

The Chairman of NSRF MC is the Minister of Finance. The NSRF MC members are:

2. at central level:

- Deputy Minister responsible for CCU;
- Deputy Minister responsible for CA;
- Deputy Ministers responsible for the OP Managing Authorities;
- Deputy Minister of the Ministry of Agriculture and Forestry;
- Deputy Minister of Education and Science;
- Deputy Minister of Healthcare;
- Deputy Minister of Culture;
- Deputy Chairman of the National Statistical Institute;
- the Executive director of the Agency for fishery and aqua culture under the Ministry of Agriculture and Forestry;
- the Executive director of the Agency for Economic Analyses and Forecasts under the Minister of Finance;
- the Director of the Central Coordination Unit;
- The Head/Deputy Head of the Certifying Authority;
- The director of Economic and Social Policy Directorate, Council of Ministers;
- The Director of Strategic planning and management Directorate, Council of Ministers;

- The Director of Coordination of the EU and international financial institutions affairs Directorate, Council of Ministers;

4. At regional and local level:

- one representative of the National Association of the Municipalities in the Republic of Bulgaria;
- one representative from each of the Regional Development Council at the NUTS II level regions;

5. Of the social – economic partners: one representative from each of the nationally presented organisations of employers, workers and employees, acknowledged by the Council of Ministers based on the Labour Code.

As observers in the NSRF Monitoring Committee participate:

1. Representative of the EC
2. Representative of the European Investment Bank
3. The Head of the Audit Authority

The main tasks of the Monitoring Committee of the National Strategic Reference Framework include:

1. Review the progress in the achieving of the aims and the priorities of the NSRF, based on the indicators defined in the NSRF;
2. Discuss and approve all amendments to NSRF, which result from the suggestions by MC members and from the review of the Community Strategic Guidelines on Cohesion in the middle of the period;
3. Examine and approve the annual reports and the final report on NSRF implementation;
4. Examine and approve information on an annual basis, prepared by MAs and submitted by CCU director, on the contribution of OPs to the achievement of the priorities of the National Reform Programme for the purpose of its annual implementation report;
5. Examine and approve reports, prepared by CCU on the contribution of OPs to the achievement of the priorities of EU Cohesion Policy, Community Strategic Guidelines on Cohesion and Integrated Guidelines for Growth and Jobs 2005-2008;
6. Examine and approve national awareness and publicity plan for NSRF and the reports of its implementation;
7. Review the implementation of the goals of NSRF and require from MAs information concerning the OPs contribution toward accomplishment of the NSRF goals;
8. Receive information from MAs regarding the conclusions and recommendations of the annual reports on the implementation of the Operational Programmes;
9. Receive information from MAs regarding the results, conclusions and recommendations of the OPs evaluations;
10. Receive information regarding conclusions and recommendations from the annual reports on control of the Operational Programmes, prepared by the Audit Authority, and information on high risk findings (if any), prepared by other internal and external controlling authorities, adopt a schedule for the

corrective measures and approve the report on the implementation of the corrective measures;

11. Examine the reports of the Certifying Authority on the financial management and the implementation of the EU structural instruments assistance;
12. Keep up with for the actions, which are being undertaken in accordance with the horizontal policies: sustainable development (including environment), equality opportunities, competition (including state aid) and public procurement;
13. Examine the execution of the additionality principle where the EU financial resources can not substitute the public or equivalent structural expenditure of the acceding country;
14. Receive information from CCU director about the application and utilization of the Unified Management Information System;
15. Take decisions on complicated matters, connected with the applying of the structural instruments assistance, after a proposal on behalf of the MC members;
16. May carry out additional tasks, resulting from the Internal rules of procedure connected with monitoring of the NSRF assigned by the Council of Ministers;
17. Adopt internal rules of procedure and code of Conduct (see Annex 2);

Rules for procedure of the NSRF Monitoring Committee

The NSRF MC shall adopt its own Internal Rules of Procedure and Code of Conduct.

As a general rule the decisions of the Monitoring Committee shall be made by consensus. The Internal Rules need to provide also a procedure for voting with majority with the purpose of making the necessary decisions for implementation of the National Strategic Reference Framework.

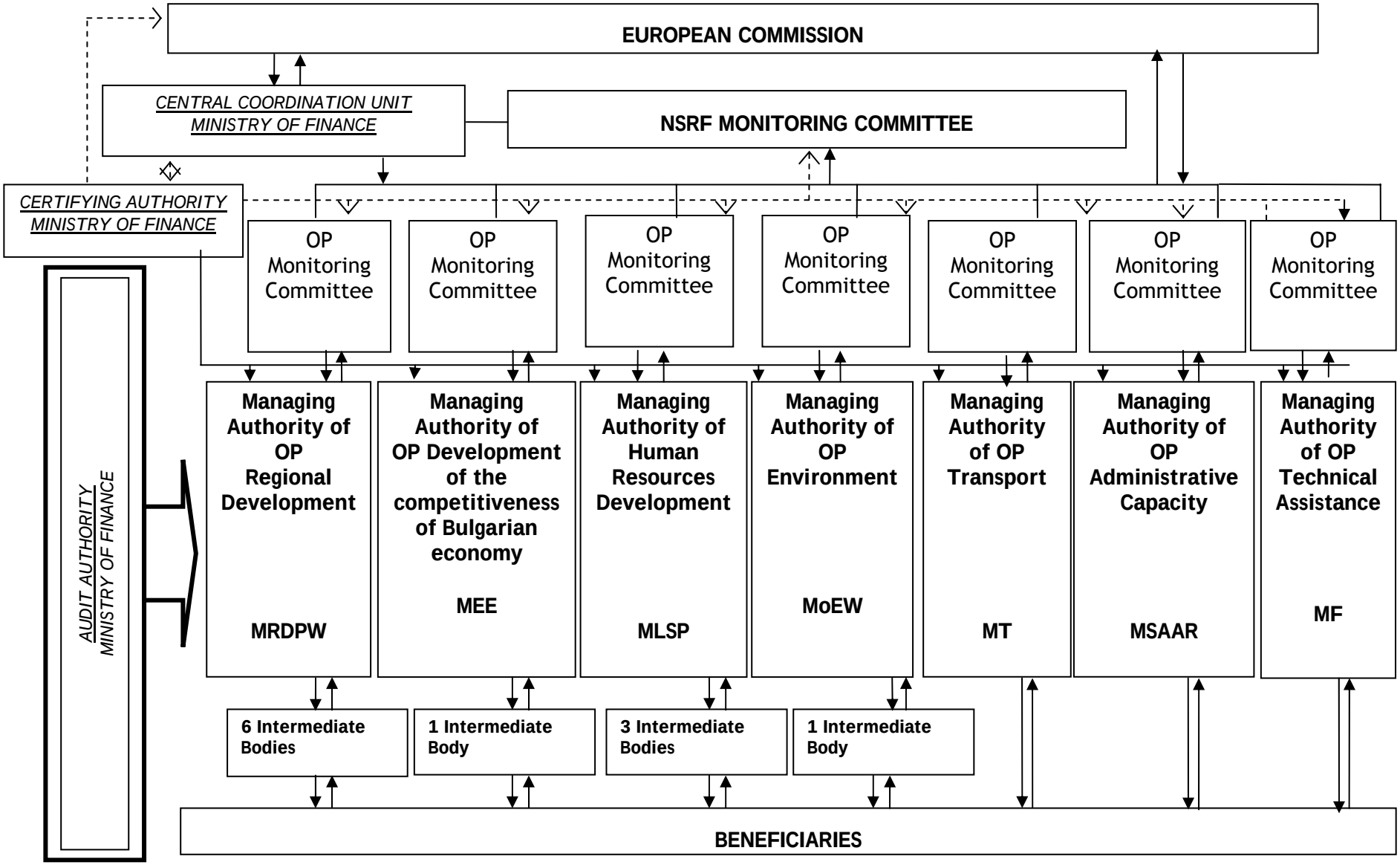
The Monitoring Committee shall meet at least twice per year, normally in the spring and in the autumn unless urgent matters need to be discussed. The spring meeting shall normally examine the progress throughout the previous year and the approval of the report on implementation. The autumn meeting shall examine the progress until June 30th of the current year. In case circumstances demand a decision to be made prior to the following meeting, the Monitoring Committee makes a decision via a written procedure.

CCU will act as a Secretariat of the NSRF MC.

Code of Conduct

NSRF Monitoring Committee shall adopt its own Code of Conduct. The activity of the Monitoring Committee is in the name of a broad public interest. The Members of the Monitoring Committee shall be responsible for their actions and should base their work and behaviour on the principles of selflessness, impartiality, accountability, openness, honesty and objectivity. Each Member of the MC signs a Declaration for avoidance of conflict of interests.

The Institutional Chart of NSRF is presented below.


EUROPEAN COMMISSION
CENTRAL COORDINATION UNIT
MINISTRY OF FINANCE
NSRF MONITORING COMMITTEE
CERTIFYING AUTHORITY
MINISTRY OF FINANCE
OP Monitoring Committee
OP Monitoring Committee
OP Monitoring Committee
OP Monitoring Committee
OP Monitoring Committee
OP Monitoring Committee
OP Monitoring Committee
AUDIT AUTHORITY
MINISTRY OF FINANCE
Managing Authority of OP Regional Development
MRDPW
Managing Authority of OP Development of the competitiveness of Bulgarian economy
MEE
Managing Authority of Human Resources Development
MLSP
Managing Authority of OP Environment
MoEW
Managing Authority of OP Transport
MT
Managing Authority of OP Administrative Capacity
MSAAR
Managing Authority of OP Technical Assistance
MF
6 Intermediate Bodies
1 Intermediate Body
3 Intermediate Bodies
1 Intermediate Body
BENEFICIARIES

ANNEX 7 Basic conclusions from the ex-ante evaluation

In the framework of drawing up the OPTA, an ex-ante evaluation in accordance to Article 48 of Council Regulation (EC) No 1083/2006 was performed and a team of external evaluators examined the coherence and strategy of the operational programme.

The ex-ante evaluating company was selected following the provision of the Bulgarian Public Procurement Act.

The methodology applied throughout the ex-ante evaluation is in accordance with the provisions specified in the Commission guidelines for the ex-ante evaluation.

The ex-ante evaluation on the OPTA started in the beginning of February 2007.

The ex-ante evaluators started the preliminary evaluation over a very old and out-dated version of the OPTA (October 2006, which was made public on the web site of the MF). This version had been unofficially sent to the EC and comments on it were received in the beginning of December. On the first meeting the OPTA programming team provided to the ex-ante evaluators a version which had already taken into consideration the EC comments and was considerably improved. In this respect, most of the comments made by the evaluating team were already reflected, as they were alike with these of the EC.

The ex-ante evaluation has added significant value to the content and quality of the OP through the following key activities:

- An analysis of the analytical part of the OP, in particular the strengths, weaknesses, opportunities and threats
- An assessment of the rationale for the strategy and its overall consistency
- The quantification of the Objectives
- The evaluation of expected impacts, including the environmental impact assessment
- The assessment of the quality of the implementation and monitoring mechanism.

As a result, of the ex-ante recommendations, all parts of the OP document have become clearer, focused, and coherent.

The key aspects of the ex-ante evaluation are summarised below along with their reflection in the OP and MA's general comments:

Analysis

The analysis has been significantly improved in view of the recommendations of the ex-ante evaluation.

Additional sections have been included which highlight conclusions in relation to capacity building, available experience and trainings. Existing needs have been identified and mentioned in the relevant texts relating particularly to the key structures to be supported under OPTA.

The analysis has been further developed with the need of strengthening the regional and local capacity by providing overall training about general issues.

The analysis of lessons learned from pre-accession assistance has been enriched with the identification of problems and challenges encountered so far, accompanied by possible solutions for the first programming period of the Structural and Cohesion Funds for Bulgaria.

In addition to the system's characteristics the description of the Unified Management Information System (UMIS) has been expanded with explanations as to the document flow, needs of the users, establishment of a Help Desk, interfaces with SAP system, sub-systems in line-ministries, the SFC2007.

With respect to communication, information has been added on the information campaigns carried out so far, the identified and the possible target groups, their information needs and the most appropriate communication channels.

SWOT analysis

The consultants provided recommendations for filling in the gaps and removing inconsistencies with a view to achieving a clear relationship between the analysis and the strategic part which have been fully taken into consideration. The SWOT analysis has been significantly improved in view of the recommendations of the ex-ante evaluation. Now it gives a real impression of the situation being well linked both to the analysis and the strategy, especially to the priorities and operations.

Strategy

The Strategy has been further developed. The Intervention measures developed in the relevant sections of the Strategy correspond to specific needs of the structures or target groups included in the relevant sections of the Analysis.

OPTA priority axes have shown a remarkable improvement concerning their structure as much as their content. The present version's internal coherence is very strong and all the measures and indicative activities are incorporated. The priority axes' structure covers most of the crucial fields in the related institutions and services.

Indicator System

The ex-ante team elaborated an indicator system with reference to the purpose, nature and properties of good performance indicators, using the European Commission's (EC) guide. Subsequently the OPTA programming team further elaborated the proposed indicators and added new ones to measure the output and results of the indicative activities. Finally, a revised set of indicators, which will help better focus the Programme during the implementation phase, was proposed.

The ex-ante team therefore considers that the indicator system gives a clear as well as strategic view in terms of the Operational Programme Technical Assistance and the set goals.

Implementation and monitoring

The ex-ante team approved the proposed institutional structure for implementing the OP, which is as simple and streamlined as the regulations would allow.

The content of this section has also been improved following the ex-ante recommendations to make it shorter and more focused while only referring to the relevant articles from the Regulations. Emphasis has been put on the specific implementation of OPTA i.e. staff responsibilities, procedures for selection and

verification of operations, risk management, monitoring and evaluation arrangements, etc. A clear separation of functions has been ensured and the allocation of responsibilities was deemed appropriate in the interests of sound financial management. The coverage of functions should enable the MA to meet its obligations under the Structural Funds (SF) regulations.

Main Conclusions

After a detailed examination of OPTA, the ex-ante evaluation team concluded that the Programme is in line with the principles and rules of partnership, programming, evaluation, sound financial management, monitoring and control on the basis of shared responsibility between Bulgaria and the European Commission in compliance with the Council Regulation 1083/2006 and NSRF Priorities.

The analytical part of the OP gives a fairly thorough overview of the current situation of the structures involved in the SCFs absorption, illustrated by an array of facts, surveys and statistics. The analysis provides useful, relevant data and supporting commentary for both the SWOT and the strategy. The objectives are well elaborated and provide a solid foundation for the implementation of OPTA.

The implementation, monitoring and financing procedures are structured in a logical way, including all the involved actors step by step, with reference to each one’s role and responsibilities. Last but not least, the financial allocation, as proposed by priority, is satisfactory. During the evaluation process, the ex-ante made calculations and considers the funding properly designed and calculated for the period 2007 – 2013, although a delay may occur due to timing and training of the personnel.

ANNEX 8 List of projects aiming at building the administrative capacity of the target structures

"Management of EU Funds" Directorate - (MEUFD)

1. **BG 2003/004-937.10.04** "Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)" – technical assistance, supply of equipment and developed of UMIS.
2. **BG2003/004-937.10.05.15** "Ex-Ante Evaluation of the Bulgarian National Development Plan 2007-2013";
3. **BG 2004/016-711.10.05.01.01** "Structural funds absorption capacity of the Bulgarian economy" - technical assistance;
4. **BG2005/017-353.08.04** "Strengthening the Institutional Capacity of the Ministry of Finance", Component 2.2 "Preparation of MEUFD to act as a future CSF Managing Authority (central coordinating unit) for the EU Structural Instruments" – technical assistance;
5. **2006/018-343.08.05** "Improvement of the coordination, management and implementation mechanisms of EU Structural Instruments in Bulgaria" – technical assistance;
6. **MAT03/BG/9/1 "**Institutional support for the MoF and capacity building for management and development of indicators system for evaluation of the implementation of the SF" – technical assistance;
7. **BG/2003/004-937.10.05.16 "Technical assistance for institutional development and strengthening of the Public-Private Partnership (PPP) Sector within the Ministry of finance in Bulgaria";**
8. **BMF / GTZ project** "Privatization and Private Sector Participation in Public Infrastructure Development in Bulgaria" – technical assistance;
9. "Strengthening of the capacity of the Central coordinating unit (CCU) at the MoF in the field of policy making, implementation of coordination and negotiation with the EC in the all process of approval of the Bulgarian NSRF" – technical assistance;
10. "Training for application of the finance strategy".

"National Fund" Directorate - (NFD)

1. **BG 2003/004-937.10.04** "Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF) – technical assistance and supply of equipment";
2. **BG 0103.09** "Improving the Management of EU Funds" – technical assistance**;**
3. **2002/000-585** "Horizontal Programme Preparing Candidate Countries for Extended Decentralisation (EDIS) in the Management of Pre-accession Funds in Bulgaria" – technical assistance;
4. **ISPA measure BG/16/P/PA/003** "Technical Assistance to the preparation of the National Fund, ISPA Implementing Agencies and Public Internal Financial Control Agency to implement the EDIS in Bulgaria".

"Audit of European Union Funds" Directorate – (AEUFD)

As auditors from the former PIFC Agency (currently Public Inspection Agency), the auditors from the AEUF Directorate have been partly involved in the following projects:

1. BG 2005/017-353.11.02.17 "Further improvement of the audit activities, performed by the "Audit of European Union Funds" Directorate at the Ministry of Finance of the Republic of Bulgaria" – technical assistance;

2. Twinning project BG 2003/IB/FI/01"Further implementation of the new model of public internal financial control in Bulgaria";

3. Twinning project BG2003/IB/FI/02 "Further Development of the Independent Public External Audit Institution";

4. Phare Project FM 2002/000-585 "Horizontal Programme Preparing Candidate Counties for EDIS in the Management of Pre-accession Funds in BG" – technical assistance;

5. Phare Project 2004/016-919.03.02 "Preparation for Extended decentralized implementation system (EDIS) in the management of pre-accession funds in Bulgaria – Stage 3 "Compliance Assessment" – technical assistance;

6. 2002/BG/16/P/PA/003 "Technical Assistance to the Preparation of the National Fund, ISPA Implementing Agencies and Public Internal Financial Control Agency to implement the Extended Decentralised Implementation System (EDIS)".

The Audit Authority will be assisted by external experts (qualified auditors/accountants) working in accordance with internationally accepted auditing standards and possessing extensive experience in the field of audits of the Structural Funds in the following areas:

- Further elaboration of the "Audit of EU Structural and Cohesion Funds" Manual;
- *Technical* assistance for the performance of compliance assessment of the Managing Authorities (in compliance with Art.71 of EU Regulation 1083/2006), designated for the Operational Programmes in Bulgaria
- The *elaboration* of the Audit Strategy under Art.62, paragraph 1.,(c) of EU Regulation 1083/2006 - planned;
- Technical *assistance*, concerning the performance of operational audits of EU funds.

ANNEX 9 List of sources of information

1. Final Report on the Twinning project: BG2004/IB/FI/08 “Strengthening the capacity of the Management of European Union Funds Directorate at the Ministry of Finance for Monitoring and evaluation”, February 2007;
2. Final Report on the Twinning project: BG03/IB-SPP-01 “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 and the Cohesion Fund (CF)”, September 2006;
3. Final Report on BG2004/016-711.10.05.01.01 “Structural funds absorption capacity of the Bulgarian economy”, prepared by IDC;
4. Final Report on Ex-Ante Evaluation of the Bulgarian National Strategic Reference Framework 2007-2013, prepared by the ex-ante evaluation team: George Polenakis, SYNTHESIS European Studies, Research and Strategy S.A; Gerbrand van Bork, ECORYS Region, Strategy and Entrepreneurship; Vassilis Zanakis, SYNTHESIS European Studies, Research and Strategy S.A., September 2006;
5. Final report on MATRA Project: MAT03/BG/9/1 “Institutional Support for the Ministry of Finance in capacity building and development of indicators for the Structural Funds”, prepared by Sjaak Boeckhout and Marie-Jose Zondag, June 2006;
6. UNDP study on Assessment of Municipal and District Capacities for Participation in EU Structural and Cohesion Funds Absorption, prepared by Vasil Marinov and Vasil Garnizov, July 2006;
7. UNDP study on Assessment of the Capacity of Non-Governmental Organizations and Businesses to participate in the Absorption of the EU Structural and Cohesion Funds, prepared by Vasil Garnizov and Georgi Georgiev, April 2006.

Different sociological surveys, conducted within the information campaigns of the Ministry of Finance, by:

1. Eurobarometer 66 - autumn 2006;
2. Market Links - September 2006;
3. MBMD poll March 2007;
4. Alpha Research in April 2007.

ANNEX 10 Link between Analysis and Strategy of OPTA:

Weaknesses	**Related needs in the analysis**	**Corresponding indicative activity / intervention measure(s)**	**Corresponding specific objective of the OPTA**
Lack of practical experience with regard to the SCFs instruments Insufficient skills of the civil servants in some SCFs related areas – strategic planning, project management, etc.	Need for strengthening the administrative capacity and functioning of the structures involved in the SCFs absorption; Need for training of the personnel aiming at enhancing the competencies and practical skills with regard to the EU funds absorption and general work performance; Need to provide trainings for the staff closely related to the areas of strategic planning and implementation of projects and programmes, policy and decision-making process, monitoring and evaluation.	Ensuring support to the structures which carry out at central level programming, coordination, management, financial control and audit (CA,AA and CCU); Narrowly-focused and programmed trainings of the personnel of the key structures for coordination and financial control; Providing trainings on particular topics identified as problematic or as not well known in relation to the SCFs; Organization and participation in working meetings, workshops and seminars for exchange of experience and good practices in the relevant spheres of SCFs implementation and for the purposes of coordinating and synchronising activities; Exchange of practices with peer institutions from EU countries through study trips, working meetings, seminars and conferences; Hiring external experts and consultants with regard to the identified needs and particular problems; **PA 1, IM 1 to 5**	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;
Large number of newly employed within the system for management and control of the structural instruments Unsystematic and incoherent knowledge among the	Need for continuous training of the newly employed experts as well as including specific trainings focused on related matters;	Narrowly-focused and programmed trainings of the newly employed personnel; Providing trainings on particular topics identified as problematic or as not well known in relation to the SCFs; Organization and participation in working meetings, workshops and seminars for exchange of experience and good practices in the relevant spheres of SCFs implementation and for the	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
newly employed staff of the targeted institutions		purposes of coordinating and synchronising activities Implementation of measures for retention of employees; **PA 1, IM 1 to 5**	
The staff performance appraisal is not always adequately related to the remuneration	Need to develop and implement a Programme for retention of the Ministry's employees with the aim to reduce the staff turnover and retain its most experienced and merited employees;	Optimising the management and raising the motivation of the human resources, increasing the effectiveness and improving the quality of its work performance; Develop human resources management policies aiming at stability of qualified staff. Implementation of measures for retention of employees; More competitive remuneration of the staff at central level dealing with programming, coordination, management, financial control and audit of SCFs; **PA 1, IM 1 to 4**	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;
Limited number of civil servants assigned for further development and maintenance of UMIS and lack of practical experience with the system's applications	Need to strengthen the capacity and functioning of the structures involved in the SCFs absorption; Need for written procedures for the daily use of UMIS; Need for extensive and continuous training to UMIS users; Need for a properly functioning Help Desk;	Continuous support and training of the UMIS users; Support the establishment and functioning of a Help Desk; Organisation of training for new users and periodic training events for all users; Hiring external experts and consultants with regard to the identified needs and particular problems; assistance and consultancy on specific operations; Organisation of presentation seminars and working meetings for UMIS users for exchange of practice and experience; Implementation of measures for retention of employees; **PA 2**	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;
Weak capacity to formulate the mid-term and long-term objectives of	Need to strengthen the capacity and functioning of the structures involved in the SCFs absorption;	Specific trainings in areas of strategic planning, implementation of projects and programmes, policy and decision-making process, monitoring and	*Specific objective 1* – Strengthening the necessary

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
the pursued policies and final results	Need for gathering, processing and presenting statistical information and analytical data for the implementation of the structural instruments in Bulgaria and analyses of the EU funding impact; Need to provide trainings for the staff closely relate to the areas of strategic planning and implementation of projects and programmes, policy and decision-making process, monitoring and evaluation. Need to improve quality assurance, time and risk management in all relevant institutions by means of further use of strategic planning, identification of key risk areas and wider use of information systems as management tools;	evaluation. Ensuring appropriate statistics, data and impact analyses; Ensuring consultation services for providing analyses of the current economic situation and assessments of the EU funding impact and effects of funding on the various sectors and the elaboration of statistical, analytical and other relevant documents according to the particular needs; Adaptation of HERMIN econometrical model for assessing the impact of the EU SCFs on the macro-economic situation in Bulgaria; Exchange of practices with peer institutions from EU countries through study trips, working meetings, seminars and conferences; **PA 1, IM 1 to 5** **PA 3, IM 2**	capacity and functioning of the central and local administrative structures involved in the SCFs absorption; *Specific objective 2* - Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;
Unsystematic and incoherent trainings on absorption of structural funds provided to the local authorities Lack of capacity and readiness for project implementation at local level	Need to provide trainings on practical issues, particularly focused on developing and implementing projects under the structural instruments; Need to increase the overall interest of the citizens to participate in the processes Need for ensuring maximum information, easy and transparent access to it;	Identification of the existing needs at local level; analysing the needs and elaborating particular trainings for the local authorities; Strengthening the capacity of the local authorities by providing overall training on general principles of the EU funding under the SCFs; Providing trainings for the local authorities in the relevant spheres of the SCFs implementation; Organisation and participation in events related to PPP initiatives Delivery of presentations; dissemination of information materials; organisation of meetings and forums at local level; Maintaining a Unified Gateway as a main tool ensuring equality and easy access to information, enabling end users to find the overall information on EU SCFs in	*Specific objective 1* - Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption; *Specific objective 2* - Increasing the information and public awareness with respect to the effective and efficient use of the Structural

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
		one place; **PA 1, IM 5** **PA 3**	and Cohesion Funds in Bulgaria;
Inadequate or insufficient sources of information concerning the Cohesion Policy of the European Union and SCFs for the society in general	Need to provide regular information and publicity measures and campaigns (various information channels) in the country about the EU Cohesion Policy and the use of the Structural and Cohesion Funds; Need to ensure as well as strengthen the overall understanding of the objectives of the national development priorities in the period 2007 – 2013; Need to create better understanding of the importance of the Community assistance for transforming Bulgaria into a country with a high quality of life and broad public awareness on the content, implementation as well as the mechanism of operation and absorption of SCFs.	Regular information and publicity measures and campaigns in Bulgaria about the EU Cohesion policy and the use of the Structural and Cohesion Funds; Ensuring maximum information, easy and transparent access to the overall process of absorption of funds; Ensuring the establishment and functioning of the 28 Information Points on the Cohesion Policy in Bulgaria; Maintaining a Unified Gateway as a main tool ensuring equality and easy access to information, enabling end users to find the overall information on EU SCFs in one place; Preparation and distribution of reports with best practices related to the management of SCFs; Delivery of presentations; dissemination of information materials; organisation of meetings and forums at local level; **PA 3 IM 2**	*Specific objective 2* – Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;
Lack of practical experience in the structures dealing with SCFs implementation, monitoring, control, etc.	Need for training of the personnel aiming at enhancing the competencies and practical skills with regard to the EU funds absorption and general work performance; Need for hiring external experts and consultants with regard to the identified needs and particular problems; Need for elaborating and further updating the procedure manuals and guidelines for the	Narrowly-focused and programmed trainings of the personnel of the key structures for coordination and financial control; Providing trainings on particular topics identified as problematic; Organization and participation in working meetings, workshops and seminars for exchange of experience and good practices in the relevant spheres of SCFs implementation; Providing technical assistance/ consultation services/specialized expertise by external	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
	functioning of all structures involved in the coordination, control, implementation of the SCFs; Need to improve quality assurance, time and risk management in all relevant institutions by means of further use of strategic planning, identification of key risk areas and wider use of information systems as management tools;	organizations/ experts according to the beneficiaries' needs; Regularly reviewing and updating the procedure manuals and guidelines; **PA 1, IM 1 - 4**	
Loss of funds due to weak management or insufficient control	Need for continuous support to the structures dealing with programming, coordination, management, financial control and audit at central level; Need for the establishment of a functional and working UMIS, able to monitor the implementation of the SCFs; Need for hiring external experts and consultants with regard to the identified needs and particular problems; Need to establish a sound system for updating on a regular basis all applicable Guidelines, Manuals, etc. which have been developed in CCU, CA, AA and MA; Need for strengthening institutional and administrative capacity Need for logistical support;	Ensuring support to the structures at central level dealing with programming, coordination, management, financial control and audit (CA,AA and CCU); Narrowly-focused and programmed trainings of the personnel of the key structures at central level; Ensuring the efficient functioning of the NSRF and OPTA MCs; Ensuring a functional and working UMIS, able to monitor the implementation of the SCFs in high level of detail throughout the whole programming period; Providing technical assistance/ consultation services/specialized expertise by external organizations/ experts according to the beneficiaries' needs; Updating on a regular basis the Guidelines and Manuals of CCU, CA, AA and OPTA MA; Reflecting the recommendations of the external on-going evaluations Ensuring the execution of on-the-spot checks by the relevant authorities; Organisation and participation in events related to the coordination between the OPs; Supply of specialised hardware and software;	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
		Provision of high-quality translation and interpretation services; **PA 1, IM 1 - 5** **PA 2**	
High turnover of the qualified staff	Need for retention of the highly qualified and experienced staff, as well as the resourceful and devoted experts within the structures of CCU, AA, CA and OPTA MA	Optimising the management and raising the motivation of the human resources, increasing the effectiveness and improving the quality of work performance; Development of human resources management policies aiming at qualified staff stability; More competitive remuneration of the staff at central level dealing with programming, coordination, management, financial control and audit of SCFs; **PA 1, IM 1 - 4**	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;
Lack of sufficiently experienced staff at local level	Provision of support for the development of appropriate skills among municipalities personnel for using SCFs assistance;	Identifying needs at local level; analysing the needs and elaborating particular trainings for the local authorities; Providing overall training about general principles of the EU funding; Delivery of specific trainings in the relevant spheres of the SCFs implementation; Organisation and participation in events related to PPP schemes; **PA 1, IM 5**	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;
UMIS malfunctioning	Need for the establishment of a functional and working UMIS, able to monitor the implementation of the Structural Funds in high level of detail throughout the whole programming period; Need for written procedures for the daily use of UMIS users; Need for extensive and continues training to users	Ensuring the proper use of the system at all levels of administration in charge of the structural instruments; Ensuring the maintenance and introduction of appropriate upgrades during the whole period, including equipment expansion; Providing extensive training (narrowly focused on UMIS) to users at all levels of the administration;	*Specific objective 1* – Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption;

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
	at all levels of administration; Need to supply specialised hardware devices as well as software applications to UMIS in cases of temporary malfunctioning;	Support the establishment and functioning of a Help Desk; Elaboration and distribution of user guidelines; Development of contingency plans as well as specific procedures for cases of emergency, malfunctioning of the systems, performance of adequate bug reporting etc. **PA 2**	
Lack of sufficient and accurate information provided to the general public and potential beneficiaries	Need to increase the overall interest of the citizens to participate in the processes Need for ensuring maximum information, easy and transparent access to it; Need for gathering, processing and presenting statistical information and analytical data for the implementation of the structural instruments in Bulgaria and analyses of the EU funding impact;	Ensuring regular information and publicity measures and campaigns in Bulgaria about the EU Cohesion Policy and the use of the Structural and Cohesion Funds; Maintaining a Unified Gateway as a main tool for ensuring equality and easy access to information, enabling end users to find the overall information on EU SCFs in one place; Preparation and distribution of reports with best practices related to the management of SCFs for the 2007 – 2013 programming period; Ensuring consultation services for providing analyses of the current economic situation and evaluation of the outcomes, as well as, overall impact of the EU funding on particular aspects of the Bulgarian economy and the elaboration of statistical, analytical and other relevant documents according to the particular needs; Establishing a national network of 28 Info Points as “one stop shops” for information and general advice on SCFs; **PA 3, IM 1 - 3**	*Specific objective 2* – Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;
Low level of usage of Internet throughout the country and	Need for better awareness, aiming to inform the general public about the benefits of the processes of financing	Regular information and publicity measures and campaigns at regional and national level about the EU Cohesion Policy and the use of the Structural and	*Specific objective 2* – Increasing the information and public

Weaknesses	Related needs in the analysis	Corresponding indicative activity / intervention measure(s)	Corresponding specific objective of the OPTA
among all age groups of the population	under the SCFs Need for ensuring maximum information, easy and transparent access to the overall process of SCFs absorption; Having in mind that not all people have the skills or the facilities to use Internet, the face-to-face contact together with the provision of regular information and publicity measures and campaigns is needed;	Cohesion Funds; The establishment of the Info Points where beneficiaries can go for general advice on SCFs ensuring equal access to information and proper communication to all the stakeholders, potential beneficiaries and the wide public; Securing proper equipment, recruiting qualified staff, training of staff of the Info Points; **PA 3, IM 1,3**	awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria;