



REPUBLIC OF BULGARIA

MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS
DIRECTORATE GENERAL PROGRAMMING OF REGIONAL DEVELOPMENT
Managing Authority of Operational Programme Regional Development 2007 – 2013

ANNUAL IMPLEMENTATION REPORT
OF
OPERATIONAL PROGRAMME
REGIONAL DEVELOPMENT 2007 – 2013
FOR 2011



CONTENTS

1.	IDENTIFICATION	5
2.	OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME	5
2.1.	Achievement and analysis of the progress	5
2.1.1.	<i>Information on the physical progress of the operational programme</i>	7
2.1.2.	<i>Financial information (all financial data shall be expressed in Euro)</i>	8
2.1.3.	<i>Information about the breakdown of use of the funds</i>	12
2.1.4.	<i>Assistance by target groups</i>	15
2.1.5.	<i>Assistance repaid or re-used</i>	15
2.1.6.	<i>Qualitative analysis</i>	15
2.2.	Information about compliance with Community law	19
2.3.	Significant problems encountered and measures taken to overcome them	19
2.4.	Changes in the context of the operational programme implementation (if relevant)	24
2.5.	Substantial modification pursuant to Art. 57 of Regulation (EC) No 1083/2006 (if relevant)	24
2.6.	Complementarity with other instruments	24
2.7.	Monitoring arrangements	26
2.7.1.	<i>Monitoring</i>	26
2.7.2.	<i>Evaluation</i>	32
2.8.	National performance reserve (where applicable and only for the annual implementation report submitted for 2010)	35
3.	IMPLEMENTATION BY PRIORITY	35
3.1.	Priority Axis 1 “Sustainable and integrated urban development”	35
3.1.1.	<i>Achievement of targets and analysis of the progress</i>	35
3.1.1.1.	<i>Information on the physical progress of the priority</i>	38
3.1.1.2.	<i>Information on the financial progress of the priority</i>	41
3.1.2.	<i>Qualitative analysis</i>	41
3.1.3.	<i>Significant problems encountered and measures taken to overcome them</i>	69
3.2.	Priority Axis 2 “Regional and local accessibility”	69
3.2.1.	<i>Achievement of targets and analysis of the progress</i>	69
3.2.1.1.	<i>Information on the physical progress of the priority</i>	70
3.2.1.2.	<i>Information on the financial progress of the priority</i>	71
3.2.2.	<i>Qualitative analysis</i>	72
3.2.3.	<i>Significant problems encountered and measures taken to overcome them</i>	79
3.3.	Priority Axis 3 “Sustainable tourism development”	79
3.3.1.	<i>Achievement of targets and analysis of the progress</i>	79
3.3.1.1.	<i>Information on the physical progress of the priority</i>	80
3.3.1.2.	<i>Information on the financial progress of the priority</i>	82
3.3.2.	<i>Qualitative analysis</i>	82
3.3.3.	<i>Significant problems encountered and measures taken to overcome them</i>	93
3.4.	Priority Axis 4 “Local development and cooperation”	93
3.4.1.	<i>Achievement of targets and analysis of the progress</i>	93
3.4.1.1.	<i>Information on the physical progress of the priority</i>	94
3.4.1.2.	<i>Information on the financial progress of the priority</i>	95
3.4.2.	<i>Qualitative analysis</i>	95
3.4.3.	<i>Significant problems encountered and measures taken to overcome them</i>	105

4. ERDF/CF PROGRAMMES: MAJOR PROJECTS (IF APPLICABLE).....	105
5. TECHNICAL ASSISTANCE	106
5.1. Achievement of targets and analysis of the progress	106
5.1.1. Information on the physical progress of the priority	107
5.1.2. Information on the financial progress of the priority	108
5.2 Qualitative analysis	108
5.3 Significant problems encountered and measures taken to overcome them.....	113
6. INFORMATION AND PUBLICITY.....	113

ANNEXES:

Template 1: Financial engineering instrument operations implemented with a Holding Fund

Template 2: Financial engineering instrument operations implemented without a Holding Fund

LIST OF ABBREVIATIONS

CP	Communication Plan
DCM	Decree of the Council of Ministers
DG “PRD”	Directorate General Programming of Regional Development
EAC	Ex-ante Control
EA ECNIS	Executive Agency Electronic Communication Networks and Information Systems
EC	European Commission
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FA	Financial Activities
FMC	Financial Management and Control
IPP	Implementation of Programme Priorities
LRAI	Legislation, Risk Assessment and Irregularities
MA	Managing Authority
MC	Monitoring Committee
MEET	Ministry of Economy, Energy and Tourism
MF	Ministry of Finance
MEYS	Ministry of Education, Youth and Science
MIFP	Medium-term Investment Framework Programme
MMIS	Management and Monitoring Information System
MRDPW	Ministry of Regional Development and Public Works
MSCHC	Medical and Social Care Home for Children
MTITC	Ministry of Transport, Information Technology, and Communications
NEA	National Employment Agency
NIICH	National Institute of the Immovable Cultural Heritage
ODIP	Organizational Development, Information and Publicity
OP	Operational Programme
OPHRD	Operational Programme Human Resources Development 2007 – 2013
OPRD	Operational Programme Regional Development 2007 – 2013
OSPPA	Ordinance for Small Public Procurement Award
PE	Programming and Evaluation
PME	Programme Management and Evaluation
MMIOPRD	Manual for Management and Implementation of OPRD 2007 – 2013
PPA	Public Procurement Act
RD	Regional Department
RIA	Road Infrastructure Agency
SAA	Social Assistance Agency
SACP	State Agency for Child Protection
SDA	Spatial Development Act
SF	Structural Funds
SG	State Gazette
VAT	Value added tax

IMPLEMENTATION REPORT

1. IDENTIFICATION

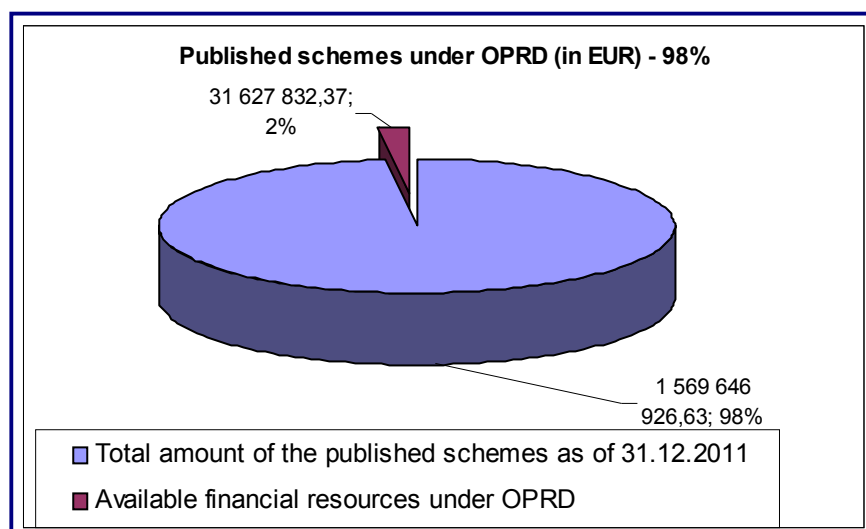
OPERATIONAL PROGRAMME	Objective	CONVERGENCE
	Eligible region	Republic of Bulgaria
	Programming period	2007 - 2013
	Programme number (CCI No)	2007BG161PO001
	Programme name	REGIONAL DEVELOPMENT 2007 – 2013
IMPLEMENTATION REPORT	Reporting year	2011
	Monitoring Committee Approval Date for the Annual Report	12.06.2012

2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

2.1. Achievement and analysis of the progress

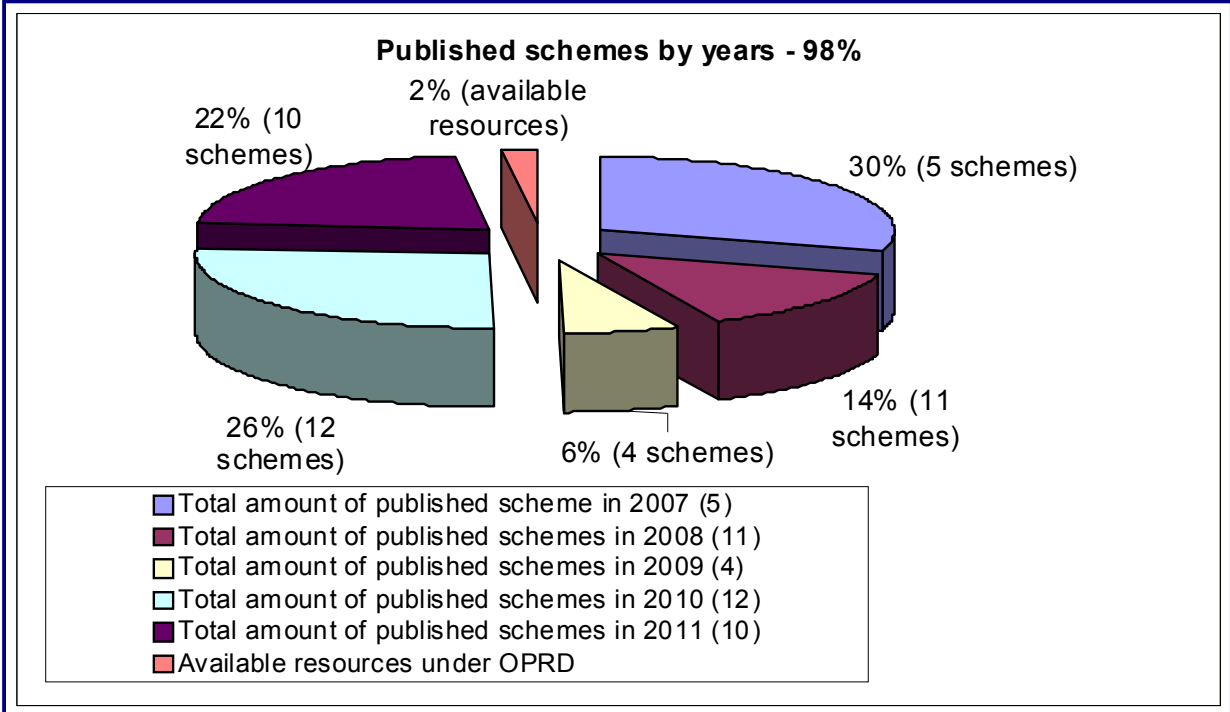
In 2011, the MA of OPRD focused its efforts towards accelerating the contracting, enhancement, and optimisation of procedures process, which led to the 19.03.2011 approval of Version 7 of OPRD Management and Implementation Manual by the Head of the MA of OPRD. The improved and optimised procedures enabled high-quality ex-ante and ex-post control over the contract award procedures to be exercised by the PPA/OSPC/DCM 55 beneficiaries.

Implementing the 2011 Indicative Annual Working Programme, **10 grant schemes were launched with a total value of EUR 348,247,516.25, or 22% of OPRD's budget**, out of which 6 calls for proposals under Priority Axis 1, one call under Priority Axis 2, 2 calls under Priority Axis 3, and 1 call under Priority Axis 4.



In order to provide actual and correct information in this report, all decisions to redirect financial resources between operations and/or priority axes, taken by the Monitoring Committee of OPRD in 2011, are reported. The individual operation and priority axis budgets, approved on 9 February 2011 by the EC with the first revision of OPRD, have been updated accordingly based on the decisions taken and were reflected in the revision of the Operational Programme sent to the EC for approval on 9 February 2012.

Similarly to 2010, in 2011, the scheme launch growth rate and volume was preserved (2.5 times more schemes compared to 2009), and the total amount of funds under the launched schemes in 2011 was approximately equal to that for 2010, and more than three times higher than that for 2009. As a result, the total launched scheme volume for the period between the start of the operational programme and the end of 2011, reached 98% of OPRD’s budget.



A total of **316 project proposals** were submitted during the reporting period, of which 1 medium-term framework programme. 2 Framework programmes and **413 project proposals were evaluated, including some submitted in 2010 and evaluated in 2011**, of these approved were **2 framework programmes and 325 project proposals** (including some project proposals left unfunded due to insufficient financial resources).

The schemes launched were aimed at the reconstruction and equipment of public medical facilities, deinstitutionalisation of institutions for children with disabilities, energy efficiency in multi-family residential buildings, providing modern social housing for vulnerable groups, integrated urban transportation in Sofia and the five big cities, reliable public ICT infrastructure, restoration and conservation of the Evksinograd Palace, development of regional tourism product and destination marketing.

In 2011, a total of 280 contracts were concluded for a total grant amount of **EUR 384 577 874,30** in the following thematic areas:

- 158 contracts under Priority Axis 1, of which 1 with the Ministry of Culture, aimed to support providing adequate and effective state cultural infrastructure, to help develop sustainable urban areas; 14 to support reconstruction, renovation, and equipment of state-owned medical and healthcare facilities in urban agglomerations; 39 to support creation and promotion of innovative cultural events; 24 for deinstitutionalisation of social institutions providing services for children under risk; 2 in the list of reserve projects for integrated and sustainable development through improvement of urban environment; 41 to support small-scale measures to prevent floods in urban agglomerations; 26 to support integrated plans for urban regeneration and development; and 1 to support integrated urban transportation within Sofia Municipality
- 17 contracts under Priority Axis 2, of which 15 for the rehabilitation/reconstruction of second- and third-class road network; 1 in the list of reserve projects for the

rehabilitation/reconstruction of municipal road network; and 1 for the preparation, research, and design to build a Bulgaria-Serbia intersystem gas connection.

- 48 contracts under Priority Axis 3, of which 8 to support cultural heritage of national and world significance, to help sustainable development of tourism; 34 to support development of tourist attractions; 6 to organise events of regional and national scope and impact.
- 46 contracts under Priority Axis 4, of which 3 in the list of reserve projects for energy efficiency in the municipal educational infrastructure; 34 for small-scale measures to prevent floods in 178 small municipalities; 7 to support reconstruction/renovation and equipment of municipal healthcare facilities in municipalities outside urban agglomeration areas; and 2 in the list of reserve projects to support interregional cooperation and exchange of best practices
- 10 orders issued and 1 contract under Priority Axis 5, Technical Assistance.

Table 1: Allocation of contracted amounts per programme priority axes during the reporting period

Priority axis	Total Budget by Priority Axis in Euros	Total Priority Axis Budget after MC Decisions in 2011 in Euros	Number of projects approved for financing	Approved Project Grant Value (EUR)	Number of Contracts Concluded	Approved Project Grant Value under Contracts Concluded (EUR)
1. Sustainable and integrated urban development	839 067 973	923 881 442	212	232 951 059,35	158	183 497 872,29
2. Regional and local accessibility	400 318 689	338 309 627	16	82 018 947,23	17	83 569 261,55
3. Sustainable tourism development	218 093 623	170 939 183	60	101 111 773,47	48	76 884 793,81
4. Local development and cooperation	89 671 387	114 051 118	76	47 053 436,25	46	33 412 906,94
Technical assistance	54 123 087	54 093 389	13	7 574 858,56	11	7 213 039,71
Total	1 601 274 759	1 601 274 759	390	470 710 074,86	280	384 577 874,30

Note:

The Number of Projects Approved for Financing column includes projects which have scored above the required threshold but have not been financed due to exhausted financial resource under the respective scheme.

The Number of Contracts Concluded column also includes contracts for projects approved in 2009 and 2010, but concluded in 2011.

The Approved Project Grant Value under Contracts Concluded column includes only the grant amount under contracts concluded in 2011 in accordance with the Decisions for the award of grants issued by the Head of OPRD Managing Authority, excluding the amounts on the annexes executed in 2011.

2.1.1. Information on the physical progress of the operational programme

As a result of the investments planned under OPRD in 2013 on programme level, the following impact on macro-economic development can be expected:

Type	Indicator	Unit	Quantity			Measurement Frequency	Information Source
			Base Value	Interim Value (2009)	Target Value (2013)		
Impact	Jobs Created	Number	The MA shall monitor the implementation of the indicator on programme level during the programming period (based on individual projects, final reports on completed projects – summarized on programme level)				

Any jobs created, permanent and temporary, shall be reported as impact at the end of the programme period, i.e. in the Final Report on the Operational Programme Implementation, as an aggregate of the results achieved under all completed projects.

➤ Completed projects

All projects are considered completed in case of completed project activities, submitted final technical and financial reports, submitted final payment claim, verified and actually paid.

In 2011, **68 projects were entirely completed under grant contracts**, distributed between the Priority Axes, as follows:

Priority axis	Number of completed projects in 2011
Priority Axis 1	25
Priority Axis 2	5
Priority Axis 4	33
Priority Axis 5	5

Of all 25 projects completed under Priority Axis 1, 9 are related to educational infrastructure improvement, 6 projects are for cultural infrastructure improvement, and 5 projects are for social infrastructure. There are another 4 completed projects related to urban agglomeration landslide prevention and 1 project on urban environment improvement. As a result of the completed projects, 72 educational institution buildings were renovated, to the benefit of 24 959 students. The population benefitted from the prevention measures from landslides are about 257 931 people in urban areas.

In 2011, under Priority Axis 2, 5 projects were completed, resulting in the rehabilitation/renovation of 33.011 km municipal roads.

Under Priority Axis 4, a total of 33 projects were completed, of which 9 were related to educational infrastructure improvement, 3 were aimed to strengthen some small-scale infrastructure for landslide prevention, with the remaining 21 projects to support interregional cooperation and exchange of best practices. Among the more important results of the Priority Axis 4 projects completed are 26 buildings improved educational infrastructure, 5 043 students benefiting from the renovated educational institutions, 1 285 people benefiting from the landslide prevention, 65 innovative practices, exchanged and applied on interregional cooperation basis, 116 interregional events held with 1 869 participants.

All results from the implementation of above completed projects are described in *Item 3 Implementation by Priority Axes*.

2.1.2. Financial information (all financial data shall be expressed in Euro)

Table 2: Financial information

	Total funding of the operational	Basis for calculating	Total amount of certified eligible	Corresponding public	Implementation rate in %

	programme (Community and national)	Community contribution (Public or Total cost)	expenditure paid by beneficiaries (1)	contribution (1)	
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = c/a if T or e = d/a if P</i>
Priority Axis 1	839 067 973	public	91 503 491,29	91 484 847,84	10,91 %
Specify the Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
Priority Axis 2	400 318 689	public	61 526 190,86	61 465 527,23	15,37 %
Specify the Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A

<i>Priority Axis 3</i>	218 093 623	public	1 043 539,36	1 043 539,36	0,48 %
Specify the Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
<i>Priority Axis 4</i>	89 671 387	public	21 535 366,34	21 535 366,34	24,02 %
Specify the Fund					
- Of which ESF-type expenditure (N/A

2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- Expenditure for regions receiving transitional	N/A	N/A	N/A	N/A	N/A
<i>Priority Axis 5</i>	54 123 087	public	3 248 188,41	3 248 188,41	6 %
<i>Technical assistance</i>					
Specify the Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- Expenditure for regions receiving transitional	N/A	N/A	N/A	N/A	N/A
SUM TOTAL	1 601 274 759	public	178 856 776,26	178 777 469,18	11,17 %

- (1) Cumulative numbers. The value of the expenditures, certified by the CA, in the 01.01.2007 – 31.12.2010 period, is reported.
- (2) Data in this field is only entered at the final implementation report, when the operational programme is co-financed by the ERDF or ESF, and when the option under Article 34, Paragraph 2 of Regulation 1083/2006/EC has been exercised.
- (3) Data in this field is only entered at the final implementation report, when the operational programme includes support both for regions receiving transitional support and for ones not receiving such support. For the operational programs with ERDF participation in terms of funds dedicated to the remotest regions: operating expense and infrastructure investment expenditure breakdown.

During the reporting period, advance, interim and final payments have been executed under OPRD. For 2011, a total amount of EUR 138 102 92,02 were paid, including: **advance payments – EUR 64 034 916,54**

interim payments – EUR 56 718 449,37

final payments – EUR 17 349 226,11

Therefore, the percentage of payments made towards the programme’s budget is 8,62%.

The payment rate as of 31.12.2011 compared with the payments as of 31.12.2010 has increased 2 times / the payments made as of 31.10.2010 cumuclatively were to the amount of EUR 185 143 428,80, and the payments made as of 31.12.2011 were to the amount of EUR 323 246 020,82/.

Certified expenditures in 2011 were **EUR 53 165 998,41**.

➤ **Application of the N+3/N+2 rule.**

For the purpose of automatic decommitment */N+2, N+3 rule/*, in compliance with Article 93 of (EC) Regulation No 1083/2006 of the Council of 11.07.2006, amended by (EC) Regulation No 539/2010 of the European Parliament and of the Council, the Commission calculates the automatic decommitment of the relevant budget commitment amount by adding one sixth of the annual budget commitment related to the 2007 total annual contribution to each of the 2008 to 2013 budget commitments */as seen below/*.

Fund: ERDF - EUR	2011	2012	2013	2014	2015
	38 902 574	252 701 662	716 183 237	970 021 957	1 361 083 545

In January 2011, the MA of OPRD updated the “frozen” forecast of the Lothar System with the aim to observe the application of the N+3 rule and provide on-going monitoring of the implementation of Operational Programme Regional Development 2007-2013.

The certified cumulative forecast expenditures under the Lothar System as of 31.12.2011 were to the amount of EUR 287 061 080,52 – co-financing by ERDF.

In accordance with the updated Lothar System as of 31.12.2011, the certified cumulative expenditures under OPRD were to the amount of EUR 151 960 848,81 – co-financing by ERDF or 52,94 % of the forecast, as in 2011 alone were certified expenditures to the amount of EUR 45 123 687,62 – co-financing by ERDF, thus achieving the absorption objective by the end of 2011 and no loss of the application of the N+3/N+2 rule.

2.1.3. Information about the breakdown of use of the funds

Table 3: Allocation of the contracted funds according to category

Combination of codes from dimensions 1 – 5					
Code * Dimension 1 Priority Area	Code * Dimension 2 Form of financing	Code * Dimension 3 Territory	Code * Dimension 4 Economic activity	Code * Dimension 5 Location	Total in Euros **
10	01	01	00	BG	
10	01	05	00	BG	
11	01	01	00	BG	
11	01	05	00	BG	
22	01	01	00	BG	213 609 809,52
22	01	05	00	BG	
23	01	01	00	BG	50 963 750,52
24	01	01	00	BG	3 911 631,55
25	01	01	00	BG	36 866 667,70
28	01	01	00	BG	7 789 076,14
36	01	01	00	BG	2 152 679,98
40	01	01	00	BG	2 871 840,44
40	01	05	00	BG	826 852,75
42	01	01	00	BG	
42	01	05	00	BG	
43	01	01	00	BG	59 510 054,39
43	01	05	00	BG	14 634 372,91
44	01	05	00	BG	
50	01	01	00	BG	
50	01	05	00	BG	
52	01	01	00	BG	41 889 546,60
53	01	01	00	BG	32 471 708,60
53	01	05	00	BG	17 008 044,67
55	01	01	00	BG	
55	01	02	00	BG	
55	01	05	00	BG	
56	01	01	00	BG	652 639,43
56	01	05	00	BG	217 546,48
57	01	01	00	BG	2 081 430,05
57	01	02	00	BG	
57	01	05	00	BG	311 018,28
58	01	01	00	BG	56 548 719,54
58	01	05	00	BG	16 084 402,49
59	01	01	00	BG	19 369 939,92
60	01	01	00	BG	8 346 394,98
61	01	01	00	BG	131 174 356,71
61	01	05	00	BG	
75	01	01	00	BG	44 244 889,20

75	01	05	00	BG	9 861 908,74
76	01	01	00	BG	57 478 319,89
76	01	05	00	BG	12 779 958,20
77	01	01	00	BG	53 277 599,02
77	01	05	00	BG	9 861 908,74
78	01	01	00	BG	
79	01	01	00	BG	12 172 777,40
79	01	05	00	BG	
81	01	00	00	BG	18 893 663,36
81	01	10	00	BG	4 109 709,71
85	01	00	00	BG	19 083 058,36
86	01	00	00	BG	5 455 802,23
				Total	966 512 078,53
* For each modification categories should be coded according to their classification by type					
** Amount of the Community grant for each combination of categories					

Key in compliance with Annex 2, Section A of Regulation No 1828/2006:

1) Codes by priority area:

- 10 – Telephone infrastructure (including broadband networks)
- 11 – Information and communication technologies (access, security, interoperability, risk prevention, research, innovation, e-content, etc.)
- 22 – National roads
- 23 – Regional/local roads
- 24 – Cycle tracks
- 25 – Urban transport
- 28 – Intelligent transport systems
- 35 – Natural gas
- 40 – Renewable energy: solar
- 42 – Renewable energy: hydroelectric, geothermal and other
- 43 – Energy efficiency, co-generation, energy management
- 44 – Management of household and industrial waste
- 50 – Rehabilitation of industrial sites and contaminated land
- 52 – Promotion of clear urban transport
- 53 – Risk prevention (including the drafting and implementation of plans and measures for to prevent and manage natural and technological risks)
- 55 – Promotion of natural assets
- 56 – Protection and development of natural heritage
- 57 – Other assistance to improve tourist services
- 58 – Protection and preservation of the cultural heritage
- 59 – Development of cultural infrastructure
- 61 – Integrated projects for urban and rural regeneration

- 75 – Educational infrastructure
- 76 – Health infrastructure
- 77 – Childcare infrastructure
- 78 - Housing infrastructure
- 79 – Other social infrastructure
- 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
- 85 – Preparation, implementation, monitoring and inspection
- 86 – Evaluation and studies; information and communication

2) Codes by form of financing:

- 01 – Non-repayable aid

3) Codes by territory type:

- 01 – Urban environment
- 02 – Mountains
- 05 – Rural areas
- 10 – Interregional cooperation areas

4) Codes by economic activity

- 00 – Not applicable

5) Codes by location

- BG – Bulgaria

2.1.4. Assistance by target groups

- **Results concerning the impact on target groups of the grant contracts completed in 2011**

	Priority Axis 1	Priority Axis 4
Number of Roma/other ethnic minorities benefiting from the project results	7 104	1 899
Number of people with disabilities benefiting from the intervention	11 430	82

2.1.5. Assistance repaid or re-used

For the reporting period, EUR 3 573 788,87 were reimbursed under financial corrections imposed, as follows:

- EUR 1 209 525,03 flat financial correction;
- EUR 256 248,99 reimbursed from beneficiaries, incl. EUR 253 142,82 principal and EUR 3 106,17 interest;
- EUR 2 108 014,85 withheld financial corrections, incl. EUR 2 106 412,20 principal and EUR 1 602,65 interest.

2.1.6. Qualitative analysis

The grant schemes launched in 2011 under Operational Programme Regional Development 2007-2013 and the implementation of the grant contracts executed will help achieve the objectives set for the period until 2013, as follows:

Implementation of Objective 1: Setting-up of sustainable and dynamic urban centres connected to the less urbanized peripheral territories, thus increasing the opportunities for prosperity and development.

For the purpose of implementing Objective 1 during the reporting period, were launched calls for proposals under 6 grant schemes within *Operation 1.1. "Social infrastructure", Operation 1.2 "Housing policy", and Operation 1.5 "Sustainable urban transport systems"* with a total amount of EUR 292 890 584,80 or 32% of the priority axis' budget, whereby the total amount of all launched schemes reached 97% of the axis' budget. Continued the evaluation of project proposals, and contracting within the schemes launched in 2008 with specific beneficiaries and the schemes launched in 2010. The total number of project proposals received in 2011 was 204, of which 2 failed to meet the application deadline. Within the reporting period, a total of 224 project proposals (incl. some submitted in 2010) and 1 medium-term framework investment programme submitted in 2010 were evaluated. 158 contracts were executed for a total grant amount of EUR 183 497 872,29. 1 framework agreement was executed with the Ministry of Health for a total amount of EUR 75 660 233, based on the approved medium-term framework investment programme.

By 31.12.2011, the total grant amount under Priority Axis 1 was EUR 601 608 186,73, representing 65% of the size of the Priority Axis.

➤ ***Implementation of Objective 2: Provision of better access to road, ICT, and energy networks for underdeveloped regions.***

For the completion of Objective 2, within the reporting period, the MA of OPRD launched a call under 1 grant scheme within *Operation 2.2, Information and Communication Network*, with a budget of EUR 20 015 934 whereby achieving 100% coverage of the priority axis. Evaluation and contracting continued for project proposals under scheme BG161PO001/2.1-01/2007 "Support for the rehabilitation and reconstruction of second- and third-class roads", with specific beneficiary, the Road Infrastructure Agency, falling within the scope of *Operation 2.1 "Regional and local road infrastructure"*, launched in 2007. Within this period, 15 project fiches were evaluated and approved, and, respectively, 15 grant contracts were concluded for a total of EUR 79 486 421,40.

Within the same operation, upon release of financial resources, 1 contract was concluded for a project within the reserve list for municipal road rehabilitation and reconstruction with a total grant value of EUR 1 550 314,32.

Within Priority Axis 2, 1 project proposal by a specific beneficiary, Ministry of Economy, Energy, and Tourism, under *Operation 2.3 "Access to sustainable and effective energy resources", grant scheme BG161PO001/2.3-01/2010 "Preparation, research and design to build a Bulgaria-Serbia intersystem gas connection"*, was evaluated and approved. *A contract with a total grant value of EUR 2 532 525,83 was concluded.*

By 31.12.2011, the total grant amount under Priority Axis 2 was EUR 313 790 763,26, representing 93% of the size of the Priority Axis.

➤ ***Implementation of Objective 3: Increasing the potential of regional tourism for development and marketing of sustainable, diverse, and region-specific tourism products of higher added value.***

For the implementation of Objective 3 during the reporting period, were launched 2 grant schemes, one of them falling within the scope of *Operation 3.1 "Improvement of tourist attractions and related infrastructure"*, and the second one falling within the scope of *Operation 3.2 "Development of regional tourism product and destination marketing"*. The total grant value for the schemes launched was EUR 14 524 427 whereby achieving 100% coverage of the priority axis.

Within the reporting period, 1 medium-term framework investment programme and 73 project proposals were submitted, of which 3 failed to meet the application deadline. 71 project proposals and 1 framework programme were evaluated, including 7 project fiches, submitted in late 2010. 1 project fiche was withdrawn during evaluation. Approved: 60 project proposals and 1 framework programme.

Forty-three (48) contracts were concluded at the total amount of grants EUR 76 884 793,81.

By 31.12.2011, the cumulative size of Priority Axis 3 grants was EUR 111 515 253,72, representing 65% of the size of the priority axis.

➤ ***Implementation of Objective 4: Activation of regional and local technical and institutional opportunities and resources to implement the regional development policies.***

In 2011, one grant scheme under *Operation 4.1 “Small-scale local investments”*, BG161PO001/4.1-05/2011 “Support for reconstruction/renovation and equipment of municipal healthcare facilities in municipalities outside urban agglomeration areas”, was launched with a total amount of EUR 40 713 672,98.

Within this period, 7 project proposals under this scheme were submitted. A total of 88 projects were evaluated, including 81 projects submitted before the 2010 deadline for small-scale measures to prevent floods in 178 small municipalities.

In this period, 46 contracts *with a total grant value of EUR 33 412 906,94 were concluded, of which 2 contracts under the reserve list within Operation 4.2 “Interregional cooperation”*, scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”.

By 31.12.2011, the cumulative size of Priority Axis 4 grants was EUR 81 272 583,63, representing 71% of the size of the priority axis.

➤ ***Demonstration of the effects of the implementation of the operational programme on the promotion of equal opportunities between men and women as appropriate and description of the partnership agreements.***

In compliance with the principles and stipulated requirements for gender equality, as well as integration of the equal opportunity principle, the guidelines for applicants under the launched grant schemes specify as a compulsory requirement the guarantee of gender equality and prevention of discrimination. The gender equality and prevention of discrimination principle is the subject of monitoring and evaluation on priority axis level.

The launched schemes in the process of implementation, aiming to support the repair/reconstruction of buildings and the urban environment as a whole, also include the provision of better access for people with disabilities and accessible architectural environment on the sites of intervention.

➤ ***Promotion of the partnership principle during the implementation of OPRD***

The partnership principle has been included in the process of programming, implementation, monitoring and evaluation of OPRD. The useful and constructive partnership with the European Commission continued in 2011. The Monitoring Committee of OPRD consists of both members with the right to vote, as well as social and economic partners, and NGOs – representatives of the civil society. Representatives of the EC and JASPERS took part in all meetings and events together with representatives of the municipalities of the 7 big cities for open discussions, consideration and decision-making with regard to the preparation of the activities related to urban transport modernisation.

The Managing Authority involves its partners to multiply and disseminate information addressed to OPRD beneficiaries and the public at large. In 2011, the MA organized a number of events with the participation of various interested parties – information days on the launched grant schemes, press conferences, an annual conference on the progress under OPRD, meeting-training with

representatives of the beneficiaries, as described in Section 7. *Information and Publicity*.

Operation 4.2 “Interregional cooperation”, grant scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”, is based on the partnership principle and aims to promote partnership between regions and municipalities within the European Union, for the purpose of disseminating and exchanging information, knowledge, skills and best practices related to the following areas: - risk prevention; regeneration of urban areas – urban planning and management; ICT networks/information society; housing policy; renewable energy sources; transportation/transport organisation models; development of tourism and destination marketing; promotion and development of models for intermunicipal cooperation. In 2010, the implementation of 9 grant contracts was completed based on the partnership principle for the exchange of skills and best practices, the development of strategies, action plans, trainings, seminars, conferences, learning trips, joint meetings, including the social and economic partners (universities, NGOs, business associations, etc.). As a result of the completed projects, 65 innovative practices were exchanged and applied on the basis of interregional cooperation, and 116 interregional events were held with a total of 1869 participants.

An example for successful application of the partnership principle is the close cooperation with the Council of Ministers, the Ministry of Health, and the Ministry of Labour and Social Policy, taking into account the fact that OPRD activities are carried out according to the sector policies at the national level in order to provide a strategic approach and sustainable results.

An example for successful application of the partnership principle is the work of the interinstitutional workgroup on the deinstitutionalisation, which developed a *Vision for Deinstitutionalisation of the Children in the Republic of Bulgaria* and an Action Plan for its implementation, adopted by the Council of Ministers in 2010. OPRD scheme BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”, supports the reform in the area of social policy. This scheme aims to secure a suitable and effective social infrastructure to help provide a new type of residential and auxiliary services within the community as a replacement for the institutional care. The funds are directed towards building, repair, equipment, and refurbishing of family-type housing centres and protected homes. Based on the infrastructure built under OPRD, with the support of Operational Programme Human Resources Development, all social services identified as suitable to satisfy the needs of every child will be developed gradually.

Another example for the application of the partnership principle is the Interinstitutional Workgroup led by the Minister of EU Funds Management, established in 2011, to develop a concept for integrated projects for construction of houses for the disadvantaged groups and to produce a device for coordination with other horizontal policies, co-financed by EU funds. In this manner, an integrated approach is provided at the national level through a joint initiative by two funds, the ERDF and the ESF, whereby, together with the construction of social housing under OPRD, programmes for qualification and employment, children education quality improvement, measures to raise the level of community self-organisation et al. need to be created under the OP Human Resources Development. The interinstitutional workgroup identified 4 pilot projects: those of the Burgas, Vidin, Devnya, and Doupnitsa municipalities, as well as 3 reserve ones: of the Varna, Peshtera, and Tundzha municipalities. These were identified as specific beneficiaries and reserves, respectively, under the OPRD scheme BG161PO001/1.2-02/2011 “Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups”.

In close cooperation with the Ministry of Health, the MA developed and published 3 schemes directed at reconstruction, renovation, and equipment of state and municipal medical and healthcare facilities. The schemes support completely the healthcare reform. The scope of eligible activities and medical facilities subject to intervention is defined entirely based on the national priorities of the

National Healthcare Strategy 2008 – 2013 and the Concept for the Restructuring of the Hospital Care System in the Republic of Bulgaria for the 2010 –2017 Period.

The partnership principle is applied also in the process of programming the next, 2014 – 2020 period. With this regard, in December 2011, discussions on the first interim report on the development of the social-economic analysis for the needs of the Operational Programme for Regional Development for the 2014 – 2020 period were held. At the regular sessions of the Regional Development Councils, representatives of the contractor company made a presentation of the preliminary results of the analysis. The representatives of the Managing Authority took active part in the discussions.

2.2. Information about compliance with Community law

The harmonisation of the Bulgarian legislative base with (EC) Regulation No 1370/2007 related to the implementation of integrated urban transport projects, in 2011 were undertaken the following steps:

The Road Transport Act (amend. SG. 17/25 February 2011) refers directly to the (EC) Regulation No 1370/2007 of the European Parliament and of the Council of 23 October 2007, concerning public passenger and cargo transport services by rail and by road.

With Article 19, Paragraph 2 of the Road Transport Act was made a requirement for cargo bus lines are assigned after organised procedure under the Concessions Act and in compliance with (EC) Regulation No 1370/2007, as the Employer envisaged compensation for cargos for made expenditures and/or provides them with exclusive rights in return for the obligation of implementing the public service.

The mandatory content of public procurement contract for services specified in Article 4 of (EC) Regulation No 1370/2007 is to be applied directly.

Thus, the application of (EC) Regulation No 1370/2007 is provided for by equalisation of the criteria for conducting a public procurement procedure, clearly defined in the Concessions Act and Public Procurement Act.

With a view to harmonise the Bulgarian legislative base, Ordinance No 2 of 15 March 2002 for the condition and order of approval of transport schemes and carrying out public transportation of passengers by buses and passenger cars, amend. SG 44/10 June 2011 in compliance with the requirements (EC) Regulation No 1370/2009.

The compliance was confirmed also at a work meeting in June 2011, with representatives of the Ministry of Transport, Information Technology and Communications, Ministry of Regional development and Public Works, European Commission and JASPERS.

2.3. Significant problems encountered and measures taken to overcome them

➤ *Delay in the implementation of some of the projects, temporary suspension of the grant contracts or related activities*

There has been a delay in the implementation of some of the projects, which in turn leads to changes to the Gantt chart stipulated in the respective contract. The main reasons for the delay are related to the procedures for the award of public procurement contracts. A redress has been filed under some of the procedures by rejected applicants, or the Commission on Competition Protection has issued a decision for unlawfulness of the procedure held, appealed by the beneficiary before the Superior Administrative Court, which has further delayed the implementation of the contract. Some of the procedures have been terminated by the Employer and subsequently renewed.

Measures taken: The MA takes measures *for the temporary suspension of the grant contracts or separate activities therein*, as the result of objectively existing circumstances pursuant to Art. 10.1 of the

General Terms and Conditions of the grant contracts, which would hinder implementation within the deadline of some of the activities laid down in the project timetable. In accordance with Art. 10.4 of the General Terms and Conditions of the grant contracts, the implementation period for activities is extended by a period equal to the period of suspension, under the condition that the restriction laid down in Art. 10.1 of the General Terms and Conditions of the grant contracts, concerning the maximum period of contract implementation, is complied with - the operational programme period of implementation.

After the measures taken to suspend the contracts temporarily for the purpose of successfully concluding the projects, the implementation of the projects was renewed and they are being carried out without further problems.

➤ ***Weaknesses found during the organization of the public procurement procedures on the part of the beneficiaries***

In the first half of 2011, the MA made an effort to improve the underlying procedures and rules in the OPRD Management and Implementation Manual in terms of ex-ante and ex-post control over the contractor selection procedures. At the same time, upon coming into force of Version 7 of the Procedure Manual, approved by the MA Head on 19.03.2011, and the subsequent amendment, Version 7.1, approved by the MA Head on 20.04.2011, the MA exercised ex-ante control over all procedures under the PPA, open contest under the OSPC, and the following procedures under DCM 55: open selection; contracting with publication of a clarifying document; contracting without publication of a clarifying document; obligation to collect 3 bids. With the updated Procedure Manual, more detailed checklists for each procedure type were developed to ensure more precise tracking of any omissions and/or irregularities in public procurement.

Furthermore, a recheck/ex-post control of the legality of the tender procedures conducted by the beneficiaries of all grant contracts with certified expenditures in 2010 was carried out, as well as that of all contracts concluded with contractors in 2011. The identified violations, on which signals for irregularities were registered, were related mainly to: *introduction of discriminating criteria; illegal procurement splitting in order to use a less strict procedure; wrongful shortening of the bid reception deadline; violations and errors in the definition of the selection criteria and the evaluation indicators; violations in the work of the evaluation committees; conflict of interest.*

The amount of the rechecked certified expenditures for 2010 was **EUR 77 451 948,28**. As a result of the ex-post control for the legality of the public procurement procedures conducted, signals were registered and financial corrections applied with a **total amount of EUR 5 677 022,16**.

➤ ***Weaknesses established in the implementation of infrastructure projects by the beneficiaries***

During the physical implementation of some of the infrastructure projects, it was found that contractors had performed some low-quality construction works. In these cases, the MA demands that the defects be removed, by sending instructions to the beneficiary.

During the abovementioned revision of OPRD Management and Implementation Manual, Versions 7 and 7.1, more detailed checklists were drafted for on-the-spot checks for the purpose of carrying out a more detailed and in-depth control over the quality of implementation of construction works.

Methodological guidelines were developed on setting the size of the financial corrections for violations in the performance of projects co-financed under OPRD, approved by the Minister of Regional Development and Public Works on 08.07.2011.

On 17.05.2011, an open procedure under the PPA was launched to select external contractors (specialised companies) to provide expert assistance to the MA with the on-the-spot checks in terms of performance quality and compliance with the quality standards (**investor's control**); on 14.11.2011, a contract was concluded for one of the standalone items, covering the road network rehabilitation, urban environment improvement, and urban transport projects.

➤ ***Need to strengthen the capacity of the MA of OPRD to overcome the abovementioned weaknesses***

In order to strengthen the capacity of the MA of OP Regional Development, in 2011, a total of 25 trainings were conducted, both in Bulgaria, and in European Union member states.

The main subjects present in trainings were related to the following areas: financial management and control; awarding public procurement contracts; cost-benefit analysis; risk management; urban development; intelligent transport systems; general topics on EU fund management: EU policies, regulations, etc.

In order to upgrade the knowledge and skills of all DG Programming of Regional Development employees, including the regional departments, in 2011, three work meeting-trainings were organised, related to the actual implementation of *Version 7 and Version 7.1* of OPRD Management and Implementation Manual.

In 2011, competitions were held to fill a total of 40 vacant staff positions at the MA. Three experts were appointed to management positions and 37 experts to positions with analytic and/or control functions, of which 15 at the regional level and 25 at the central level.

By Decree No 289/20.11.2011 on amending and supplementing the Rules of Organisation of the Ministry of Regional Development and Public Works, approved by DCM No 271/2009 of the Council of Ministers, 9 additional staff positions for Directorate General Programming of Regional Development were approved. The changes were necessary because of the excessive workload of the employees in the directorate, mostly related to the ex-ante and ex-post control over the public procurement procedures, as well as to the processing of received signals for irregularities.

In accordance with Order No RD-02-14-2152/25.10.2011 of the Minister of Regional Development and Public Works on approval of the staff list of the MRDPW, the size of DG Programming of Regional Development was increased from 153 to 162 staff positions, of which 7 staff positions were allocated to the Legislation, Risk Assessment, and Irregularities Department, 1 staff position was allocated to the Monitoring Department, and 1 staff position was allocated to the Financial Management and Control Department. By separating the Irregularities Unit within the LRAI department, a full separation was achieved for the functions and the responsibilities related to the received signals for irregularities in the actual project implementation.

The Organisational Development, Information, and Publicity Department was transformed into an Information and Publicity Unit within the Programming, Evaluation, Information and Publicity Department, with completely preserved functions, in order to streamline the structure and reduce the number of executives.

Table 4: *Organisational structure of the MA of OPRD by December 2011*

Structure	
Managing Authority of OPRD – central level	Permanent staff 162
Director General, DG Programming of Regional Development	1
Deputy Director General – OPRD	2
Organizational Development, Information and Publicity Department	17, including
Programming Unit	8, including
Chief assistant for European project and programme management	1
Senior assistant for European project and programme management	2
Evaluation Unit	3
Information and Publicity Unit	5
Implementation of Programme Priorities Department	18, including
Chief assistant for European project and programme management	1
Junior assistant for European project and programme management	4
Monitoring Department	22, including

Junior assistant for European project and programme management	1
Financial Management and Control Department	29, including
Junior assistant for European project and programme management	1
Financial Control Unit	15
Financial Planning and Payments Unit	6
Accounting Unit	6
Legislation, Risk Assessment, and Irregularities Department	16, including
Junior assistant for European project and programme management	2
Irregularities Unit	8, including
Junior assistant for European project and programme management	3
Senior assistant for European project and programme management	2
Managing Authority of OPRD – regional departments	
North-Western Area Department	9
North-Central Area Department	10
North-Eastern Area Department	9
South-Western Area Department	9
South-Central Area Department	10
South-Eastern Area Department	10

➤ ***Need to improve the administrative capacity of the beneficiaries under OP Regional Development***

In order to improve the capacity of the Programme beneficiaries, on 21.01.2011, the Managing Authority concluded a contract titled “*Development of specific training on operations for beneficiaries and consulting on OPRD project development and implementation*”, with a contractor, within Priority Axis 5 project: Technical Assistance, BG161P0001/5-01/2008/014 “*Strengthening the capacity of OPRD beneficiaries for successful participation in OPRD implementation and absorption of resources granted by the Structural Funds through implementation of a training plan*”. Within the reporting period, the contractor conducted a total of 64 trainings, related both to OPRD grant scheme application and to grant contract performance, with a total of 854 municipality representatives trained. Within these trainings, 4 training trips abroad were made, in which a total of 48 representatives of programme beneficiary municipalities took part.

In the reporting period, trainings for potential beneficiaries were organised and conducted under the “*Development of specific training on operations for beneficiaries and consulting on OPRD project development and implementation*” contract for the following 11 grant schemes:

- BG161PO001/1.1-08/2010 “*Support for reconstruction, renovation, and equipment of municipal medical and healthcare facilities in urban agglomerations*”
- BG161PO001/1.1-09/2010 “*Support for introduction of energy efficiency measures in municipal educational infrastructure of urban agglomerations*”
- BG161PO001/1.1-10/2010 “*Support for organisation and promotion of innovative cultural events*”
- BG161PO001/1.1-12/2011 “*Support for deinstitutionalisation of social institutions providing services for children at risk*”
- BG161PO001/1.4-06/2010 “*Support for small-scale investments to prevent floods in urban agglomerations*”
- BG161PO001/1.5-01/2010 “*Support for integrated urban transport in Burgas Municipality*”
- BG161PO001/3.1-03/2010 “*Support for development of natural, cultural, and historical attractions*”
- BG161PO001/4.1-03/2010 “*Support for introduction of energy efficiency measures in municipal educational infrastructure of 178 small municipalities*”

- *BG161PO001/4.1-05/2011 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”*
- *BG161PO001/4.1-06/2010 “Support for small-scale measures for flood prevention in 178 small municipalities”*
- *BG161PO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”*

Furthermore, in 2011, the Managing Authority of OPRD organised and conducted information days for the potential beneficiaries of the Programme under the following four grant schemes:

- *BG161PO001/1.1-10/2010 “Support for organisation and promotion of innovative cultural events”*
- *BG161PO001/1.1-11/2011 “Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomerations”*
- *BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*
- *BG161PO001/4.1-05/2010 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”.*

In June 2011, the MA conducted a joint work meeting with beneficiaries regarding the updated guidelines on OPRD grant contract performance. The major topics covered by this event concerned identification and reporting of irregularities; financial corrections; problems related to the award of public procurement contracts; ex-ante control over tender documentation – frequently occurring mistakes, etc.

Jointly with the National Association of Municipalities in the Republic of Bulgaria, a work meeting was held with OPRD beneficiaries on management and performance of projects under the Programme, public procurement procedures, irregularities and financial corrections.

In 2011, work, coordination, and experience-sharing meetings were held on the following topics:

- *Integrated urban transport of the 7 big cities*
- *Integrated plans for urban regeneration and development*
- *Implementation of OPRD*
- *Experience sharing related to scheme BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*
- *Experience sharing related to scheme BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”*

Approximately 850 representatives of Programme beneficiaries were trained on the abovementioned work and coordination meetings.

Additionally, in December 2011, a work meeting for the media and a visit of OPRD sites, both completed and in progress, with 28 representatives from the media trained on these events.

Trainings held have contributed significantly to strengthening the capacity of OPRD beneficiaries, in view of developing and submitting quality proposals and their effective management and implementation.

Additionally, the Managing Authority developed a technical assistance project with the following subject: *“Elaboration of action plans to strengthen the administrative capacity of OPRD beneficiaries”*, covering a research on the beneficiaries, including analysis and evaluation of the administrative, technical, and financial capacity of the OP Regional Development beneficiaries. On

08.12.2011 a contract was executed with a contractor. In 2012, action plans to strengthen the administrative capacity of OPRD beneficiaries are to be developed.

Within the JASPERS initiative, in the late 2010, an Integrated Urban Transport Project Implementation Unit was created within the MA of OPRD to provide support both to the Managing Authority and to the specific beneficiaries Burgas, Sofia, Plovdiv, Stara Zagora, Russe, Varna and Pleven municipalities in preparation of projects for modernisation of the urban transportation. The actual operation of the unit started in 2011, with main activities covering: support for the municipalities in defining the project scopes; review, corrections, and recommendations on any documentation related to the feasibility studies, as well as the whole package of application documents; methodological assistance for consultants and beneficiaries; meetings with the stakeholders: coordination and work (the coordination meetings were aimed at tracking the project progress, while the work meetings in the cities resolved current problems, encountered by consultants and beneficiaries). In 2011, 4 coordination meetings were held on the integrated urban transport in the seven big cities.

Regarding the pilot implementation of the JESSICA initiative and the preparation and accelerated application of other financial engineering instruments within the following programme period, in the late 2010, a JESSICA Unit was created within the Programming, Evaluation, Information and Publicity Department of the MA. In 2011, the unit achieved significant progress in JESSICA implementation, whereby, supporting the Investment Board (IB), coordinated a Call to Express Interest by Urban Development Funds and also assisted the Investment Board in the negotiations between the European Investment Bank – Holding Fund under JESSICA for Bulgaria (HF) and the consortium led by Société Générale Expressbank under Lot 2, Urban Development Fund (UDF). At the end of the reporting period, the JESSICA unit assisted the pre-notification of JESSICA government aid and at the same time created the documentation and launched a public procurement to select a Residential Renovation Fund Selection financial engineering instrument. Therefore, within the reporting period, the MA managed to launch the pilot implementation of both models for financial engineering instruments for urban development and energy efficiency, with or without Holding Fund's participation, thereby becoming one of the first EU member states achieving this.

2.4. Changes in the context of the operational programme implementation (if relevant)

On 09.02.2011, via the SFC 2007 system, an EC decision was received approving the revised version of Operational Programme Regional Development, sent to the EC on 18.10.2010. The revised programme reflected all changes adopted on the OPRD Monitoring Committee's sessions in 2009 and 2010.

At the Monitoring Committee's sessions, as well as using MC written procedures, in 2011 new modifications in the operational programme were initiated, made pursuant to Article 33 of Regulation 1083/2006 and caused by: *taking into account the impact of the global financial and economic crisis; taking into account the changes in national policy, aimed to ensure the country's energy security and higher energy efficiency; focusing on the development of the growth poles – Sofia and the 6 big cities in accordance with the Leipzig Charter on Sustainable European Cities, strengthening the capacity of the individual beneficiaries, etc.*

The adopted decisions for modifications are described in Section 2.7, Item 2.7.1 of this report.

2.5. Substantial modification pursuant to Art. 57 of Regulation (EC) No 1083/2006 (if relevant)

Not applicable.

2.6. Complementarity with other instruments

OP Regional Development ensures complementarity with the other operational programmes and the Rural Development Programme. The actual implementation of OPRD by the end of the reporting period complied with the demarcation.

In order to prevent a possible overlapping and double funding, the following measures were taken by the MA of OPRD:

- On the level of submitting project proposals and signing a grant contract, beneficiaries shall provide a declaration that at the time of application, the activities comprising the project proposal have not been financed under another project, programme or any other funding scheme of the national budget, the Community budget or another donor programme;
 - Before a decision is made on the report of the evaluation committee, MA performs a check for lack of double funding according to the list of projects proposed for financing by the evaluation committee. A check of the project proposals includes checks in: MMIS, as well as a check for the lack of double funding under the PHARE Programme and other national and European funding programmes supporting similar activities. If doubts exist as to double funding, an official correspondence shall take place with the institutions providing the financial support. A checklist shall be filled in. In addition, before the conclusion of the grant contract, the approved candidates are obliged to submit a signed and sealed declaration of the lack of double funding for the project proposal or activities related to it.
 - All OPRD projects have been entered into the single management and monitoring information system (MMIS).
 - Furthermore, in compliance with the requirements of the European legislation, Art. 14 of the General Terms and Conditions of the contract and the Contract Implementation Instructions under OPRD, in order to guarantee the provision of required data and reporting to the MA, the beneficiary shall provide an adequate accounting system on contract level, according to sources of funding /ERDF, NB, and own contribution/. An on-the-spot check verifies if the beneficiary has fulfilled the requirement for keeping separate analytical accounts for every grant contract. If expenses have been correctly reported, a check is performed of the number of projects for which the beneficiary has received financing and whether they have been financed from the budget or other resources; the supporting documents (proof of expenditure) from the contractors under OPRD contracts are scrutinized for reporting to other programmes, including the RDP. The suppliers' lots for accounts 4010 and 4020 are also checked by scrutinizing the purchase logs.
 - Before submitting a Payment Claim, the beneficiaries present to the MA of OPRD the original expenditure documents for any expenses they will want reimbursed. An expert from the MA of OPRD places a formal stamp on their face, in the white margin, or on any area without meaningful symbols. If the Payment Claim comes with copies of expenditure documents, on which no OPRD stamp placed on the originals is visible, then these expenses are not recognized and reimbursed to the beneficiary.
- **An example for a joint initiative, illustrating the principle of complementarity between the ERDF and ESF, is the Deinstitutionalisation of Children from the Homes for Children with Disabilities and the MSCHC project**

On 24.02.2010, the Council of Ministers approved the *Vision for Deinstitutionalisation of the Children in Bulgaria* policy document, developed by an interinstitutional workgroup with representatives of stakeholder institutions and publicly discussed with 23 Bulgarian nongovernmental organisations and UNICEF. The reform should result in prevention of placing and raising children outside their families and shall include development of new services, including closing of the conventional residential institutions and replacing them with a network of community-based services. The foremost priority in implementing the document shall be the closure of special childcare homes for children with disabilities in parallel with the medical and social care homes for

children aged 0-3. The main task of the workgroup is to coordinate the deinstitutionalisation projects, financed under the operational programmes in Bulgaria.

In order to complete the objectives of Vision for Deinstitutionalisation of the Children in Bulgaria, on 24 November 2010, the Council of Ministers adopted an Action Plan for Implementation of the Vision for Deinstitutionalisation of the Children in Bulgaria National Strategy. The Action Plan provides for the development of a large number of social services in Bulgaria to replace the existing 130 institutions for children. Building a suitable infrastructure to provide the developed community services – *small group homes, protected homes, and day care, transitional and monitored homes, children and mother health and consulting centres, etc.* – is very important to achieve the expected quality results. To this end, the interinstitutional workgroup adopted **the National Residential Care Map**.

In light of the documents adopted, allocations under OP Regional Development and OP Human Resources Development were targeted to finance a joint project for improving the life of institutionalized children with disabilities in Bulgaria and for creating a model for transformation of the services provided in special childcare institutions into alternative community-based services.

For the construction of family-type housing centres and protected homes, in 2011, the MA of OPRD launched a EUR 55 million grant scheme. Specific beneficiaries under this scheme were 62 municipalities within the scope of the agglomeration areas under the National Residential Care Map. By the end 2011, 24 contracts were executed with a total grant value of EUR 15 million.

Additionally, within the scheme for state medical facilities with the Ministry of Health as a specific beneficiary, a grant contract was executed for the restructuring of 8 pilot medical and social care homes for children, aimed at launching innovative integrated services for deinstitutionalisation and prevention of abandonment of children aged 0-3.

- **Another example, illustrating the principle of complementarity between the ERDF and ESF, is the initiative for the construction of social housing for vulnerable groups.**

An integrated approach is provided at the national level through a joint initiative by two funds, the ERDF and the ESF, whereby, together with the construction of social housing under OPRD, programmes for qualification and employment, children education quality improvement, measures to raise the level of community self-organisation et al. need to be created under the OP Human Resources Development.

In order to successfully complete the initiative, in 2011, an interinstitutional workgroup led by the Minister of EU Funds Management was established to develop a concept for integrated projects for construction of houses for the disadvantaged groups and to produce a mechanism for coordination with other horizontal policies, financed by EU funds. A main task for the workgroup was to evaluate and select project ideas aimed at creating a pilot model to provide modern social housing and to find a long-term and sustainable solution for the problems in this area.

The interinstitutional workgroup identified 4 pilot projects of municipalities, subsequently identified as specific beneficiaries under OPRD Scheme *BG161PO001/1.2-02/2011 “Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups”*. The scheme was officially launched on 30 August 2011, with a deadline for submission of project proposals on 1 March 2012.

2.7. Monitoring arrangements

2.7.1. Monitoring

Within the reporting period, 2 sessions of the Monitoring Committee of OPRD were held and four written procedures were conducted.

On 07.06.2011, the 8th session of the MC of OPRD was held, adopting the following more important decisions:

- MC approved the Annual Report on Implementation of OPRD for 2010 and authorized the MA of OPRD to make the necessary changes in order to implement the adopted recommendations and comments.
- The MC approved **EUR 11 962 151,00** financial resources to be redirected from **Priority Axis 3** “Sustainable tourism development”, Operation 3.1 “Improvement of tourist attractions and related infrastructure to **Priority Axis 1** “Sustainable and integrated urban development”, Operation 1.1 “Social infrastructure”, for the purposes of the process of deinstitutionalisation of the children in Bulgaria.
- The MC approved adding the following indicative activity to the indicative activity list within OPRD Operation 1.2 “Housing policy”:
 - “Granting loans, investment return guarantees, or equivalent instruments for energy efficiency and renewable-source energy usage in multi-family residential buildings.”
- The MC approved as **specific beneficiaries** under OPRD Operation 1.2 “Housing policy”:
 - A newly created, with a change in the Organisation Rules of the MRDPW, **Directorate Housing Policy** within the Ministry of Regional Development and Public Works.
 - **A Housing Policy Manager Fund** (separate legal entity, established in an agreement between the co-financing partners or shareholders or as a separate financial entity within a financial institution).
- **The MC authorises the Head of the Managing Authority of OPRD to identify as specific beneficiaries under Operation 1.2 “Housing policy”, within the “Support to provide modern social Housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups” scheme, the pilot municipalities selected by the interinstitutional workgroup within the CM, led by the Minister of EU Funds Management.**
- MC authorises the Head of the Managing Authority of OPRD to conduct a written procedure to redirect the available EUR 57 515 278 financial resources under Priority Axis 2 “Regional and local accessibility”, Operation 2.3 “Access to sustainable and effective energy resources”, to project proposals, which have successfully passed evaluation, but did not have sufficient financial resources under the respective scheme of Priority Axis 1 “Sustainable and integrated urban development”, and Priority Axis 4 “Local development and cooperation”, upon conducting discussions between the stakeholders.

On 01.12.2011, the 9th session of the MC was held, adopting the following more important decisions:

- The MC approves the available EUR 57 515 278,17 financial resources under Priority Axis 2 “Regional and local accessibility”, Operation 2.3 “Access to sustainable and effective energy resources”, to be redirected to Priority Axis 1 “Sustainable and integrated urban development” (Operations 1.1 and 1.4), and Priority Axis 4 “Local development and cooperation” (Operation 4.1), to finance ready reserve project proposals, which have successfully passed evaluation, but did not have sufficient financing under the following schemes:
 - *Scheme BG161PO001/1.1-07/2010 “Support for provision of adequate and reliable infrastructure of universities in urban agglomerations”*: EUR 3 157 791
 - *Scheme BG161PO001/1.1-09/2010 “Support for introduction of energy efficiency measures in municipal educational facilities in urban agglomerations”*: EUR 28 548 750

- *Scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”*: EUR 9 539 304
 - *BG161PO001/4.1-04/2010 “Support for small-scale measures for flood prevention in 178 small municipalities”*: EUR 15 240 997
 - *New urban environment improvement scheme launched: BG161PO001/1.4-09/2012 “Green and accessible urban environment”, within Operation 1.4 “Improvement of the physical environment and risk prevention”*: EUR 1 028 437
- The MC approves EUR 15 192 289 (BGN 29 713 534,60) financial resources to be redirected from Priority Axis 3 “Sustainable tourism development, Operation 3.1, to Priority Axis 1 “Sustainable and integrated urban development”:
- *Operation 1.1 “Social infrastructure”, (EUR 2 577 806 or BGN 5 041 750,31) to scheme BG161PO001/1.1-05/2008 “Support for provision of adequate and effective state cultural infrastructure, contributing to development of sustainable urban areas” with the Ministry of Culture as specific beneficiary*: EUR 2 577 806
 - *Operation 1.4 “Improvement of the physical environment and risk prevention”, to launch of a new (third) urban environment improvement scheme BG161PO001/1.4-09/2012 “Green and accessible urban environment”*: EUR 12 614 483
- MC authorises the Head of the Managing Authority of OPRD to redirect the EUR 1 209 525,03 funds from the flat financial correction applied in July 2011 at the OPRD scheme level, together with the funds reimbursed by the beneficiaries under financial corrections on projects, to the budget of the BG161PO001/1.4-09/2012 “Green and accessible urban environment”, grant scheme planned for 2012.
- The MC authorises the Head of the Managing Authority of OPRD to redirect the regularly released financial resources under the following grant schemes to Priority Axis 1 “Sustainable and integrated urban development”, Operation 1.4, to launch a new urban environment improvement scheme, BG161PO001/1.4-09/2012 “Green and accessible urban environment”
 - The MC approves the 36 municipalities – agglomeration area centres under Annex 3a of OPRD – to be identified as specific beneficiaries under *Operation 1.4 “Improvement of the physical environment and risk prevention”, for the needs of scheme BG161PO001/1.4-09/2012 “Green and accessible urban environment”*
 - The MC approves changes to be implemented to the budget of OPRD Communication Plan, removing the planned video production and distribution, thus updating the budget at EUR 4 757 571.
 - The MC approves EUR 5 000 000 (BGN 9 779 150) financial resources to be redirected from Operation 5.2 “Communication, information, and publicity”, to Operation 5.1 “Management, monitoring, evaluation, and control”, to ensure the lawful and quality performance of the grant contracts, as well as the successful creation of OPRD 2014 – 2020 with a mechanism/toolset for its implementation
 - The MC authorises the Head of the MA of OPRD to implement changes in OP Regional Development 2007 – 2013, according to the decisions adopted as a result of the conducted written procedures in 2011, the 8th and the 9th session of the MC, at the following programme revision in 2012, to change the indicator values as needed, as well as to send the revised programme to the EC for approval.
 - The MC accepts the Indicative Annual Working Programme for 2012, provided the financial resources required to launch grant scheme BG161PO001/1.4-09/2012 “Green and accessible urban environment”.

Information on written procedures conducted by the MC of OPRD

As a result of the 4 written procedures conducted by the MC, the following more important decisions were adopted:

- The “Renovation/reconstruction and equipment of the public medical and healthcare facilities” activity within Operation 4.1 “Small-scale local investments”, to be expanded as follows:
- “Renovation/reconstruction and equipment of the public medical and healthcare facilities, purchase of ambulances/mobile intensive care units for the medical centres to provide patient transportation.”
- To redirect the available EUR 22 734 034,00 financial resources within Priority Axis 1 to Operation 1.1 “Social infrastructure”, BG161PO001/1.1-12/2011 scheme “Support for deinstitutionalisation of social institutions providing services for children at risk”, which includes the EUR 7 744 425,00 financial resources within Operation 1.1 “Social infrastructure”, resulting from finished projects and/or executed annexes to grant contracts, and EUR 14 989 609,00 financial resources from Operation 1.4 “Improvement of the physical environment and risk prevention”.
- The MC of OPRD approves **criteria for operation selection under the Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative to select Urban Development Funds (UDF)**.
- The MC of OPRD authorises the MA of OPRD to reallocate/redirect the periodically released financial resources under scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”, within Operation 4.2 “Interregional cooperation”, to finance project proposals from the reserve list under scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in municipal educational infrastructure of 178 small municipalities”, pursuant to Decision RD-02-14-1882/04.11.10, amended by Decision RD-02-14-2203/13.12.10
- The MC of OPRD approves the newly created by Decree 184/30.06.2011 to amend the Organisation Rules of the MRDPW, adopted by Decree 271/2009 of the Council of Ministers, Directorate Housing Policy within the Ministry of Regional Development and Public Works to be identified as a specific beneficiary under Operation 5.3 Building the capacity of OPRD beneficiaries”, Priority Axis 5 “Technical assistance”. A budget line of EUR 2 147 425,90 is allocated to the specific beneficiary.
- The MC of OPRD approves expanding the scope of the indicative activities for support under Operation 5.3 “Building the capacity of OPRD beneficiarie”

The monitoring of the implementation of contracts under projects in 2011 was carried out through:

- **Technical progress reports/ documentary** check of the progress in the implementation of the grant contract, as prepared by the beneficiaries;
- **On-the-spot checks.**

The technical and financial monitoring of the implementation of all projects under OPRD was performed by the Regional Departments, and the Monitoring Department and FMC of *the central administration* of the Managing Authority. The Regional Departments checked for the implementation of physical indicators based on the results of the on-the-spot checks, the data in technical reports on project progress and the financial reports, submitted by the beneficiaries. The on-the-spot checks were conducted by the MA regional departments and/or experts of the central administration of the MA: the Monitoring Department for the technical monitoring and FMC for the financial monitoring (if needed).

The quarterly technical reports include an overview of the technical progress: concerning the activities carried out and results achieved, the problems that arose and planned major activities. The reports and action plan for the coming period are presented by the 15th day of the month following the reporting period (reporting periods: January – March; April – June; July – September). The annual technical reports cover the contract performance for the respective year, including all reporting periods, covered by the quarterly technical reports, and the last quarter of the year, to which they apply. The annual technical reports are presented by 30 January of the year following the reporting year.

Except the quarterly and the annual technical reports, interim technical reports and financial statements are also provided upon submission of an interim payment claim, as well as a final technical report and financial statement upon submission of a final payment claim. These types of reports reflect the overall performance of the projects for the reporting period, to which the payment claim applies, and the final technical report is developed in a way allowing comparison between the objective(s), the means proposed, the expected results, and the activity budget, on the one hand, and the costs incurred and results achieved, on the other hand, using the monitoring indicators provided in the activity description.

On-the-spot checks are carried out for all projects under grant contracts. Checks are carried out if a payment claim has been submitted for an interim or final payment, if an irregularity is suspected, based on a decision by MA, and according to the Annual Plan. On-the-spot checks are divided into the following major groups:

- **Scheduled on-the-spot checks**
 - in compliance with the Annual Plan for On-the-spot Checks based on risk assessment
- **Unscheduled on-the-spot checks**
 - when the beneficiaries submit a payment claim or if an irregularity is suspected
 - upon suspected irregularity
 - by decision of the Managing Authority
- **Checks after the completion of the projects**, where applicable, in compliance with the requirements under Art. 57 of Regulation (EC) No 1083/2006.

In 2001, the control over the public procurement procedures for contractor selection was exercised through:

1. Ex-ante control of the documentation for participation in procedures for the selection of contractors;
2. Ex-ante control pursuant to Art. 20a of the Public Procurement Act (PPA);
3. Sending observers to the committees on selection of contractors;
4. Ex-post control of the contractor selection procedures.

Any ex-ante control exercised notwithstanding, the MA exercises ex-post control of all procedures conducted by the beneficiaries, including any direct award procedures.

Documentation of beneficiaries selecting a contractor in accordance with Decree of the Council of Ministers 55/12.03.2007 (DCM 55/2007), the Minutes of the Evaluation Committee on the procedure held, the decision on the selection of a contractor, as well as the contract with the selected contractor, shall be subject to ex-ante control by the respective Regional Department, in coordination with the Monitoring and the Legislation, Risk Assessment and Irregularities Departments.

The documentation for participation in a public procurement procedure of all specific beneficiaries of OPRD, subject to ex-ante control, is created by the Legislation, Risk Assessment and Irregularities

Department (concerning legality) and the Monitoring Department (concerning the technical specification).

Gaps frequently made by beneficiaries during the preparation of documentation for the public procurement procedure are as follows:

- Discrepancy in the information contained in the different documents as part of the public procurement documentation.
- Discrimination criteria introduced into the documentation;
- In the public procurement notice, in the Economic and Financial Capacity and the Technical Capacity fields, when stating the list of documents required, no minimum requirements are stipulated for the same.
- Indicators for evaluation of the proposals, which suggest subjective evaluation, are applied.

➤ **Detecting, reporting and ex-post resolving of all registered cases of irregularities on EU Structural and Cohesion Funds.**

In the OPRD Management and Implementation Manual, a detailed procedure is described on detecting, reporting and ex-post resolving of irregularities that is applied both on central and regional level. By Order RD-02-14-1459/08.07.2011 the Minister of Regional Development and Public Works adopted Methodological Guidelines on setting the size of the financial corrections for violations in the performance (physical) of projects, co-financed by the Structural and the Cohesion Funds of the European Union.

Irregularities were reported:

- through OPRD web site;
- by employees of the Managing Authority after on-the-spot checks carried out or performed technical and financial control on documentation;
- with letters of external to the Managing Authority organisations;
- information in the press or electronic media;
- information related to judicial and/or administrative procedures;

For the reporting period between 01.01.2011 and 31.12.2011, the MA registered 68 new irregularities in the National Register of Irregularities, mainly concerning:

- violations and errors in conducting procedures under the PPA and related regulation, e.g.: introduction of discriminating criteria into the documentation; subjective indicators in the bid evaluation methodology, wrongful shortening of the bid reception deadline; violations and errors in the definition of the selection criteria and in the work of the evaluation committees; errors in concluding contracts with contractors after conducting public procurement procedures; discrepancies in the dates and information contained in various documents when performing contractor selection procedures; illegal procurement splitting in order to use a less strict procedure in violation of the requirements of Article 15, Paragraph 6 of the Public Procurement Act; conflict of interest.
- failure to meet requirements set in the contracts with beneficiaries, for instance: replacement of project management team members without following the procedures, set forth in the grant contracts; failure to follow contract texts stipulating mandatory content in the contracts with contractors; failure to present public procurement documentation for ex-ante control by the MA; failure to meet the OPRD information and publicity measures, failure to meet the project sustainability requirements, failure to meet the set indicators, misuse of the investment target.

A large number of the newly registered irregularities result from the March – April 2011 updates of the Procedure Manual that led to strengthening of the ex-post control of the public procurement procedures. Out of all 68 newly registered irregularities, 23 (30%) are a result of the ex-post control exercised by the MA.

Checks were performed on the newly registered irregularities, resulting in:

- 68 are the newly registered irregularities where the checks have identified an irregularity. The procedures initiated by the MA under Article 13 of the Financial Correction Methodology (FCM), adopted by DCM 134/2010, resulted in:
 - for 31 of the newly registered irregularities, the procedures resulted in applying a financial correction, and a reimbursement of sums is pending (active irregularities);
 - for 32 of the newly registered irregularities, the procedures resulted in applying a financial correction, and the sums of the financial corrections were fully reimbursed by the beneficiaries;
 - for 5 of the newly registered irregularities, the procedures resulted in cancellation of the irregularity because no irregularity was identified.
- Of all newly registered irregularities with financial corrections applied, 29 were reported to OLAF, while the other 39 were not subject to reporting pursuant to Article 28, §2 or Article 36, §1 of Regulation 1828/2006 – these were reported to AFCOS.

2.7.2. Evaluation

In May 2011, the BG161PO001/5-01/2008/037 “Medium-term evaluation of Operational Programme Regional Development 2007-2013” project, financed under Priority Axis 5 “Technical assistance”, was completed.

The medium-term evaluation was carried out in the September 2010 – February 2011 period, under Consulting Service Contract RD-02-2910194/30.08.2010 executed with KPMG Bulgaria and KPMG Advisory. The value of the contract is EUR 190 200,58 and its duration covered 6 months. The evaluation covered:

- *review of the relevance of OPRD strategy*, with analysis of: the results conclusions and recommendations of the ex-ante evaluation of OPRD and the review of the first schemes launched under OPRD; assessment of the compliance of the SWOT analysis, taking into account the 2010 amendments of OPRD; assessment of the consequences of the global economic crisis on interregional and intraregional disparities, of the changes in the socio-economic needs, and of the continuous compliance of OPRD priorities with actual needs;
- *evaluation of the implementation of OPRD*, with assessment of the quantification of objectives, in particular of the compliance of the quantifiable indicators for the overall, specific and operational objectives, as well as evaluation of the effectiveness and efficiency to date and of the expected socio-economic impacts, assessing on that basis the policy of allocation of financial resources with due regard to the consequences of the global financial and economic crisis on the attainability of the outputs, results and impacts of OPRD in general and of its priority axes and operations in particular; assessment of the effectiveness and efficiency of the system for implementation and monitoring of OPRD, with analysis of the compliance with the schemes implementation schedule and the causes of delay, analysis of the adequacy and transparency of project selection criteria and procedures and analysis of those aspects of the progress on the implementation of OPRD that would not have been achieved without the SF assistance;
- *evaluation of the environmental impact of the results of OPRD*, analysing the interventions aimed at preventing, reducing and possibly eliminating the expected negative environmental

impacts of programme's implementation, assessment of the impact of OPRD projects against the progress on the indicators set in the Environmental Impact Assessment of OPRD, and analysis of the amendments of OPRD in relation to the environmental impact.

A final medium-term evaluation report, based on the analysis, was created and presented, containing 74 specific conclusions and 53 applicable recommendations for corrective action, improvement, and changes, in order to take actual measures, including ones related to the programming process for the next programming period 2014 – 2020.

The contractor created and presented a separate report on the environmental impact assessment for the results from OPRD (Report on Environmental Impact Monitoring and Control), which was presented to the Ministry of Environment and Water under Environmental Assessment Position 4-3/2007, with which OPRD 2007-2013 is consistent. The report was approved by the Minister of Environment and Water by a letter dated 25.07.2011.

Both reports are published on the OPRD web site, www.bgregio.eu, under the Programming and Evaluation menu, Evaluation submenu.

The more important **conclusions and recommendations** from the medium-term evaluation of OPRD are as follows:

- **Progress**

- OPRD is one of the best performing and most popular programmes, financed by the SF in Bulgaria;
- There is a risk for a failure to achieve the non-financial indicators by the end of the implementation period;
- The payment rate should be accelerated;

- **SWOT analysis**

- The SWOT analysis is still relevant;

- **Continued consistency**

- The new operations and amendments in OPRD are consistent with the new objectives resulting from the new social-economic factors. With some exceptions, the other objectives, identified over the course of the programming period, remain relevant;
- A significant step towards a better focused and demand-based regional policy are the integrated urban development plans, developed with OPRD support;
- It is necessary to shift the OPRD focus from removing obstacles to active promotion of the dynamic development of the regions.

- **Programming**

- For the following programming period, it is necessary to identify more precisely the municipalities, which will be development drivers;
- Regarding the budget allocations, the introduction of a regional quota system may be discussed. There should be budget allocated for the regions, taking into account all different characteristics, needs, and capacity of each region;
- The following practices should be taken into consideration: global grant performance, direct financing without separating beneficiaries by form of ownership;
- The next OPRD should be based on the integrated plans for urban development and other feasibility studies, studies on the potential beneficiaries' development plans and capacity;

- **Indicator system**
 - The indicator-based progress is lagging vis-à-vis the interim target values for 2009;
 - Fewer, yet better defined and easier-to-measure indicators should be used to monitor progress;
- **Efficiency**
 - For the following programming period, it is recommended for the MA to introduce a system acting as a reference for the implementation efficiency evaluation;
- **Impact of OPRD**
 - The next OPRD must have a more integrated vision and approach to the regional development, and not only remove the obstacles for development;
 - A more targeted approach must be developed to identify priority investment, with a stronger focus on major projects and projects of strategic significance;
- **Impact of the crisis**
 - As a consequence of the global economic crisis, OPRD becomes main source of investment funds for the municipalities;
 - The management and implementation system provides various options to respond to the crisis: financial reallocations within OPRD are made, new approaches are introduced, such as the FLAG financial instrument and the JESSICA initiative;
 - One of the positive effects of the crisis is the intensified activity of the beneficiaries and their ambition to utilise the funds;
- **Management and control**
 - In general, the established management and control system, applied by the MA, is efficient and adequate;
 - Payment acceleration is a key issue to ensure the utilisation rate at the end of the implementation period;
 - The allocated human-resource- and time-control expenditures are not always consistent with the expected financial risk in the introduction of the relevant rules and benchmarks;
- **Project selection**
 - The administrative requirements should match the potential risk of the intervention. It is recommended to introduce “easy, normal, and complex” intervention categories with the respective package of requirements and procedures;
- **Environmental impact assessment**
 - The environmental impact of the projects completed in the 2007 – 2010 period is positive;
 - In general, the proposed amendments to OPRD will have a positive effect compared to the original version of OPRD.

Pursuant to Chapter 16, Evaluation of the Implementation of OPRD, from the OPRD Management and Implementation Manual, an Action Plan to reflect the medium-term evaluation recommendations was created.

In December 2011, the MA created an update of OPRD Evaluation Plan, which includes combining the planned evaluations for the 2011 – 2013 period into 2 new evaluations, as well as conducting an

evaluation related to the preparation of OPRD 2014 – 2020 (preliminary evaluation, environmental evaluation, and evaluation of the consistency with the subject and the objectives on preserving the protected areas) and an evaluation of the Communication Plan for Information and Publicity of OPRD 2007 – 2013.

Table 5: Indicative list of the planned evaluations in the 2012 – 2015 period

Planned evaluation	Period
1. Evaluations related to the preparation of OPRD 2014 – 2020 (preliminary evaluation, environmental evaluation, and evaluation of the consistency with the subject and the objectives on preserving the protected areas)	2012 – 2013
2. Evaluation of the contribution of OPRD 2007 – 2013 interventions to the EU horizontal policy implementation	2013
3. Evaluation of the impact of OPRD interventions	2014
4. Evaluation of the Communication Plan for Information and Publicity of OPRD 2007 – 2013	2014

2.8. National performance reserve (where applicable and only for the annual implementation report submitted for 2010)

Not applicable.

3. IMPLEMENTATION BY PRIORITY

3.1. Priority Axis 1 “Sustainable and integrated urban development”

Under the first revision of OPRD, approved on 09 February 2011 by the EC, the financial resources for this Priority Axis are **EUR 859 067 973**, of which **EUR 730 207 777** co-financing from the European Regional Development Fund. The total amount makes up **53,65%** of the programme budget.

In accordance with the decisions of the Monitoring Committee of OPRD, adopted in 2011, on redirecting funds between operations and/or priority axes, the financial resources of Priority Axis 1 is updated to **EUR 923 881 442**, of which **EUR 785 299 225** co-financing from ERDF. The total amount makes up **57,70%** of the programme budget.

3.1.1. Achievement of targets and analysis of the progress

Information on all schemes launched under Priority Axis 1 over the reporting period is presented in Table 6.

Table 6: Grant schemes launched and project proposals submitted

Operational Programme Regional Development	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF (85%), EUR	National financing, (15%), EUR	Projects received between 1.01.2011 and 31.12.2011
Operation 1.1 “Social Infrastructure”						
BG161P0001/1.1-01/2007 “Support for provision of adequate and reliable educational,	14 November 2007	125 399 830	129 587 384	110 149 276	19 438 108	The procedure for the collection of project

<i>social and cultural infrastructure, contributing to development of sustainable urban areas”</i>						<i>proposals was cancelled.</i>
<i>BG161P0001/1.1-02/2007 “Support for provision of adequate and reliable state educational infrastructure, contributing to development of sustainable urban areas”</i>	<i>29 February 2008</i>	<i>5 884 684</i>	<i>5 884 684</i>	<i>5 001 982</i>	<i>882 702</i>	<i>Specific beneficiary - MEYS</i>
<i>BG161P0001/1.1-03/2008 “Support for provision of adequate and reliable state social infrastructure, contributing to development of sustainable urban areas”</i>	<i>29 February 2008</i>	<i>2 802 231</i>	<i>2 802 231</i>	<i>2 381 896</i>	<i>420 335</i>	<i>19 project fiches Specific beneficiary - SAA</i>
<i>BG161P0001/1.1-04/2008 “Support for provision of adequate and reliable labour office infrastructure, contributing to development of sustainable urban areas”</i>	<i>29 February 2008</i>	<i>2 802 231</i>	<i>2 802 ,231</i>	<i>2 381 896</i>	<i>420 335</i>	<i>Specific beneficiary - EA</i>
<i>BG161P0001/1.1-05/2008 “Support for provision of adequate and reliable state cultural infrastructure, contributing to development of sustainable urban areas”</i>	<i>25 June 2008</i>	<i>14 711 712</i>	<i>25 377 735</i>	<i>21 571 075</i>	<i>3 806 660</i>	<i>1 project fiche Specific beneficiary - MC</i>
<i>BG161P0001/1.1-06/2009 “Support for renovation and modernization of state healthcare facilities in urban agglomerations”</i>	<i>29 April 2009</i>	<i>75 660 233</i>	<i>75 660 233</i>	<i>64 311 198</i>	<i>11 349 035</i>	<i>The procedure is cancelled</i>
<i>BG161P0001/1.1-07/2009 “Support for provision of adequate and reliable infrastructure of universities in urban agglomerations”</i>	<i>30 September 2009</i>	<i>19 617 614</i>	<i>22 751 673</i>	<i>19 338 922</i>	<i>3 412 751</i>	<i>-</i>
<i>BG161P0001/1.1-08/2010 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in urban</i>	<i>30 January 2010</i>	<i>75 660 233</i>	<i>75 660 233</i>	<i>64 311 198</i>	<i>11 349 035</i>	<i>8 project fiches Specific beneficiary - MH</i>

<i>agglomerations”</i>						
<i>BG161PO001/1.1-09/2010 “Support for the introduction of energy efficiency measures in municipal infrastructure of urban agglomerations”</i>	<i>22 February 2010</i>	<i>40 000 000</i>	<i>40 000 000</i>	<i>34 000 000</i>	<i>6 000 000</i>	<i>-</i>
<i>BG161PO001/1.1-10/2010 “Support for creation and promotion of innovative cultural events”</i>	<i>09 November 2010</i>	<i>10 000 000</i>	<i>10 000 000</i>	<i>8 500 000</i>	<i>1 500 000</i>	<i>62</i>
<i>BG161PO001/1.1-11/2011 “Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomerations”</i>	<i>31 January 2011</i>	<i>-</i>	<i>50 440 155</i>	<i>42 874 132</i>	<i>7 566 023</i>	<i>58 project proposals</i>
<i>BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”</i>	<i>26 January 2011</i>	<i>-</i>	<i>54 696 185</i>	<i>46 491 757</i>	<i>8 204 428</i>	<i>19 project proposals</i>
Under Operation 1.2 “Housing policy”						
<i>BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”</i>	<i>18 July 2011</i>	<i>-</i>	<i>25 620 396</i>	<i>21 777 337</i>	<i>3 843 059</i>	<i>Specific beneficiary - DHP Application deadline - 31 January 2011.</i>
<i>BG161PO001/1.2-02/2011 “Support to provide modern social Housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups”</i>	<i>30 August 2011</i>	<i>-</i>	<i>8 006 374</i>	<i>6 805 418</i>	<i>1 200 956</i>	<i>Application deadline - 1 March 2011</i>
Under Operation 1.4 “Improvement of the physical environment and risk prevention”						
<i>BG161PO001/1.4-01/2007 “Support for reduction and prevention of risks and damages caused by fire in urban agglomeration areas”</i>	<i>15 December 2007</i>	<i>7 000 000</i>	<i>7 000 000</i>	<i>5 950 000</i>	<i>1 050 000</i>	<i>Specific beneficiary - MI</i>
<i>BG161PO001/1.4-02/2008 “Support for improvement of the urban environment”</i>	<i>20 August 2008</i>	<i>124 804 756</i>	<i>61 453 631</i>	<i>52 235 586</i>	<i>9 218 045</i>	<i>-</i>
<i>BG161PO001/1.4-03/2008 “Support for</i>	<i>13 October 2008</i>	<i>12 383 820</i>	<i>6 046 231</i>	<i>5 139 296</i>	<i>906 935</i>	<i>-</i>

<i>construction and consolidation of landslide prevention small-scale infrastructure in urban agglomerations</i>						
<i>BG161PO001/1.4-04/2009 "Support for landslide prevention small-scale infrastructure in urban agglomerations"</i>	<i>15 July 2009</i>	<i>4 864 900, 84</i>	<i>4 253 830</i>	<i>3 615 756</i>	<i>638 075</i>	<i>-</i>
<i>BG161PO001/1.4-05/2009 "Support for integrated and sustainable development through improvement of urban environment"</i>	<i>25 September 2009</i>	<i>56 342 176, 84</i>	<i>55 660 430</i>	<i>47 311 366</i>	<i>8 349 065</i>	<i>-</i>
<i>BG161PO001/1.4-06/2010 "Support for small-scale interventions to prevent floods in urban agglomerations"</i>	<i>1 July 2010</i>	<i>21 176 471</i>	<i>21 856 975</i>	<i>18 578 429</i>	<i>3 278 546</i>	<i>-</i>
<i>BG161PO001/1.4-07/2010 "Support for integrated urban regeneration and development plans"</i>	<i>4 August 2010</i>	<i>10 992 778</i>	<i>10 992 778</i>	<i>9 343 859</i>	<i>1 648 916</i>	<i>36 project proposals</i>
<i>BG161PO001/1.4-08/2010 "Joint European Support for Sustainable Investment in City Areas (JESSICA)"</i>	<i>19 October 2010</i>	<i>33 000 000</i>	<i>33 000 000</i>	<i>28 050 000</i>	<i>4 950 000</i>	<i>EIB Holding Fund</i>
Operation 1.5 "Sustainable urban transport systems"						
<i>BG161PO001/1.5-01/2010 "Support for integrated urban transport in Burgas Municipality"</i>	<i>10 June 2010</i>	<i>56 000 000</i>	<i>56 000 000</i>	<i>47 600 000</i>	<i>8 400 000</i>	<i>-</i>
<i>BG161PO001/1.5-02/2011 "Support for integrated urban transport in Sofia Municipality"</i>	<i>04 February 2011</i>	<i>-</i>	<i>50 000 000</i>	<i>42 500 000</i>	<i>7 500 000</i>	<i>1 project proposal</i>
<i>BG161PO001/1.5-03/2011 "Support for integrated urban transport in the 5 big cities"</i>	<i>15 November 2011</i>	<i>-</i>	<i>104 127 475</i>	<i>88 508 354</i>	<i>15 619 121</i>	<i>Deadline for submission of project proposals 15 March 2012</i>

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the MC of OPRD decisions, adopted in 2011, on reallocating funds between operations and/or priority axes.

3.1.1.1. Information on the physical progress of the priority

All priority-axis indicators presented are consistent with the revised OPRD adopted by EC decision on 09.02.2011.

Table 7: Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 1											
Impact indicator											
Reduction of greenhouse emissions (CO2 and equivalents, kt) Key indicator(1)	Value achieved	N/A	N/A	0	0	0 ⁽²⁾					0
	Target value	N/A	N/A	21 ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	56 ⁽¹⁾	56
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Energy savings from refurbished buildings (MWh/y)	Value achieved	N/A	N/A	0	0	17 789 ⁽³⁾					17 789
	Target value	N/A	N/A	44 400	N/A	N/A	N/A	N/A	N/A	189 000	189 000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Students benefiting from improved educational infrastructure (number) Key indicator(4)	Value achieved	N/A	N/A	0	8 827	33 786					33 786
	Target value	N/A	N/A	6 300	N/A	N/A	N/A	N/A	N/A	10 000	10 000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patients benefiting from improved healthcare infrastructure (number)	Value achieved	N/A	N/A	0	0	0 ⁽⁵⁾					0
	Target value	N/A	N/A	200 000	N/A	N/A	N/A	N/A	N/A	600 000	600 000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population benefiting from refurbished buildings (except educational and healthcare institutions) (number)	Value achieved	N/A	N/A	18 165	18 165	565 346 ⁽⁶⁾					565 346
	Target value	N/A	N/A	100 000	N/A	N/A	N/A	N/A	N/A	230 000	230 000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Children benefiting from the deinstitutionalisation process (number)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	800	800
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Use of urban public transport (incl. disabled), % Key indicator(7)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5 ⁽⁷⁾	5
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Projects improving the physical environment, attractiveness of the towns and risk prevention (number) Key	Value achieved	N/A	N/A	0	2	7 ⁽⁹⁾					7
	Target value	N/A	N/A	80 ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	200 ⁽⁸⁾	200
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
indicator(8)											
Renovated multi-family buildings and social housing (number)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	20
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health facilities improved (number)	Value achieved	N/A	N/A	0	0	0					0
	Target value	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	32	32
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Educational facilities improved (number)	Value achieved	N/A	N/A	0	29	101 ⁽¹⁰⁾					101
	Target value	N/A	N/A	20	N/A	N/A	N/A	N/A	N/A	45	45
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture facilities improved (number)	Value achieved	N/A	N/A	2	2	20 ⁽¹¹⁾					20
	Target value	N/A	N/A	35	N/A	N/A	N/A	N/A	N/A	90	90
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social services facilities improved (number)	Value achieved	N/A	N/A	0	0	8 ⁽¹²⁾					8
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social homes /centres constructed/reconstructed as result of deinstitutionalisation of children (number)	Value achieved	N/A	N/A	N/A	N/A	N/A					N/A
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10	10
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Integrated urban plans elaborated/implemented (number)	Value achieved	N/A	N/A	0	0	0 ⁽¹³⁾					0
	Target value	N/A	N/A	7	N/A	N/A	N/A	N/A	N/A	36	36
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The indicator corresponds to Key Indicator 30. In the operational programme, it is measured both at Priority Axis 1 and Priority Axis 2 level. In the SCF system, the targets for 2009 and 2015 are indicated cumulatively at programme level.

(2) The indicator will be reported for 2015 after the respective Priority Axis 1 and 2 projects are completed and their impact is reported.

(3) By 2011, the value for the indicator reflecting the projects completed under the BG 161 PO 001/1.1-01/2007 scheme "Support for provision of adequate and reliable educational, social and cultural infrastructure, contributing to development of sustainable urban areas", in 2009 – 2010 was achieved, and the real impact of the implemented energy-efficiency measures should be reported at least 2 years after completion of the project activities and after 2 heating seasons.

(4) The indicator corresponds to Key Indicator 37 "Number of benefiting students (Education)".

(5) Achievement on this indicator is not reported for 2011 because there were no contracts completed and therefore no implementation of activities to contribute to progress on the indicator.

(6) The population benefiting from the renovated social and cultural infrastructure building is reported.

(7) The indicator corresponds to Key Indicator 22 "Additional population served with improved urban transportation". In the SCF system it is measured in numbers and the corresponding target for 2015 is 90 000 people.

(8) The indicator corresponds to two key indicators - Key Indicator 31 "Number of projects (Risk prevention)", and Key Indicator 39 "Number of projects ensuring sustainability and improving the attractiveness of towns and cities". The corresponding targets for 2009 and 2015 are, respectively, 40 and 70 projects for Key Indicator 31, and 40 and 130 projects for Key Indicator 39.

(9) By 2011, there were 4 completed contracts on risk prevention and 1 completed contract on urban environment improvement.

(10) The number of buildings in the improved educational infrastructure from projects completed by 2011 is reported.

(11) The number of buildings in the improved cultural infrastructure from projects completed by 2011 is reported.

(12) The number of buildings in the improved social infrastructure from projects completed by 2011 is reported.

(13) Achievement on this indicator is not reported for 2011 because there were no contracts completed and therefore no implementation of activities to contribute to progress on the indicator

3.1.1.2. Information on the financial progress of the priority

Table 8: Contracted, disbursed and certified expenditures for the period between 01.01.2010 and 31.12.2010

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified (EUR)
1. Sustainable and integrated urban development	183 497 872,29	68 459 895,15	22 688 885,41

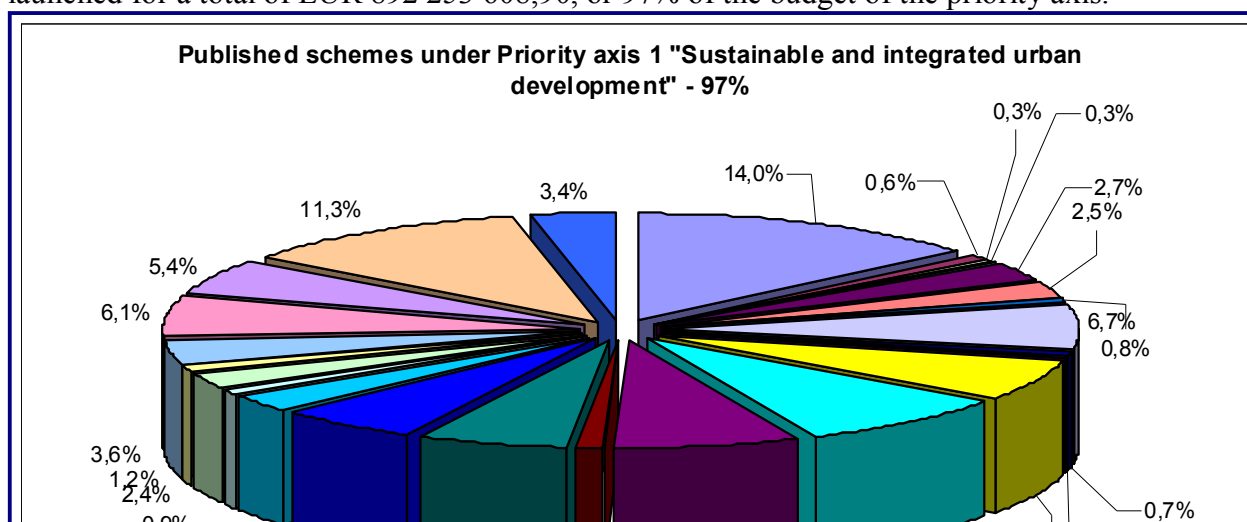
The Contracted Value column includes only the grant amount under contracts executed in 2011 in accordance with the Decisions for the award of grants issued by the Head of the Managing Authority of OPRD, excluding the amounts on the annexes executed in 2011.

3.1.2. Qualitative analysis

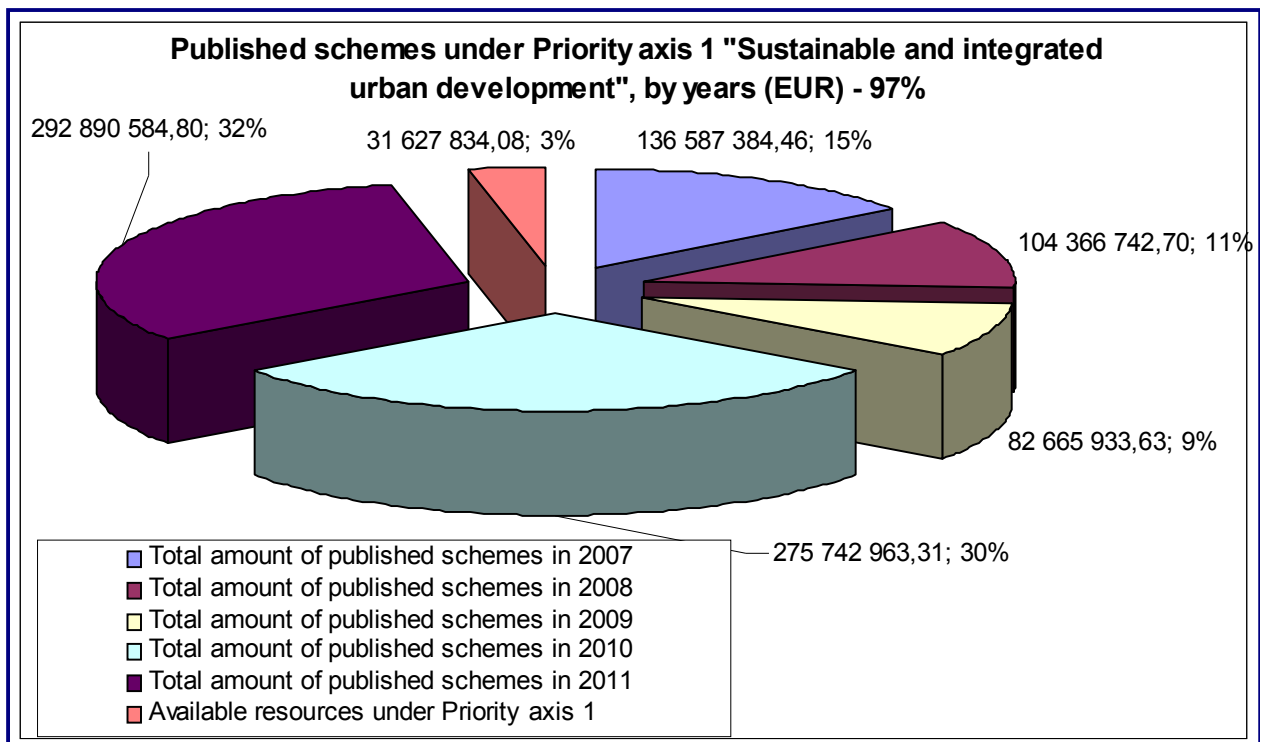
Priority Axis 1 aims to increase the attractiveness and competitiveness of cities and urban areas, to ensure high quality of life and access to basic services in compliance with the equal opportunities principle of the European Union, including for disadvantaged people.

The calls for proposals published in the reporting period contribute to the achievement of this objective by supporting the provision of adequate and reliable educational and cultural infrastructure in line with the future needs of the population in urban centres and their surrounding territories. Furthermore, they create conditions for increased safety of the population through improvements in the physical environment and risk prevention.

Since the start of the operational programme, until the end of 2011, a total of 24 schemes were launched for a total of EUR 892 253 608,90, or 97% of the budget of the priority axis.



Note: Scheme BG161P0001/1.1-06/2008 "Support for renovation and modernisation of state medical and healthcare facilities in urban agglomerations", has not been reported in the number of schemes, because it was cancelled. It was replaced by a new scheme, published in 2010, BG161P0001/1.1-08/2010 "Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in urban agglomerations".



RESULTS:

Operation 1.1 “Social infrastructure”

Operation 1.1 aims to provide adequate and reliable educational, healthcare, social and cultural infrastructure in line with the future needs of the population in urban centres and their surrounding territories.

- ***Scheme BG161P0001/1.1-01/2007 “Support for provision of adequate and reliable educational, social and cultural infrastructure, contributing to development of sustainable urban areas”***

The specific objectives of the grant scheme are: improvement, renovation and modernization of the educational, social and cultural infrastructure, as well as ensuring social inclusion and equal access of vulnerable groups to municipal infrastructure. The scheme was published in 2007 using a competitive selection procedure without a deadline for submission of project proposals. In 2008, the project proposal reception was terminated, because the financial resources under this scheme were depleted. As a result of released financial resources under already concluded contracts, upon conducting procedures under the PPA and/or completing projects in 2010, 9 contracts were concluded on reserve projects under Component 1 “Educational Infrastructure”.

By decision of the Head of the MA of OPRD dated 24.10.2011, the lists of reserve project proposals, having eligible scores but insufficient financial resources under the scheme, were erased. The project proposals in the waiting lists under all three components of the scheme were submitted in the January – November 2008 period. A large part of those were developed based on conceptual designs and/or architectural measurements, which was eligible under the requirements of the Application Guidelines and the legislative base. The investment projects presented in 2011 were not consistent with the new amendments to the regulatory framework on the implementation of energy-efficiency measures (*Ordinance RD-16-1057 of 10.12.2009 on the terms and procedure to conduct energy efficiency surveys and building certification, energy property certificate issuance, and certificate categories*) and the requirements for accessible architectural environment for people with disabilities (*Ordinance 4 of 1 July 2009 on construction restructuring, execution, and maintenance, consistent with the requirements for accessible environment for the population, including people with disabilities, Ordinance 1 of 12 January 2009 on the terms and procedure for playground organisation and safety*).

The financing of such projects requires investment projects to be revised/reworked to ensure regulatory compliance, including conducting energy efficiency surveys for some buildings. The MA’s experience shows that the lack of ready technical/work designs at the time of grant contract conclusion is slowing down extremely the completion of the projects and these cannot be completed within the admissible period of 24 months under the Application Guidelines. In most cases, the creation of a technical/work design after a grant contract is concluded leads to ineligible changes in the planned quantities of the various construction works or to the addition of new quantities/new types of works.

The practice, when financing projects from the waiting lists, shows that a large number of the beneficiaries have already performed partial construction or repair works, including using targeted funds, which leads to amending the approved quotations and project budgets to avoid double financing.

Furthermore, one of the goals in the Vision for Deinstitutionalisation of the Children in Bulgaria Action Plan, adopted by the Council of Ministers on 24 February 2010, is “systematic closing of all conventional residential childcare institutions in Bulgaria, ensuring for each child long- or short-term placement in family-based care.” At the same time, project proposals on repair/reconstruction of homes for children without parental care and/or homes for children with disabilities were ranked and included in the reserve list under Component 2 “Social infrastructure”. The achievement of the

government's commitments in the deinstitutionalisation area rendered the financing of such reserve-list projects ineligible.

By the end of 2011, the total number of contracts under the scheme was 70, with a total grant value of EUR 128 365 385,84.

➤ ***Scheme BG161P0001/1.1-03/2008 “Support for provision of adequate and reliable state social infrastructure, contributing to development of sustainable urban areas”***

The specific objectives of the scheme are directed at improvement, renovation, and modernisation of the state social infrastructure in urban areas, as well as at providing social inclusion and equal access to disadvantaged groups, including the Roma. The scheme was published in 2008 with the Social Assistance Agency as a specific beneficiary.

The activities, carried out within this scheme are directed at repair, reconstruction, and renovation of the buildings/rooms, where the offices of Social Assistance Directorates of the Social Assistance Agency are located; implementing energy efficiency measures and improving access for people with disabilities to the relevant buildings/rooms.

In the reporting period, within the defined deadline of 31 May 2011, 19 project proposals were submitted. 1 project fiche was withdrawn during evaluation. By decision of the Head of the MA of OPRD, 18 project proposals were approved for EUR 2 483 021,72 grant financing, or 89% of the scheme budget. In early 2012, the contracts under the scheme are to be concluded.

Table 9: Information about scheme BG161P0001/1.1-03/2008 “Support for provision of adequate and reliable state social infrastructure, contributing to development of sustainable urban areas”

Type of procedure	Direct award procedure
Date of publication	01.03.2008
Status of scheme	Current
Deadline for submission of project fiches	31 May 2011
Beneficiary	Social Assistance Agency
Allocated funds	EUR 2 802 231
Submitted project fiches	19
Approved project fiches	18
Rejected project fiches	-
Number of evaluation committees	1

➤ ***Scheme BG161P0001/1.1-05/2008 “Support for provision of adequate and reliable state cultural infrastructure, contributing to development of sustainable urban areas”***

The specific objectives of the grant scheme are: improvement, renovation and modernization of state cultural infrastructure managed by the Ministry of Culture and encouragement of social inclusion and equal access of vulnerable groups to state cultural infrastructure. The scheme will support projects from EUR 150 000 up to EUR 3 million for renovation, reconstruction, supply of equipment, energy audit, implementation of energy efficiency measures and installations based on RES for state cultural facilities: theatres, operas, libraries, concert halls, and improved access to them for socially vulnerable groups. Specific beneficiary of the scheme is the Ministry of Culture.

On 06.07.2011, 1 contract was concluded with a total grant value of EUR 335 134,32 for reconstruction and public amenities for the Saint Sofia basilica in the Sofia Municipality. The planned interventions under this project will improve, renovate, and modernise the archaeological level of the basilica. Measures will be implemented to introduce effective artistic and museum lighting, ventilation system, and communication equipment to improve the attractiveness of this part of the national heritage.

Out of the total 16 contracts concluded under this scheme, by 31.12.2011, 14 contracts were in progress for a total amount of EUR 10 409 887,42, or 41% of the planned financial resources. In 2011, 2 grant contracts were terminated by a bilateral agreement between the MA of OPRD and the Ministry of Culture in order to release sufficient financial resources to fund the National Museum Complex project.

Table 10: Information about scheme BG161P0001/1.1-05/2008 “Support for provision of adequate and reliable state cultural infrastructure, contributing to development of sustainable urban areas”

Type of procedure	Direct award procedure
Status of scheme	Current
Date of publication	25 June 2008
Deadline for submission of project proposals	for 2008 – 30 September for 2009 – 10 July for 2010 – between 1 and 31 March and between 1 and 30 December for 2011 – between 1 and 28 February and between 1 and 30 June for 2012 – 31 January
Specific beneficiary	Ministry of Culture
Allocated funds, EUR	EUR 14 711 712,16
Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 25 377 735
Number of evaluation committees in 2011	1
Number of project fiches submitted in 2011	1
Number of approved project fiches	1
Number of rejected project fiches	-
Number of contracts concluded in 2011	1
Total amount of contracts concluded in 2011	EUR 335 134,32

Note: The grant amounts are given according to the original contracts.

Table 11: Expected results of scheme BG161PO001/1.1-05/2008 “Support for provision of adequate and reliable state cultural infrastructure, contributing to development of sustainable urban areas”

Projects submitted	1
Number of contracts concluded	1
Grant contract value in EUR	335 134,32
Energy savings from renovation of buildings within the state cultural infrastructure	0
Total number of people benefiting from renovation of buildings within the state cultural infrastructure	1 200 000
Total number of visitors, benefiting from renovation of buildings within the state cultural infrastructure, including:	6 000
- people with disabilities	230
- minorities	120
Reconstructed/repaired/renovated buildings within the state cultural infrastructure	1

➤ *Scheme BG161PO001/1.1-08/2010 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in urban agglomerations”*

The scheme was launched in January 2010 with the Ministry of Health as a specific beneficiary. The objectives of the grant scheme are to improve, renovate, and modernise the state infrastructure in urban areas, consistent with the Concept for Restructuring of the Hospital Care in the Republic of Bulgaria for the 2010 – 2017 period, and to ensure social inclusion and equal access to disadvantaged groups. One of the main priorities of the Concept for Restructuring of the Hospital Care in the Republic of Bulgaria is related to **the improvement of the early diagnostics, quality, and access to oncological treatment.**

In 2011, the evaluation committee, established in 2010 to evaluate the submitted medium-term framework investment programme and 6 project fiches, completed its work. Before the 2011 deadline for project submission, the MH submitted 8 new project fiches.

Within the reporting period, 1 framework investment programme was approved, on the basis of which a framework agreement with the MH was concluded for the full scheme value of EUR 75 660 233 with a total of 14 project fiches. 14 contracts were executed for a total amount of EUR 71 936 718,71, or 95% of the scheme budget, resulting in:

- 13 state medical facilities under MH management receiving support to procure high-tech medical equipment for early diagnostics of oncological illnesses and for treatment and diagnostics of oncological illnesses of national significance.
- 8 pilot homes for medical and social care for children will be restructured in order to launch innovative integrates services for deinstitutionalisation and prevention of abandonment of children aged 0-3, consistent with the Vision of Deinstitutionalisation of Children in Bulgaria and the Concept for Restructuring of Hospital Care System in Bulgaria 2010-2017.

The project proposals were required to include an interrelated combination of an investment component (repair/reconstruction/energy efficiency measures) and an equipment delivery, to help sustainably improve the respective infrastructure, including creation of accessible architectural environment for people with disabilities.

Table 12: *Information on scheme BG161PO001/1.1-08/2010 “Support for reconstruction, renovation and equipment of state medical and healthcare facilities in urban agglomerations”*

Type of procedure	Direct award procedure
Status of scheme	Current
Date of publication	29.01.2010

Deadline for submission of project proposals	for Component 1 and 3 – 31 March 2010, 30 September 2010, and 31 January 2011 for Component 2 – 31 January 2011 and 15 March 2011
Specific beneficiary	Ministry of Health
Allocated funds, EUR	EUR 75 660 233
Number of evaluation committees in 2011	3 (of which 1 established in 2010)
Number of project fiches submitted in 2011	1 medium-term framework investment programme 7 fiches submitted on 31.01.2011, 1 fiche submitted on 15.03.2011
Number of approved project fiches	14 (including 6 submitted in 2010)
Number of rejected project fiches	-
Number of contracts concluded in 2011	14
Total amount of contracts concluded in 2011	EUR 71 936 718,71

Table 13: Expected results from scheme BG161PO001/1.1-08/2010 “Support for reconstruction, renovation and equipment of state medical and healthcare facilities in urban agglomerations”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	24	4	4	2	3	5	5
Number of contracts concluded	13	2	2	1	2	3	3
Amount of the grant for concluded contracts, EUR	66 838 763,46	7 647 336,04	7 927 415,25	9 434 338,35	6 774 809,38	9 894 416,06	25 160 448,39
Reconstructed/repaired/renovated buildings of state medical and healthcare facilities	17.00	3.00	3.00	1.00	3.00	2.00	5.00
Energy savings from renovation of the buildings (mW/h)	22 971,81	0.00	3 787,49	0.00	8 150,00	5 953,95	3 114,00
Number of patients benefiting from the improved infrastructure	412 824	70 000	56 500	6 000	61 424	134 000	84 900
Total number of people benefiting from the renovated buildings	8 989 342	1 127 647	962 396	2 000 000	943 772	1 048 008	2 907 519

MSCHC project*	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	1						
Number of contracts concluded	1						
Grants on concluded contracts, EUR*							
Number of MSCHC restructured	8	1	2	0	0	2	2

Energy savings from renovation of the buildings (mW/h)*	4 197,38						
Total number of children benefiting from MSCHC restructuring*	406						
- children with disabilities	263						
- minorities	299						

*The indicator is common for the “Restructuring of Homes for Medical and Social Care for Children Aged 0-3” project, with a sum total not broken down by region.

➤ **Scheme BG161PO001/1.1-10/2010 “Support for creation and promotion of innovative cultural events”**

The scheme was launched in November 2010 with the overall objective to encourage development, renovation and enrichment of cultural life by organising and promoting cultural events as a main factor for building the identity and uniqueness of settlements in urban areas; to identify and develop new, unconventional forms of cultural events based on innovative ideas and practices of presentation and promotion of such events; to create conditions for equal access to culture for the members of different social and ethnic groups, supporting their inclusion in the cultural processes. Candidates under the scheme were required to secure 5% own contribution within 15% national co-financing.

Within the reporting period, a total of 62 project proposals were submitted, of which 2 were received after the application deadline. As a result, a total of 60 project proposals were evaluated, of which 40 were approved for financing, and 15 built a reserve list of project proposals, which were ranked eligible but could not be financed due to depletion of the financial resources under the scheme. 39 contracts were concluded for a total grant value of EUR 9 819 137,60. No contract was executed with one of the municipalities, because no decision of the respective municipal council on accepting the additional own contribution under the project was presented.

Supported activities included: organization and/or holding of innovative cultural events and implementation of good practices with a view to enriching cultural life, increasing the attractiveness of settlements in agglomeration areas and building local identity; activities for public awareness, promotion and publicity of the innovative cultural events organised; small-scale infrastructure activities related to the organisation and holding of the innovative cultural event (building architecture accessible to people with disabilities, implementation of utility activities and/or activities for greening of spaces, reconstruction, renovation of buildings in relation to the innovative cultural event); provision of adequate equipment and furniture for the events organised – purchase of technical facilities and equipment (stages, fences, sound, lighting, video equipment, multimedia, screens, etc.).

Table 14: Information on scheme BG161PO001/1.1-10/2010 “Support for creation and promotion of innovative cultural events”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Status of scheme	With a fixed application deadline
Date of publication	9.11.2010
Deadline for submission of project proposals	28.02.2011
Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 10 000 000

Number of evaluation committees in 2011	1
Number of project proposals submitted in 2011	62, incl. 2 past deadline
Number of project proposals approved	40
Number of project proposals approved but not financed	15
Number of project proposals rejected	5
Number of contracts concluded in 2011	39
Total amount of contracts executed in 2011 (grant)	EUR 9 819 137,60

Table 15: Expected results from scheme BG161PO001/1.1-10/2010 “Support for creation and promotion of innovative cultural events”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	62	9	9	7	6	19	12
Number of contracts concluded	39	2	9	7	3	13	5
Grant contract value in EUR	9 819 137,60	512 045,50	2 231 641,77	1 845 321,17	920 085,28	2 879 977,22	1 430 066,64
Good practices introduced in the area of innovative cultural events	306	22	74	58	8	108	36
% increase in residents' satisfaction of the cultural life in the area	2 293	90	558	386	215	767	277
% increase in financing/investment in culture	1 765,39	26,02	241,70	261,72	393,00	454,75	388,20
Number of representatives of social and ethnic groups included in innovative cultural events	54 264	2 003	10 691	5 460	8 700	20 785	6 625
Number of innovative cultural events held	329	4	71	50	10	182	12
Number of participants (active and passive) in innovative cultural events	607 155	2 648	297 931	216 036	1 720	56 920	31 900
Number of attendees of innovative cultural events	1 141 870	48 000	218 100	382 600	52 000	314 170	127 000

➤ ***Scheme BG161PO001/1.1-11/2011 “Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomerations”***

The scheme was published on 31 January 2011 with a primary objective to provide suitable and effective municipal healthcare infrastructure to help develop sustainable urban areas. The financial resources of the scheme were EUR 50 440 155. Specific beneficiaries under the schemes were the municipalities, on the territory of which the municipal medical facilities, defined in accordance with Item 3 and 4 of Annex 1, Hospitals Eligible for EC Financing under OPRD to the Addendum to the Concept for the Restructuring of the Hospital Care System, approved by the CM by Protocol 31 of the CM session of 1 September 2010, are located, as follows:

Under this scheme, a total of 19 project proposals were submitted before the 12 August 2011 deadline. 18 project proposals with a total grant value of EUR 45 200 137,82 were approved for financing. Because of the need to present documentation, additionally requested by the evaluation committee, the evaluation of one of the project proposals continued in 2012.

In 2012, the grant contracts are to be executed. Support is provided to 9 complex oncological centres and specialised hospitals for oncological illnesses, with available resources and potential to provide quality medical service for oncological illness treatment and diagnostics, as well as to 9 large municipal hospitals with available resources and potential to provide quality medical service for basic medical problems.

The grant will be used to finance activities for the delivery of suitable equipment and construction works for the buildings/rooms of municipal medical facilities, consistent with the approved National Health Strategy 2008 – 2013 and the Concept for Restructuring of the Hospital Care System in the Republic of Bulgaria for the 2010 – 2017 period, as well as to improve the access for people with disabilities in the above listed buildings, which will help achieve Priority 1 “Improvement of early diagnostics, quality, and access to oncological treatment”, from the Concept.

The investments will be aimed at providing modern medical equipment, and for the related repair and reconstruction (making the rooms, where the equipment will be installed, compliant with the manufacturers’ requirements, the medical standards, and the effective regulations). The reason for this investment is to provide effective functioning of the hospitals and access for the population to innovative diagnostic and treatment equipment without the need to visit a district hospital.

Table 16: *Information on scheme BG161PO001/1.1-11/2011 “Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomeration”*

Type of procedure	Direct award procedure
Date of publication	31.01.2011
Deadline for submission of project proposals	12.08.2011
Specific beneficiaries	19 municipalities, on the territory of which the defined municipal medical facilities are located
Allocated funds, EUR	EUR 50 440 155
Number of evaluation committees in 2011	1
Number of project proposals submitted in 2011	19
Number of project proposals approved	18

➤ ***Scheme BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”***

The Action Plan for the implementation of the Vision for the Deinstitutionalisation of Children in Republic of Bulgaria National Strategy, adopted by the Council of Ministers on 24 November 2010, provides for the development of a large number of social services in Bulgaria to replace the existing 130 institutions for children. Building a suitable infrastructure to provide the developed community services – *small group homes, protected homes, and day care, transitional and monitored homes, children and mother health and consulting centres, etc.* – is very important to achieve the expected quality results. To this end, the interinstitutional workgroup on the deinstitutionalisation adopted **the National Residential Care Map**.

For the construction of family-type housing centres and protected homes, on 26 January 2011, the MA of OPRD launched a EUR 42 734 034 grant scheme, aimed at building Family-Type Housing Centres and Protected Homes. Specific beneficiaries under this scheme were 62 municipalities within the scope of the agglomeration areas under the National Residential Care Map. By decision of the MC of OPRD, the scheme amount was increased to reach EUR 54 696 185 in order to finance the projects of all 62 municipalities.

Under the requirements of the scheme, the pilot proposals should include interventions to provide public amenities in the adjacent grounds, as well as to deliver suitable equipment and furnishings related to the provision of the respective resident and social services. The specific beneficiaries should create all resident services consistent with the number of Family-Type Housing Centres and Protected Homes, planned to be built on their territory, according to the National Planned Resident Service Map (a total of 133 FTHC and 27 secure homes).

The scheme was launched with 2 deadlines for submission of project proposals: 30.06.2011 and 30.09.2011 respectively. Later, a third application deadline, 17.04.2012, was added.

Before the first deadline, 26 project proposals were submitted and 32 project proposals were submitted before the second deadline. All 26 project proposals, submitted before the first deadline, were approved and, on 28.12.2011, 24 contracts were concluded with a total grant value of EUR 15 189 242,69. Two contracts remain to be concluded in early 2012. At the end of the reporting period, the evaluation of the project proposals, submitted before the second deadline, continued.

Table 17: *Information on scheme BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*

Type of procedure	Direct grant award procedure
Date of publication	26.01.2011
Deadline for submission of project proposals	Stage 1 – 30 June 2011. Stage 2 – 30 September 2011. Stage 3 – 17 April 2012.
Eligible candidates	62 municipalities within urban agglomerations
Allocated funds, EUR	EUR 54 696 185,00
Number of evaluation committees in 2011	2 (of which 1 continued to work in 2012)
Number of project proposals submitted in 2011	58

Number of project proposals approved	26
Number of contracts concluded in 2011	24
Total grant value under contracts executed in 2011	EUR 15 189 242,69

Table 18: *Expected results from scheme BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	58	6	10	8	12	12	10
Number of contracts concluded	24	4	2	2	4	5	7
Grant value	15 189 242,69	3 539 062,70	131 534,44	1 179 808,57	2 723 791,43	2 218 441,79	3 539 062,70
Number of built, equipped, and furnished Family-Type Housing Centres;	37.00	8.00	6.00	3.00	7.00	5.00	8.00
Number of built/repaired/reconstructed/furnished/equipped protected homes	8.00	5.00	0.00	0.00	1.00	1.00	1.00
Number of children and youth with disabilities from Homes for Children with Disabilities using the improved social infrastructure	370.00	71.00	54.00	15.00	97.00	35.00	98.00
Number of disabled children aged over 3 from MSCHC using the improved social infrastructure	162.00	75.00	18.00	21.00	7.00	29.00	12.00
Energy savings from repaired/reconstructed buildings for secure homes (MWh/annual average);	71.25	71.25	0.00	0.00	0.00	0.00	0.00
Number of permanent jobs created	37.00	8.00	6.00	3.00	7.00	5.00	8.00

Operation 1.2 “Housing policy”

The objective of Operation 1.2 is to provide better living conditions to the citizens and help social integration by raising the living standard and by general improvement of the quality of life of the urban communities of disadvantaged and vulnerable people. The operation is aimed at social development through the active participation of the citizens in the improvement of their own lives, through strengthening the partnerships among the communities, the civil societies, and the public administration. Apart from the direct benefits, such as the improved living conditions through renovation of existing residential areas, it is expected for the housing policy to have positive influence on healthcare, security, productivity, and investments of communities and households.

➤ **Scheme BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”**

The scheme was published on 18 July 2011 and aims to provide better living conditions for the citizens and to implement energy efficiency measures in multi-family residential buildings in 36

urban centres. By decision of the MC of OPRD, Directorate Housing Policy within the MRDPW, responsible for the application of the housing policy in the Republic of Bulgaria, was identified as specific beneficiary under the scheme. Residential building owners are end users.

The total grant value under the scheme is EUR 25 620 396. Each building/block section, approved for financing within the project, may receive a grant for up to 50% of the renovation budget for the building; the remainder is to be provided by the owners of the multi-family residential building with own and/or loan funds. The renovation budget for the building includes construction work expenditures; expenditures related to measurements, technical and work designs, and project compliance evaluation; expenditures on designers' control and construction supervision; expenditures related to the site launch; expenditures related to the procurement of the required permits under the national legislation, including any related fees payable to the respective competent authorities.

All other project expenditures (information and publicity; project auditing; technical survey; energy efficiency survey; wide-ranging campaign; legal/notarial services, and other project expenditures on external services) will be fully financed from the project grant.

The deadline for Directorate Housing Policy to submit a project proposal is 31 January 2012. Within the project proposal, the specific beneficiary needs to present a detailed methodology for the implementation of the whole project and the process to renovate multi-family residential buildings. *In the methodology, the eligibility criteria for the residential buildings will be outlined, including any requirements for a minimum number of standalone sites within the residential buildings; the criteria and the rules for evaluation of residential buildings; indicative number of residential buildings/building sections to be financed within the project proposal; indicative sq. m total floor area; any required steps and actions to be taken by the owners of residential buildings in order to receive financing, if these buildings meet the eligibility conditions; the participants and their functions in the process, etc. The methodology needs to present the overall concept/vision of the specific beneficiary on the implementation of the residential building renovation process.*

The specific beneficiary should develop application/agreement forms and other documents required to implement the renovation process for each building, for which financing is requested within the project. The specific beneficiary will have the commitment, within the project proposal, to conduct a **wide-ranging campaign** to inform the general public on the required measures which the owners need to take in order to receive financing for energy-efficient renovation of multi-family residential buildings.

The activities to receive support within the project are:

- conducting an energy efficiency survey;
- measures for energy efficiency in multi-family residential buildings (thermal insulation, replacement of frames, local installations and/or connections to the heating, gas, etc. systems), including the following sub-activities:
 - *replacement of frames (windows, doors, displays, etc.);*
 - *thermal insulation of external boundary elements (outside walls, roofs, floors, etc.)*
 - *general repair, modernisation or replacement of local heat sources/boiler systems or adjacent facilities owned by the standalone site owners, including replacement of the fuel base if this has a proven energy-saving and environmental effect.*
 - *building installations to utilise renewable energy sources (RES): solar systems to provide power for own (household) purposes, not generating income over the course of operation of the facilities;*

- *repair or replacement of indoor heating/cooling/ventilation system, including radiator thermostatic valves and distribution units located in the common parts of the object of intervention (the residential building)*
- *repair of electrical installation in the common parts and introduction of energy-saving lighting in the object of intervention (the residential building);*
- *installation of automated building management systems, including balancing, regulating, etc. of the thermal and electrical power consumption to the local sources, owned by the SSO within the common parts of the object of intervention (the residential building);*
- *installing gas lines (internal building distribution network and boiler(s)) if a gas connection to the building is available;*
- *any auxiliary construction works related to the implementation of the measures for energy efficiency and the respective restoration of the common parts of the site of intervention (the residential building) resulting from the implemented energy-saving measures.*

When the energy efficiency survey prescribes *roof insulation* as an energy efficiency measure, the repair and regeneration of the existing roof structure (flat or sloped roof) is eligible, including any activities to regenerate the structure, coatings, sheathing, water insulation, draining system, lightning protection and grounding installation.

Table 19: *Information on scheme BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”*

Type of procedure	Direct grant award procedure
Date of publication	18.07.2011
Deadline for submission of project proposal	31 January 2012
Specific beneficiary	Directorate Housing Policy within the MRDPW
Allocated funds, EUR	EUR 25 620 396

BG161PO001-1.2-03/2012 “Support for energy efficiency in multi-family residential buildings”, Residential Renovation Fund

Within this operation, in the September – November 2011 period, a financial engineering scheme for EUR 6 405 099 was developed. The scheme was launched on 16.11.2011 as a public procurement procedure to select a Residential Renovation Fund.

The objective of the Residential Renovation Fund is to provide loans and guarantees to owner associations or individual owners of standalone sites within multi-family residential buildings to implement energy efficiency measures and renewable energy sources. It is directly related to the implementation of the grant scheme BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”, and should help owner associations or individual owners of standalone sites within multi-family residential buildings, applying for grants, to procure 50% from the budget to renovate the respective building or block section. The term for the service is 120 months (10 years), commencing on the date the contract is concluded between the Contractor, the Residential Renovation Fund, and the Contracting Authority, Directorate General Programming of Regional Development. The service should be provided at stages, consistent with the technical specification:

- EUR 4 871 223,36 actually provided by 30.06.2015 for residential building renovation projects as loans or bank guarantees on loans;

- At least EUR 4 627 662,19 reimbursed to the Contracting Authority as residential renovation loans repaid or released guarantees on residential renovation loans.

The full documentation for participation in the selection of Residential Renovation Fund public procurement procedure was published in November 2011 on the MRDPW web site with a deadline for bid submission on 16 January 2012.

- ***Scheme BG161PO001/1.2-02/2011 “Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups”***

The scheme was published on 30 August 2011, with a total value of EUR 8 006 374. The specific objectives of the scheme are to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups; to ensure social inclusion, spatial integration, and equal access to adequate housing for disadvantaged and vulnerable people. The objectives of the scheme will be achieved through renovation and change of the intended purpose of existing buildings, municipal property, as well as through new construction of homes for marginalised groups.

An integrated approach is provided at the national level through a joint initiative by two funds, the ERDF and the ESF, whereby, together with the construction of social housing under OPRD, programmes for qualification and employment, children education quality improvement, measures to raise the level of community self-organisation et al. need to be created under the OP Human Resources Development.

In order to successfully complete the initiative, a workgroup led by the Minister of EU Funds Management was established to develop a concept for integrated projects for construction of houses for the disadvantaged groups and to produce a mechanism for coordination with other horizontal policies, financed by EU funds. A main task for the workgroup was to evaluate and select project ideas aimed at **creating a pilot model** to provide modern social housing and to find a long-term and sustainable solution for the problems in this area.

The interinstitutional workgroup identified 4 pilot projects: those of the Burgas, Vidin, Devnya, and Dupnitsa municipalities, as well as 3 reserve ones: of the Varna, Peshtera, and Tundzha municipalities (if sufficient financial resources are released). These were identified as specific beneficiaries and reserves, respectively, under the scheme. The deadline for submission of project proposals is 1 March 2012.

Under the scheme, the applicants may participate individually or in associated partnership with NGO working at the local level with vulnerable, minority, indigent, or other disadvantaged groups. The associated partnership should not be a goal in itself, but rather should lead to a more efficient project development, management, and/or implementation.

Apart from the repair/reconstruction of existing municipal property buildings and new construction on 100% municipal property sites, other eligible activities under this scheme are also delivery of suitable equipment and furnishings, related to providing basic living conditions; improving access for people with disabilities to the abovementioned buildings/rooms; measures to provide public amenities in the adjacent space of the newly constructed/renovated social housing, etc.

The mandatory conditions for the project activities are:

- Ensuring an **integrated approach: any interventions under OPRD must be complemented by activities to provide education**, employment, healthcare, social inclusion of the target group, taking into account the possibilities provided by OPHRD, programmes for access to social and health services, and other (donor, national, local) programmes.

- **Anti-segregation character of the interventions:** the physical location of the housing construction should ensure spatial integration of the representatives of the marginalised communities as a whole and **should not increase their segregation, isolation, and exclusion.**

The location(s) of the new/reconstructed social housing should be different than the currently existing separate territories (quarters), characterised by poor condition of the buildings and the adjacent infrastructure. Any building interventions should be combined with activities to provide access to education, employment, healthcare, and social services for the disadvantaged groups.

Any eligible target group for the projects under this scheme should include representatives of at least 2 of the identified groups:

- homeless people and/or people living in very poor conditions;
- parents with children, incl. underage parents, families with a lot of children, children with bad health and disabilities;
- people in risk of poverty and social exclusion.

The persons from the target group must live in buildings with poor condition and/or poor or non-existent engineering infrastructure (water, sewage, etc.) and must not own real estate.

In their project proposals, the municipalities should clearly identify the selection criteria for the representatives of the target group to be housed in the social housing provided under the project; they should present clear information on the obligations to be taken by the representatives of the target group upon being housed in the social housing provided under the project, as well as on the rules for the monitoring of the obligations and commitments, and the penalties for any failure to fulfil them.

The project proposals presented should further detail the approved project concept, described in the Form for an integrated project to provide modern social housing for marginalised groups, submitted under the procedure to identify integrated projects to provide modern social housing for marginalised groups, organised by the Council of Ministers.

Table 20: Information on scheme BG161PO001/1.2-02/2011 “Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups”

Type of procedure	Direct grant award procedure
Date of publication	30.08.2011
Deadline for submission of project proposals	1 March 2012
Specific beneficiaries	Burgas, Vidin, Devnya, and Dupnitsa municipalities
Allocated funds, EUR	EUR 8 006 374

Operation 1.4 “Improvement of the physical environment and risk prevention”

The objective of Operation 1.4 is to enhance the quality of life and the relevant environmental conditions, including risk prevention, as well as to improve the physical environment of urban centres and agglomerations, within a more comprehensive strategy for social and environmental revival.

- ***Scheme BG161PO001/1.4-05/2009 “Support for integrated and sustainable development through improved urban environment”***

The scheme was launched in 2009. The deadline for submission of project proposals was 08.02.2010. A main objective of the scheme is to improve the physical aspect of the urban

environment in the agglomeration areas, to create conditions to integrate the disadvantaged groups by improving the physical and living environment, including by improving their access to administrative and social services, to increase the safety and security of the urban environment. Candidates under the scheme were required to secure 5% own contribution within 15% national co-financing.

Upon release of financial resources under the scheme, in 2011, two contracts were concluded under projects from the reserve list with a total grant value of EUR 4 505 929,35. The grants will contribute for: construction, rehabilitation, restoration of public recreation areas like parks, green areas, children playgrounds, etc.; construction, reconstruction, rehabilitation of pedestrian walkways and sidewalks, cycleways, rehabilitation and reconstruction of street networks, introduction of energy-saving street lighting; creation of accessible architectural environment.

Table 21: Information on scheme BG161PO001/1.4-05/2009 “Support for integrated and sustainable development through improved urban environment”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Status of scheme	With a fixed application deadline
Date of publication	25.09.2009
Deadline for submission of project proposals	8 February 2010
Eligible candidates	86 municipalities within urban agglomerations (exclusive of municipalities that have executed contracts under OPRD scheme BG161PO001/1.4-02/2008 “Support for improvement of urban environment”)
Allocated funds, EUR	EUR 56 342 176,84
Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 55 660 430
Number of evaluation committees in 2011	-
Number of project proposals approved	-
Number of contracts concluded in 2011	2
Total grant value under contracts concluded in 2011	EUR 4 505 929,35

➤ **BG161PO001/1.4-06/2010 “Support for small-scale interventions to prevent floods in urban agglomerations”**

The scheme was published in 2010 and aims to provide flood protection to the residential areas within municipalities from the agglomeration areas in order to reduce the potentially adverse consequences for the human health and the environment; preventing river bed erosion in rivers flowing through or in settlements within the agglomeration areas; preventing erosion and abrasion of the seashore in the settlements in municipalities within agglomeration areas. Candidates under the scheme were required to secure 5% own contribution within 15% national co-financing. The deadline for submission of project proposals was 31 November 2010.

In 2011, the evaluation committee, established in 2010, completed its work. All 50 project proposals submitted before the deadline were evaluated. 41 project proposals were approved for financing. 2 more project proposals were ranked eligible, however they remained unfunded because the financial resources were depleted and became a reserve list under the scheme.

In June 2011, 41 contracts were concluded with a total grant value of EUR 20 835 677,45.

Supported activities included: construction, reconstruction and renovation of flood prevention infrastructure in residential areas; construction, reconstruction and renovation of anti-erosion infrastructure at river banks; construction, reconstruction and renovation of anti-erosion and anti-abrasion facilities at the seashore, and construction, reconstruction and renovation of small-scale overflow dams, retention volumes, weirs, reservoirs, etc., as part of the anti-flood infrastructure of the residential areas.

Table 22: Information on scheme BG161PO001/1.4-06/2010 “Support for small-scale interventions to prevent floods in urban agglomeration”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	1.07.2010
Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 21 176 471
Planned funds in EUR (updated budget of the scheme)	EUR 21 856 975
Deadline for submission of project proposals	30 November 2010
Number of evaluation committees in 2011	1 (established in 2010)
Number of project proposals submitted in 2010	-
Number of project proposals approved	41
Number of eligible but unfunded project proposals	2
Number of project proposals rejected	7
Number of contracts concluded in 2011	41
Total grant value under contracts concluded in 2011	EUR 20 835 677,45

Table 23: Expected results on grant scheme BG161PO001/1.4-06/2010 “Support for small-scale interventions to prevent floods in urban agglomeration”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	50	8	4	7	7	14	10
Number of contracts concluded	41	8	1	7	5	10	10

Amount of the grant for concluded contracts, EUR	20 835 677,45	3 933 827,69	473 744,75	3 198 231,27	2 262 808,07	5 391 281,82	5 575 783,84
Population benefiting from the infrastructure built to prevent floods and/or bank erosion in the residential areas from the municipalities in the agglomeration areas	967 156	251 394	3 330	156 087	134 713	94 192	327 440
Facilities built to prevent floods in residential areas, metres length	45 606,67	9 543,56	262,50	9 940,96	6 762,27	8 743,44	10 353,94
Length of banks protected or regenerated from erosion	28 859,67	3 316,20	36,00	5 145,65	1 642,35	7 008,20	11 711,27
Length of facilities built to protect the seashore	1 650	0.00	0.00	0.00	1 650	0.00	0.00

➤ ***Scheme BG16PO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”***

The scheme was published in 2010 with application deadline on 21.01.2011. Specific beneficiaries are the 36 municipalities, centres of agglomeration areas. The overall objective of the scheme is development of integrated urban development plans with a timeframe until 2020, aimed at sustainable and permanent overcoming of the high concentration of economic, environmental and social problems in 36 cities – centres of agglomeration areas. Candidates under the scheme were required to secure 5% own contribution within 15% national co-financing.

The specific objectives are to identify areas of impact within the 36 cities – centres of agglomeration areas – including a system of interlinked actions which seek to bring about a lasting improvement of the economic, financial, social and environmental situation of a city or an area within the city; to develop integrated urban regeneration and development plans for the relevant areas to support the long-term vision for the city’s development through implementation of projects in urban areas and/or subsystems in unsatisfactory condition, which show negative development trends and/or unrealized potential, by attracting and coordinated management of various investments and support from the EU Structural Funds; to achieve synergies between existing and currently updated strategic planning documents for sustainable integrated regional and local development, sectorial policies, programme documents and development schemes within the designated areas of impact.

Depending on the administrative capacity and the potential of the respective development city, the IURDP may include up to three areas of impact, within the meaning of a separate urban territory with a defined main functional purpose, with similar characteristics and condition of the physical environment, social and ethnic structure of the population, and character and structure of the real assets. It is admissible to define areas of impact with a mixed functional purpose, containing public functions of high social significance. The areas of impact are divided into three groups of the following types:

An area with predominantly social character is an urban territory with predominantly residential functions. The integration criteria for these areas is covering habitation issues (habitation function), taking into account the complex condition of the living environment: the degree of development and the condition of the technical and social infrastructure (service function), the qualities of the living environment.

Areas with potential for economic development are urban territories with predominantly industrial or other business purposes, with functional, environmental characteristics and condition of the

technical infrastructure, which do not satisfy investment demand to develop existing and create new economic activities, as well as undeveloped territories with such purpose, defined by the development plans.

Areas of public functions with high social significance could be: central city area, central pedestrian areas and other areas with existing or possible concentration of functions of public character with high social significance, areas where most of the buildings have administrative and social functions, as well as the existence of buildings part of the cultural heritage. The integration criteria for these areas is the coverage of a wide range of issues related to the physical and operational characteristics of the public environment, as well as their resolution (engineering measures, public amenities, landscaping, furnishing, as well as creating conditions to build other sites financed by other sources, yet still part of the combined intervention), the effect of which would impact the whole urban population or a part of it in terms of quality of life, environmental and aesthetic qualities of the living environment, attractiveness of the city, and conditions to stimulate economic growth.

36 project proposals were submitted before the deadline, all of them were approved. On 23 June 2011, all 36 contracts were concluded for a total grant value of EUR 10 876 032,17.

Table 24: Information on scheme BG161PO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”

Type of procedure	Direct award procedure with a fixed application deadline
Date of publication	4.08.2010
Eligible candidates	36 municipalities – centres of agglomeration areas
Allocated funds, EUR	EUR 10 992 778
Deadline for submission of project proposals	21 January 2011
Number of project proposals submitted	36
Number of committees established	1
Number of project proposals approved	36
Number of contracts concluded in 2011	36
Total grant value under contracts concluded in 2011	EUR 10 876 032,17

Table 25: Expected results from the grant scheme BG161PO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	36	6	6	4	5	8	7
Number of contracts concluded	36	6	6	4	5	8	7
Amount of the grant for concluded contracts, EUR	21 271 669,99	3 477 364	3 481 829	2 499 251,99	3 461 780	4 443 857	3 907 588

Developed integrated urban development plans	36	6	6	4	5	8	7
--	----	---	---	---	---	---	---

➤ ***Scheme BG161PO001/1.4-08/2010 “Joint European Support for Sustainable Investment in City Areas (JESSICA)”***

Implementation of the JESSICA Initiative registered progress in the reporting period. In January 2011, the European Investment Bank created a draft Call to Express Interest by Urban Development Funds. The Call was reviewed at the second session of the Investment Board in February 2011. With a written procedure, in March 2011, the final version of the Call was approved: schedule, specification, UDF award and selection criteria, and lot structure: Lot 1 (Sofia) and Lot 2 (6 big cities: Plovdiv, Varna, Burgas, Russe, Stara Zagora, and Pleven). In March 2011, the selection criteria were approved by the Monitoring Committee.

The Call to Express Interest was published in the Official Journal of the EU on 31.03.2011. Upon expiration of the bid submission deadline, a total of 5 bids were received from three applicants under both lots. After an evaluation was conducted by the EIB in June 2011, one Lot 2 applicant and two of the three Lot 1 applicants were ranked. The results of the Evaluation Committee were presented by the EIB on an Investment Board session held on 20 June 2011.

By written procedure of the Investment Board, the EIB received permission to start negotiations to execute an Operational Agreement under Lot 2 with the first ranked applicant, and, depending on the outcome of these negotiations, to make decision on Lot 1 later. The EIB conducted negotiations to conclude an Operational Agreement with the applicant under Lot 2, the consortium led by Société Générale Expressbank. On 28 December 2011 the EIB and the consortium led by Société Générale Expressbank concluded an Operational Agreement under Lot 2 for the 6 big cities.

By late August 2011, under the internal rules of the EIB, a consultant to create a pre-notification project for a state aid scheme and a concept report was selected. In December 2011, the consultant presented the final project for the pre-notification and the concept report.

Monitoring tables on the implementation of JESSICA are attached to the report.

Operation 1.5 “Sustainable urban transport systems”

The objective of the scheme is to ensure accessibility and cohesion through effective and sustainable urban transport systems.

➤ ***Scheme BG161PO001/1.5-01/2010 “Support for integrated urban transport in Burgas Municipality”***

The scheme was published in June 2010 with Burgas Municipality as specific beneficiary. The OPRD grant contract was concluded on 26 November 2010, with a term of 36 months and a total value of EUR 67 071 840, of which EUR 55 998 279 OPRD grant and EUR 11 073 561 co-financing from the beneficiary. On 19 October 2010, the project was submitted for approval by the EC via the SFC2007 system, CCI No 2010BG161PR003.

On 10.01.2011, under Ref. 99-00-6, the EC comments were formally received (Ref. Ares(2010)985556 – 22/12/2010). With this regard, the MA of OPRD communicated with the specific beneficiary, Burgas Municipality, in order to prepare answers to the information requested on the issues.

With regard to the issue raised by the EC on the eligibility of VAT on revenue-generating projects, the MA of OPRD exchanged letters with the Ministry of Finance. On 23.02.2011, under Ref. 99-00-6-1028, the answers to the issues raised were sent to the EC.

On 31.03.2011, under Ref. 99-00-10/1/, Burgas Municipality formally submitted a revised documentation package at the MA. The revised application form together with the accompanying documents was approved by the MA of OPRD on 02.05.2011, and, on 12.05.2011, was formally received at the EC via the SFC2007 system.

By European Commission Decision (2011)5988 of 16.08.2011, the **first major project** within the meaning of Article 39 of Regulation (EC) 1083/2006 was approved: the project 2010BG161PR003 **“Integrated urban transport of Burgas”**, (OPRD project number BG161PO001-1.5.01-0001). The full project value was EUR 67 071 840, of which EUR 51 816 427 were an OPRD grant, and the remaining EUR 15 255 413 were co-financing by the beneficiary.

The objective of the project is the modernisation of the public transport system in Burgas. The project components include purchase of 28 articulated buses with diesel engines and 39 non-articulated buses, introduction of “fast bus lane” routes, construction and renovation of central bus station, bus depot expansion, construction of cycleways and pedestrian overpasses, deployment of an integrated electronic ticket system and a passenger information system at the bus stops and inside the buses, introduction of an integrated traffic management and control centre and a video surveillance system, modernisation of the traffic light system granting right-of-way to public transportation, improving bus stop accessibility, and improving pedestrian crossings.

➤ ***Scheme BG161PO001/1.5-02/2011 “Support for integrated urban transport in Sofia Municipality”***

The scheme was published on 04.02.2011 with the main objective to develop a sustainable and integrated urban transport system in Sofia Municipality, helping improve the living and environmental conditions. The deadline for submission of a project proposal was 3 June 2011.

In 2011, the Managing Authority of OPRD approved **the second major project** within the meaning of Article 39 of Regulation (EC) 1083/2006, the project BG161PO001-1.5.02-0001 **“Support for integrated urban transport in Sofia Municipality”**, with Sofia Municipality as specific beneficiary. The project was **created with support from JASPERS**. The OPRD grant contract was concluded on 23 August 2011. The total amount of the project is EUR 62 624 478, of which EUR 50 million OPRD grant and EUR 12 624 478 own contribution by Sofia Municipality.

On 26 July 2011, the project was submitted for approval by the EC via the SFC2007 system, CCI No 2011BG161PR005. By letter Ares(2011)838780-01/08/2011, it was confirmed that the documents submitted comply with Article 40 of Regulation (EC) 1083/2006 and are deemed eligible, whereby starting the procedure for project approval by the EC.

By letter Ares (2011)1171750-03/11/2011, the EC comments on the submitted application form were received. With this regard, the MA of OPRD communicated with the specific beneficiary, Sofia Municipality, in order to prepare answers to the information requested on the issues.

The project provides for a number of measures **to improve the quality of public transport and promote an environmentally clean urban transport.**

The project includes 6 components:

- **Smart traffic control system:** provides for construction works and installation of equipment to grant urban transport vehicles right-of-way at **20 key intersections** in Sofia. Construction works will be carried out on 7 intersections (along Bulgaria Blvd., Evlogi Georgiev Blvd., Pencho Slaveikov Blvd.)
- **Electronic information boards: 600** new remotely-controlled electronic information boards will be installed at busy bus stops to provide **visual and audio information** to the passengers in real time: vehicle type, line number, time of arrival of the vehicle at the bus stop, current time.
- **New trolley cars:** planned purchase of **50** articulated low-floor trolley cars with a minimum capacity of 160 passengers to operate the 1, 2, 5, and 9 lines.

- **New tram line from the Seminary to Darvenitsa:** includes construction of a new 2.8 km tram line from the intersection of Stoyan Mikhailovski Str. and Peyo Yavorov Blvd. to the intersection of St Kliment Okhridski Blvd. and G. M. Dimitrov Blvd., as well as reconstruction with a 1.8 km tram line along the extension of St. Kliment Okhridski Blvd. to the Darvenitsa turn. After the launch of the new tram line, the bus lines in the area will be reorganised, and tram line 18 will be closed.

Purchase of a specialised vehicle for the maintenance of the contact network along all electric transportation lines in Sofia is planned.

- **Modernisation of the tram line along Bulgaria Blvd.** includes reconstruction of the platforms, repair of adjacent subways, installation of shelters on the stops, electronic information boards and full replacement of the rails and the contact network (with new contact network and poles).
- **Marketing and legal survey for public transportation shelters:** since the installation of shelters at urban transport stops has a revenue-generation potential, it is thought to be more feasible to use other ways for their financing, and not grants. With this regard, within the project, an analysis will be carried out on the possibilities and conditions to grant the rights to install, operate, and maintain the urban transport stop shelters.

Table 26: Information on scheme BG161PO001/1.5-02/2011 “Support for integrated urban transport in Sofia Municipality”

Type of procedure	Direct award procedure, major project within the meaning of Art. 39 of Regulation No 1083/2006
Date of publication	4.02.2011
Deadline for submission of project proposals	3 June 2011
Specific beneficiary	Sofia Municipality
Allocated funds, EUR	EUR 50 000 000
Project proposals submitted	1
Project proposals approved	1
Number of evaluation committees	1
Number of contracts concluded in 2011	1
Total grant value under the contract concluded in 2011	EUR 50 000 000

➤ **Scheme BG161PO001/1.5-03/2011 “Support for integrated urban transport in the 5 big cities”**

The scheme was published on 15.11.2011 with a main objective to develop sustainable and integrated urban transport systems in the next five big Bulgarian cities after Sofia (Plovdiv, Varna, Russe, Stara Zagora, and Pleven) to help improve the living and environmental conditions. The total value of the scheme is EUR 104 127 475, with the maximum grant values under the specific beneficiaries’ projects set in the Application Guidelines under the scheme. The deadline for submission of project proposals is 15 March 2012.

Specific objectives of the scheme:

- creation of more efficient and fast urban public transport with less power consumption;

- construction of more accessible secondary infrastructure for the public transport networks and introduction of environmentally friendly urban transport types;
- raising the mass urban public transport attractiveness and usage level;
- improving city functionality and population mobility;
- reducing traffic jams and increasing urban transport capabilities;
- providing social inclusion and equal access for disadvantaged groups.

Table 27: Information on scheme BG161PO001/1.5-03/2011 “Support for integrated urban transport in the 5 big cities”

Type of procedure	Direct award procedure (for Varna Municipality: a major project within the meaning of Article 39 of Regulation 1083/2006)
Date of publication	15.11.2011
Deadline for submission of project proposals	15 March 2012
Specific beneficiaries	the Plovdiv, Varna, Russe, Stara Zagora, and Pleven municipalities
Allocated funds, EUR	EUR 104 127 475

➤ Project in implementation

The total number of contracts in progress in 2011 under Priority Axis 1 is 354, concluded in 2008, 2009, 2010, and 2011, as follows:

Number of contracts	Grant scheme	Number of contracts
BG161PO001/1.1-01/2007	Support for provision of adequate and reliable educational, social and cultural infrastructure, contributing to development of sustainable urban areas	64
BG161PO001/1.1-02/2008	Support for provision of adequate and effective state educational infrastructure, contributing to development of sustainable urban areas	7
BG161PO001/1.1-03/2008	Support for provision of adequate and effective state social infrastructure, contributing to development of sustainable urban areas	2
BG161PO001/1.1-04/2008	Support for provision of adequate and effective infrastructure of labour offices, contributing to development of sustainable urban areas	8

BG161PO001/1.1-05/2008	Support for provision of adequate and effective state cultural infrastructure, contributing to development of sustainable urban areas	14
BG161PO001/1.1-07/2009	Support for provision of adequate and reliable infrastructure of universities in urban agglomerations	13
BG161PO001/1.1-08/2010	Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in urban agglomerations	14
BG161PO001/1.1-09/2010	Support for introduction of energy efficiency measures in municipal educational infrastructure of urban agglomerations	23
BG161PO001/1.1-10/2010	Support for creation and promotion of innovative cultural events	39
BG161PO001/1.1-11/2011	Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomerations	24
BG161PO001-1.2-03/2012	Support for creation of financial engineering instrument – Residential Renovation Fund	1
BG161PO001/1.4-01/2007	Support for reduction and prevention of risks and damages caused by fire in urban agglomeration areas	1
BG161PO001/1.4-02/2008	Support for improvement of urban environment	18
BG161PO001/1.4-03/2008	Support for construction and consolidation of small-scale infrastructure to prevent landslides in urban agglomerations	13
BG161PO001/1.4-04/2009	Support for small-scale infrastructure to prevent landslides in urban agglomerations	11
BG161PO001/1.4-05/2009	Support for integrated and sustainable development through improvement of the urban environment	23
BG161PO001/1.4-06/2010	Support for small-scale interventions to prevent floods in urban agglomerations	41
BG161PO001/1.4-07/2010	Support for integrated urban regeneration and development plans	36

BG161PO001/1.4-08/2010	Joint European Support for Sustainable Investment in City Areas (JESSICA)	2
BG161PO001/1.5-01/2010	Support for integrated urban transport in Burgas Municipality	1
BG161PO001/1.5-02/2011	Support for integrated urban transport in Sofia Municipality	1

246 on-the-spot checks were carried out to monitor project implementation, 95 of which under the Annual Plan for On-the-spot Checks and 151 were carried out without prior warning.

➤ **Terminated contracts**

In the reporting period 5 grant contracts were terminated as follows:

Beneficiary	Contract No	Date of contract cancellation	Reasons for cancellation
Russe Municipality	BG161PO001/1.1-01/2007/057	2.03.2011	The beneficiary has requested contract termination due to inability to perform the activities under the project, caused by a delay in their performance, resulting from the need to perform additional auxiliary activities to support the main activities under the project. Additionally, a delay in conducting the public procurement procedure is observed with subsequent appeal.
Ministry of Culture	BG161PO001/1.1-05/2008/001-2	29.06.2011	Both contracts are terminated by request from the beneficiary related to a decision for inclusion in the Medium-term Framework Investment Programme of a new project aimed to combine some of the functions of both sites in order to provide a complete solution for the renovation and modernisation of a cultural site.
Ministry of Culture	BG161PO001/1.1-05/2008/001-8	15.04.2011	
National Employment Agency	BG161PO001/1.1-04/2008/001-3	7.11.2011	The beneficiary has requested contract termination due to inability to perform the activities under the project as expected, caused by arising administrative issues and the need to perform additional design work.

Ministry of Education, Youth and Science	BG161PO001/1.1-02/2008/001-2	21.07.2011	The contract is terminated in the MMIS on 21.07.2011 due to expiration of its term on 26.06.2011 without completing the main activities under the project and without submission of a final technical report/financial statement.
--	------------------------------	------------	---

➤ **Completed projects**

For the reporting period, 20 projects under scheme BG 161 PO 001/1.1-01/2007 “Support for provision of adequate and reliable educational, social and cultural infrastructure, contributing to development of sustainable urban areas”, were completed. The results reported under these projects are:

№	Indicator	Reported achievement
1	Population benefiting from the renovated building of the improved educational infrastructure	1 337 749 people
2	Improved educational infrastructure (number)	72 buildings
3	Number of people with disabilities benefiting from the intervention	11 430 people
4	Number of Roma/other ethnic minorities benefiting from the project results	7 104 people
5	Students benefiting from improved educational infrastructure (number)	24 959 students

In addition, in the reporting period two projects under scheme BG161PO001-1.4-03/2008 “Support for construction and consolidation of small-scale infrastructure for landslide prevention in urban agglomerations”, were completed, achieving the following indicators:

№	Indicator	Reported achievement
1	Length of road sections saved from compromising or becoming unusable as a result of the consolidation and stabilization of the landslide	1.986 kilometres
2	Landslide area	8 769.00 sq. m.
3	Population benefiting from the intervention	257 931 people

➤ **Support for the growth poles – the 7 big cities (Sofia, Plovdiv, Varna, Russe, Burgas, Stara Zagora and Pleven)**

The table below presents information on the commitments in the operational programme on indicative allocation of funds under Priority Axis 1 “Sustainable and integrated urban development”, taking into account the reallocated financial resource and the progress achieved over the reporting period.

*Table 28: Information on the allocation of the financial resource for support of the 7 big cities**

Municipalities	Indicative allocation* (EUR)	Achieved allocation without column 7 (4+5+6)	Contracts concluded, including with specific beneficiaries (EUR)	Allocations in framework programmes of specific beneficiaries (MH, MC,	Funds on forthcoming schemes (EUR)	Funds on forthcoming schemes with no preliminary indicative allocation,

		(EUR)		SAA (EUR)		(EUR)
1	2	3	4	5	6	7
Sofia Municipality	120 000 000		115 909 595	15 500 000	11 634 389 (deinstitutionalisation)	32 025 495 (housing policy) 34 288 382 (remainder on current schemes, for third urban environment)
TOTAL: Sofia municipality	120 000 000	143 043 984	115 909 595	15 500 000	11 634 389	
TOTAL: the 6 larger municipalities (Plovdiv, Varna, Burgas, Russe, Pleven, Stara Zagora)	300 000 000		182 702 650	3 700 000	104 127 475 (urban transport) 4 183 573,00 (urban transport Burgas, remainder) 4 286 230 (deinstitutionalisation) 2 295 701 (social housing)	
TOTAL: 6 larger municipalities	300 000 000	301 295 629	182 702 650	3 700 000	114 892 979	
TOTAL: 29 municipalities within the agglomerations of Sofia and the 6 big cities	110 000 000		90 142 660		2 100 514 (deinstitutionalisation) 831 361 (social housing)	
TOTAL: 29 municipalities	110 000 000	93 074 535	90 142 660	0	2 931 875	
TOTAL: 50 municipalities outside the scope of Sofia and the 6 big cities	393 000 000		295 604 316	140 000	18 972 560 (deinstitutionalisation) 4 555 099 (social housing)	
TOTAL: 50 municipalities	393 000 000	319 271 975	295 604 316	140 000	23 527 659	
TOTAL: 86 municipalities	923 000 000	856 686 123	684 359 221	19 340 000	152 986 902	66 313 877

* The indicative allocation reflects the MC decisions taken in 2011 to reallocate funds between operations and/or priority axes and will be reflected in the upcoming revision of the operational programme to be sent to the EC for approval in early 2012.

➤ **Support for sustainable urban transport within the JASPERS Initiative**

▪ **Project to support urban transport in Sofia Municipality**

The consultant, ARUP, selected under a Framework Agreement by JASPERS, continued to support Sofia Municipality to finalise the application form and documentation package for a major project

within the meaning of Article 39 of Regulation 1083/2006. Regular meetings were held with representatives of the municipality in order to discuss and visit the sites of the separate components proposed to be included in the project. As a result, the project proposal was submitted by Sofia Municipality 15 days before the deadline under scheme BG161PO001/1.5-02/2011 “Support for integrated urban transport in Sofia Municipality”.

▪ **Project “Support Unit for the Managing Authority of OPRD”**

The Integrated Urban Transport Project Management Unit, created within the MA of OPRD in order to manage and administer the overall process, with the assistance of consultancy, selected under a framework agreement by JASPERS, continued to support the seven larger Bulgarian cities in the preparation and implementation of the projects under Operation 1.5. In October 2011, the consulting assistance was extended, with a new consulting team, selected under a new framework agreement with a 10-month term.

MA representatives, jointly with the JASPERS consultancy team, made on-site visits to the cities where meetings on the progress were organised. At the same time, on-site visits were made also to the proposed project components (e.g. trolley depots, bus stations, extension of the trolley network).

Additionally, the MA regularly conducted joint coordination meetings with representatives of the seven cities, hosted in 2011 by each city in turn. On these meetings the progress on project implementation was reported.

3.1.3. Significant problems encountered and measures taken to overcome them

➤ Implementation of projects under schemes launched in 2007 and allowing application with projects at conceptual design level continued in 2010 – this necessitated changes in the Bills of Quantities caused by subsequent development of technical/detailed designs and a need to annex the respective grant contracts. The MA introduced changes to the type and quantity of construction works at the sites of intervention in compliance with the procedures.

3.2. Priority Axis 2 “Regional and local accessibility”

Under the first revision of OPRD, approved on 9 February 2011 by the EC, the financial resources for this Priority Axis are **EUR 400 318 689**, of which **EUR 340 270 886** are European financing. The total amount makes up **25%** of OPRD budget.

In accordance with the decisions of the Monitoring Committee of OPRD, adopted in 2011, on redirecting funds between operations and/or priority axes, the financial resources of Priority Axis 2 is updated to **EUR 338 309 627**, of which **EUR 287 563 183** co-financing from ERDF. The total amount makes up **21%** of the programme budget.

3.2.1. Achievement of targets and analysis of the progress

Within Priority Axis 2, 1 call for proposals was launched, with the Executive Agency Electronic Communication Networks and Information Systems as specific beneficiary, under Operation 2.2 “Information and communication network”, scheme BG161PO001/2.2-01/2011 “Support for development of critical, secure, safe, and reliable public ICT infrastructure”, whereby achieving 100% coverage of the priority axis.

Table 29: Launched grant schemes

	Date of publication	Total budget, EUR	New total budget*, EUR	Co-financing from ERDF,	National financing, EUR (15%)	Projects received between 1.01.2011 and

				(85%) EUR		31.12.2011
Operation 2.1.						
BG161PO001/2.1-01/2007 "Support for rehabilitation and reconstruction of second- and third-class roads"	1 November 2007	256 203 961	256 203 961	217 773 367	38 430 594	15 project fiches Specific beneficiary - RIA
BG161PO001/2.1-02/2007 "Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network"	14 November 2007	64 050 991	59 557 206	50 623 625	8 933 581	The procedure for the collection of project proposals was cancelled.
BG161PO001/2.2-01/2011 "Support for development of critical, secure, safe, and reliable public ICT infrastructure"	1 December 2011	-	20 015 934	17 013 544	3 002 390	Deadline for submission of project proposal 19 April 2012
BG161PO001/2.3-01/2010, Preparation, Research and Design of the Construction of an Intersystem Gas Connection Bulgaria-Serbia	15 November 2010	6 000 000	2 532 526	2 152 647	379 879	1 Specific beneficiary - MEET

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the MC of OPRD decisions, adopted in 2011, on reallocating funds between operations and/or priority axes.

3.2.1.1. Information on the physical progress of the priority

Table 30: Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 2											
Impact indicator											
Reduction of greenhouse emissions (CO2 and equivalents, kt) Key indicator(1)	Value achieved	N/A	N/A	0	0	0 ⁽²⁾					0
	Target value	N/A	N/A	4	N/A	N/A	N/A	N/A	N/A	39 ⁽¹⁾	39
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Value for timesavings in Euro/year stemming from reconstructed roads for passengers and freight Key indicator(3)	Value achieved	N/A	N/A	0	0	0 ⁽⁴⁾					0
	Target value	N/A	N/A	46 000	N/A	N/A	N/A	N/A	N/A	208 000	208 000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional population covered by broadband access	Value achieved	N/A	N/A	0	0	0 ⁽⁶⁾					0
	Target value	N/A	N/A	14% ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	20% ⁽⁵⁾	20%
	Baseline value	10.6 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Key indicator(5)											
Increased passengers and freight traffic on the rehabilitated roads (based on a year 2006)	Value achieved	N/A	N/A	0	0	0 ⁽⁷⁾					0
	Target value	N/A	N/A	10%	N/A	N/A	N/A	N/A	N/A	27%	27%
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Constructed ICT network (km)	Value achieved	N/A	N/A	0	0	0 ⁽⁸⁾					0
	Target value	N/A	N/A	150	N/A	N/A	N/A	N/A	N/A	500	500
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria (km)	Value achieved	N/A	N/A	N/A	N/A	N/A					0
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50	50
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Km of reconstructed roads (km) Key indicator	Value achieved	N/A	N/A	12,2	128,18	161,19 ⁽⁹⁾					161,19
	Target value	N/A	N/A	500	N/A	N/A	N/A	N/A	N/A	1 300	1 300
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of projects (road, ICT, gas) (number)	Value achieved	N/A	N/A	2	15	20 ⁽¹⁰⁾					20
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) The indicator corresponds to Key Indicator 30. In the operational programme, it is measured both at Priority Axis 1 and Priority Axis 2 level. In the SFC system, the targets for 2009 and 2015 are indicated cumulatively at programme level.
- (2) In 2011, this indicator was not achieved as the impact of improved road infrastructure should be reported at least 2 years after completion of the projects within the grant schemes
- (3) The indicator corresponds to Key indicator 20 "Values of timesavings in Euro/year stemming from new and reconstructed roads".
- (4) In 2011, this indicator was not achieved as the value of the time savings achieved because of the improved road infrastructure should be reported at least 2 years after completion of the projects within the grant schemes.
- (5) The indicator corresponds to Key indicator 12 "Number of additional population covered by broadband access". In the SFC system the indicator is measured in numbers and the corresponding numbers for the 2009 and 2015 targets are 260 000 and 725 000 respectively.
- (6) Achievement on this indicator is not reported for 2011 because there were no contracts concluded and therefore no implementation of activities to contribute to progress on the indicator.
- (7) In 2011, this indicator was not achieved because increased traffic value as a result from improved road infrastructure should be reported at least 2 years after the completion of the projects.
- (8) Achievement on this indicator is not reported for 2011 because there were no contracts concluded and therefore no implementation of activities to contribute to progress on the indicator.
- (9) The achievement made under this indicator is still smaller than the target for 2009, because in 2009, 2010, and 2011, only 20 projects were completed with activities contributing to progress achieved under this indicator.
- (10) The achievement made under this indicator is still smaller than the target for 2009, because in 2009, 2010, and 2011, only 20 projects were completed with activities contributing to progress achieved under this indicator.

3.2.1.2. Information on the financial progress of the priority

Table 31: Contracted, disbursed and certified expenditures for the period between 01.01.2011 and 31.12.2012

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified (EUR)
2. Regional and local accessibility	83 569 261,55	52 594 108,40	25 121 528,42

The Contracted Value column includes only the grant amount under contracts concluded in 2011 in accordance with the Decisions for the award of grants issued by the Head of the Managing Authority of OPRD, excluding the amounts on the annexes executed in 2011.

3.2.2. Qualitative analysis

The projects contracted under the grant schemes to enhance the status of national and municipal road networks will ensure better accessibility and interconnectedness among various regions and in urban areas.

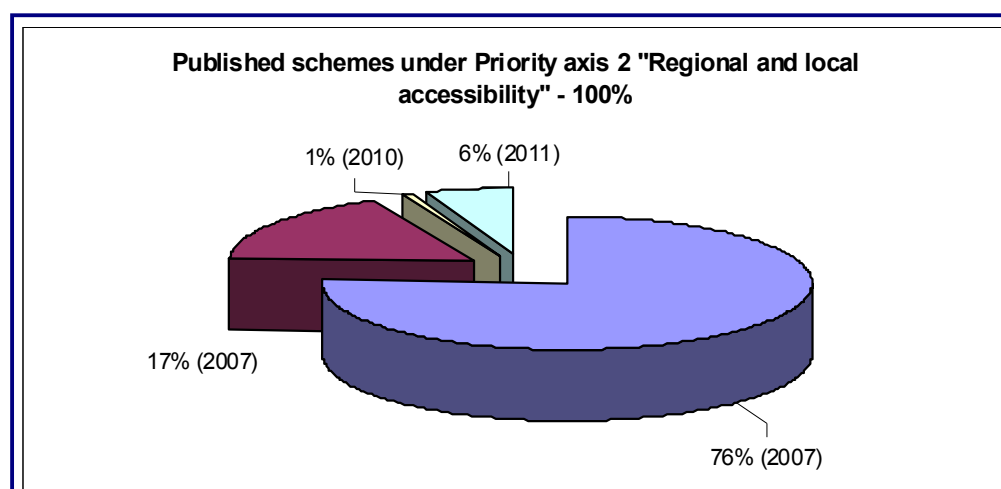
The performance of the contracts, concluded in 2009 and 2010 with the specific beneficiary, Road Infrastructure Agency, under scheme BG161PO001/2.1-01/2007 “Support for rehabilitation and reconstruction of second- and third-class roads”, continued in the reporting period. Upon conducting public procurement procedures under the PPA for the concluded contracts, financial resources were released, allowing to collect, evaluate, and conclude new contracts under this scheme. In 2011, the RIA submitted 15 project fiches, which were evaluated and approved for financing under the OPRD. 15 new contracts were concluded to the amount of EUR 79 486 421,40.

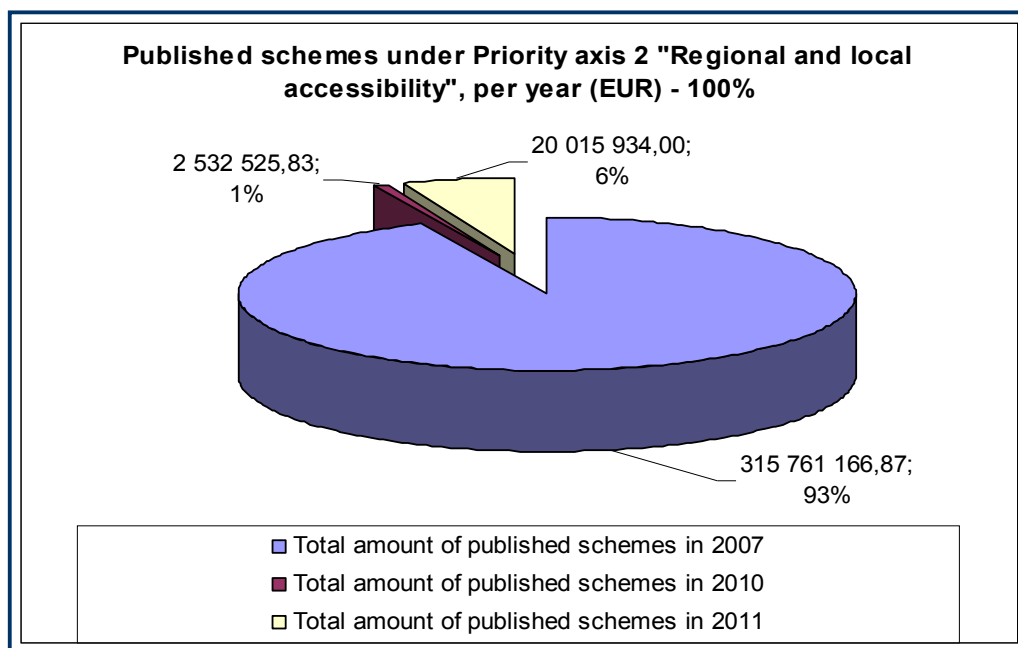
As a result of the implemented projects contracted in 2011 for rehabilitation/reconstruction of second- and third-class roads, 15 lots with 25 road sections 87 km long in total will be rehabilitated/reconstructed.

Furthermore, in the reporting period, the performance of the contracts, concluded in 2008 under the scheme for municipal roads, continued. As a result of released financial resources under scheme BG161PO001/2.1-02/2007 “Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network”, from the list of reserve project proposals, ranked but unfunded, on 14 October 2011, 1 grant contract was concluded for a total amount of EUR 1 550 314,32. By decision of the MC of OPRD, the reserve project list was erased due to the work/technical design becoming obsolete.

In 2011, 1 contract was concluded under a project from the reserve list for support of municipal road network and 1 contract with the MEET to create a feasibility study for construction of an intersystem gas connection Bulgaria-Serbia.

In the reporting period, within Operation 2.2 “Information and communication network”, 1 grant scheme was launched with a value of EUR 20 015 934, whereby achieving 100% coverage of the priority axis.





RESULTS:

➤ ***Scheme BG161PO001/2.1-01/2007 "Support for rehabilitation and reconstruction of second- and third-class roads"***

The objective of the grant scheme is to improve accessibility to road infrastructure by the rehabilitation and reconstruction of second- and third-class roads. Between EUR 500 000 and EUR 22 million in grants will be provided to support projects.

Upon conducting public procurement procedures under the PPA for the contracts concluded under this scheme in 2009-2010, financial resources were released, allowing to collect, evaluate, and conclude new contracts. On 1 August 2011, the RIA submitted 15 project fiches from Stage 4, which were evaluated and approved for financing under the OPRD. On 7 December 2011, 15 contracts were concluded with a total grant value of EUR 79 486 421,40.

The funds will be allocated for the reconstruction and rehabilitation of second- and third-class roads providing interregional connections, as well as reconstruction and rehabilitation of second- and third-class roads providing access to potential regions in terms of tourism development. The grant contracts will be for 25 road sections, with a total length of 87 km.

By 31.12.2011, a total of EUR 251 301 804 were contracted, representing 98% of the scheme budget.

Table 32: Information on scheme BG161PO001/2.1-01/2007 “Support for rehabilitation and reconstruction of second- and third-class roads”

Type of procedure	Direct award procedure
Date of publication	1.11.2007
Deadline for submission of project proposals	for 2009 – 30 January and 30 November 2009 for 2010 – 30 December 2010 for 2011 – 1 August 2011
Status of scheme	Current
Beneficiary	Road Infrastructure Agency
Allocated funds	EUR 256 203 961
Submitted project proposals	15
Approved project proposals	15
Number of evaluation committees	1
Contracts concluded in 2011	15
Total grant value under contracts concluded in 2011	EUR 79 486 421,40

Table 33: Results from the grant scheme BG161PO001/2.1-01/2007 “Support for rehabilitation and reconstruction of second- and third-class roads”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	15	4	1	2	2	2	4
Number of contracts concluded	15	4	1	2	2	2	4
Amount of the grant for concluded contracts, EUR	79 486 421,40	26 784 380,65	2 688 556,53	8 581 517,09	8 891 845,21	11 383 781,51	21 156 340,41
Increased traffic of passengers and freight on rehabilitated roads (on average per day, baseline 2006)	10	10	10	10	10	10	10
Time savings in Euro/ year stemming from new and reconstructed roads for passengers and freight	21 818 702,20	4 211 163,44	540 690,50	862 243,53	1 272 914,37	7 958 708,62	6 972 981,74
Expected km reconstructed/rehabilitated Grade 2 and 3 roads	87,44	14,95	0,00	19,03	8,94	24,73	19,80

➤ **Grant scheme BG161PO001/2.1-02/2007 “Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network”**

The scheme was published in 2007 under a procedure for competitive selection without a fixed application deadline. The specific objective of this scheme is to improve accessibility to the road infrastructure by reconstructing and rehabilitating the municipal road infrastructure. Within this scheme, projects ranging from EUR 100 000 to 2.5 million were supported. In May 2009, by decision of the MA of OPRD, the call for proposals was closed due to exhausted financial resources.

Upon release of resources, in 2011, a procedure to verify the current status of the next three projects from the reserve project proposal list was conducted, in the order of their ranking. After a review, carried out by outside experts, of the presented documentation, by decision of the Head of the MA, 1 project was approved for financing, and 2 projects were removed from the list, due to discrepancies between the approved and the revised technical design and an inclusion of an ineligible activity (new construction), respectively. As a result, on 14 October 2011, 1 contract was concluded under a project from the list of reserve project proposals, ranked but unfunded, for a total value of EUR 1 550 314,32.

Additionally, by MC decision, the reserve project proposal list under this scheme was erased, for the following reasons:

The project proposals in the waiting list were submitted in the January – November 2008 period. Some of them were developed based on conceptual designs, which has been eligible under the Application Guidelines for this period. The financial projections were made more than 3-4 years ago. Taking into account the traffic over the municipal road network, the utilization of the paving, as well as the winter conditions over the past 3 years, the presented and evaluated financial projections have been affected to a large extent.

The MA’s experience shows that the lack of updated technical/work designs at the time of grant contract execution is slowing down extremely the completion of the projects and these cannot be completed within the admissible period of 24 months under the Application Guidelines. In most cases, the creation of a technical/work design after a grant contract is concluded leads to ineligible changes in the planned quantities of the various construction works or to the addition of new quantities/new types of works.

The practice, when financing projects from the waiting lists, shows that a large number of the beneficiaries have already performed partial construction or repair works, including using targeted funds, which leads to amending the approved quotations and project budgets to avoid double financing.

Table 34: Information on scheme BG161PO001/2.1-02/2007 “Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network”

Type of procedure	Competitive project proposal selection procedure
Status of scheme	The reception of project proposals was terminated
Date of publication	15.11.2007
Deadline for submission of project proposals	N/A
Beneficiary	86 municipalities from the urban agglomeration areas
Allocated funds	EUR 64 050 991
Planned funds (updated scheme budget by MC)	EUR 59 557 206

decision from the 9th session)	
Number of contracts concluded in 2011	1 (from reserve project list)
Total grant value under the contract concluded in 2011	EUR 1 550 314,32

Table 35: *Expected results from scheme BG161PO001/2.1-02/2007“Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network”*

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	2	0	0	0	0	1	0
Grant contract value in EUR	1 620 668,15	0	0	0	0	1 620 668,15	0
Time savings in EUR/year resulting from rehabilitated and reconstructed roads for passengers and freight	784 792	0	0	0	0	784 792	0
Increased passengers and freight traffic on the rehabilitated roads (baseline 2006);	45%	0	0	0	0	45%	0
Km reconstructed and rehabilitated municipal roads.	35	0	0	0	0	35	0

Operation 2.2 “Information and communication network”

➤ *BG161PO001/2.2-01/2011 “Support for development of critical, secure, safe, and reliable public ICT infrastructure”*

The scheme was published on 1 December 2011 with a value of EUR 20 015 934 and the Executive Agency Electronic Communication Networks and Information Systems as specific beneficiary. The deadline for submission of a project proposal is 19 April 2012.

The main objective of the scheme is to build broadband connections to the urban peripheries and less urbanised territories and rural areas and to develop critical, secure, safe, and reliable public infrastructure as a prerequisite to provide better quality of life and new opportunities for economic and social development. The project proposal must be consistent with the National Strategy to Develop Broadband Access in the Republic of Bulgaria and must help achieve its objectives.

The grant under the scheme is subject to notification before the EC, pursuant to Article 108, Item 3 from the Treaty on the Functioning of the European Union. With this regard, the Community Guidelines for the application of State Aid rules in relation to rapid deployment of broadband networks (Official Journal of the EU C 235, 30.9.2009, page 7) apply to this scheme. In case the project proposal provides for interventions in “grey areas”, these should be backed by a detailed analysis and solid data proving that State Aid is necessary and that it does not distort competition.

The specific beneficiary shall present a detailed feasibility study with the project proposal, discussing scenarios and proving the feasibility of the recommended option(s) (in case multiple solutions are possible and proven feasible), as well as a full cost-benefit analysis of the recommended alternatives. The recommended alternatives should be technologically neutral and should provide compatibility of the proposed technologies with the existing network.

In order to successfully implement this project and ensure sustainability of this investment, the project proposal should indicate the management and operation method for the built infrastructure, clearly demonstrating, in the description of the institutional structure for project implementation and asset utilization, that all regulations in the area of State Aid are followed and that no overcompensation of the operator is allowed.

Table 36: Information on scheme BG161PO001/2.2-01/2011 “Support for development of critical, secure, safe, and reliable public ICT infrastructure”

Type of procedure	Direct award procedure
Date of publication	1.12.2011
Specific beneficiary	Executive Agency Electronic Communication Networks and Information Systems
Allocated funds, EUR	EUR 20 015 934
Deadline for submission of project proposals	19 April 2012

Operation 2.3 “Access to sustainable and energy efficient resources”

The objective of this operation is to implement a project for an intersystem gas connection between Bulgaria and Serbia aiming at enhanced security and diversification of natural gas supplies for Bulgaria. By decision of the MC, the feasibility study will be completed within OPRD, while the detailed design and construction of the intersystem gas connection will be implemented by Operational Programme Competitiveness without reallocation of OPRD financial resources.

➤ **BG161PO001/2.3-01/2010 “Preparation, research and design of the construction of an intersystem gas connection Bulgaria-Serbia”**

The scheme was published on 16 November 2010, with its main objective to prepare and create a feasibility study and carry out preparation activities to build an intersystem gas connection Bulgaria-Serbia. The Ministry of Economy, Energy, and Tourism is the specific beneficiary. The deadline for submission of a project proposal was 15 February 2011.

Specific objectives of this scheme are creation of a feasibility study, including at least 3 scenarios, and a full cost-benefit analysis; select the best possible route for the intersystem gas connection in economic, technical, geographical, and technological terms; prepare the application documents for major projects under Article 39 of Regulation (EC) 1083/2006.

In 2011, the project proposal was submitted before the deadline, evaluated, and approved for financing by decision of the Head of the MA of OPRD on 28 March 2011. On 15 April 2011, the grant contract was concluded. The grant value is EUR 2 532 525,83.

Table 37: Information on scheme BG161PO001/2.3-01/2010 “Preparation, research and design of the construction of an intersystem gas connection Bulgaria-Serbia”

Type of procedure	Direct award procedure
Date of publication	15.11.2010
Specific beneficiary	The Ministry of Economy, Energy and Tourism
Allocated funds, EUR	EUR 6 000 000

Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 2 532 526
Deadline for submission of project proposals	15 February 2011
Project proposals submitted	1
Project proposals approved	1
Number of evaluation committees	1
Number of contracts concluded in 2011	1
Total amount of contracts concluded in 2011 (grant)	EUR 2 532 525,83

Table 38: Expected results from the grant scheme BG161PO001/2.3-01/2010 “Preparation, research and design of the construction of an intersystem gas connection Bulgaria-Serbia”

	Total
Number of project proposals submitted	1
Number of contracts concluded	1
Grant amount under the concluded contract in EUR	2 532 525,83
Creation of an application form and a full set of application documents for a major project within the meaning of Article 39, Regulation (EC) No 1083/2006	1
Created cost-benefit analysis	1
EIA Decision/Report	1
Created feasibility study	1

➤ Project in implementation

The total number of grant contracts in progress in 2011 under Priority Axis 2 was 63, concluded in 2008, 2009, 2010, and 2011; of which 18 are for the rehabilitation/reconstruction of second- and third-class roads and 44 are for the rehabilitation/reconstruction of the municipal road network. Also in progress is 1 contract for preparation, research, and design of an intersystem gas connection Bulgaria – Serbia with the Ministry of Economy, Energy and Tourism as specific beneficiary.

Number of contracts	Grant scheme	Number of contracts
BG161PO001/2.1-01/2007	Support for the rehabilitation and reconstruction of second- and third-class roads	44
BG161PO001/2.1-02/2007	Support for sustainable and integrated local development through rehabilitation and reconstruction of the municipal road network	18

BG161PO001/2.3-01/2010	Preparation, research and design of the construction of an intersystem gas connection Bulgaria-Serbia	1
------------------------	---	---

To monitor project implementation, MA performed total of **82 on-the-spot checks**, including 2 under the Annual On-the-spot Checks Plan and 80 unexpected on-the-spot checks.

➤ **Terminated contracts**

In the reporting period, there are no terminated grant contracts.

➤ **Completed projects**

In the reporting period 5 projects for the reconstruction and rehabilitation of municipal roads were completed. The main project activities include upgrading the road surface of the municipal road network and ensuring its adequate use, repairing and construction of new drainage facilities, improving the safety of road traffic and facilitating travelling between settlements. New road signs and markings were planned and implemented. In total, 115.981 km municipal roads were rehabilitated/reconstructed.

3.2.3. Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

3.3. Priority Axis 3 “Sustainable tourism development”

Under the first revision of OPRD, approved on 9 February 2011 by the EC, the financial resources for this Priority Axis are **EUR 198 093 623**, of which **EUR 168 379 580** co-financing from the European Regional Development Fund. The total amount makes up **12.37%** of the programme budget.

In accordance with the decisions of the Monitoring Committee of OPRD, adopted in 2011, on reallocating funds between operations and/or priority axes, the financial resources of Priority Axis 3 is updated to **EUR 170 939 183**, of which **EUR 145 298 306** co-financing from ERDF. The total amount makes up **10.68%** of OPRD budget.

3.3.1. Achievement of targets and analysis of the progress

In the reporting period, the MA of OPRD launched 2 grant schemes, one of them implemented under Operation 3.1 “Enhancement of tourist attractions and related infrastructure”, the other – under Operation 3.2 “Development of the regional tourism product and destination marketing”. The total value of the grant schemes launched in 2011 is EUR 14 524 427, or 8,50% of the priority axis budget.

Table 39: Launched grant schemes

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF, EUR (85%)	National financing, EUR (15%)	Projects received between 1.01.2011 and 31.12.2011
Priority Axis 3.						
BG161PO001/3.1-01/2008 “Support for cultural heritage of national and world significance to help sustainable development	15 July 2008	11 449 914	17 052 778	14 494 861	2 557 917	1 project fiche Specific beneficiary - MC

<i>of tourism”</i>						
BG161PO001/3.1-02/2009 “Support for the development of tourist attractions”	30 June 2009	42 364 686	20 529 268	17 449 878	3 079 390	-
BG161PO001/3.1-03/2010 “ Support for development of natural, cultural, and historical attractions”	16 August 2010	88 850 934,90	82 929 049	70 489 692	12 439 357	59 project proposals
BG161PO001/3.1-04/2011 “Restoration and conservation of the of Evksinograd Palace and the adjoining park”	10 February 2011	-	5 000 000	4 250 000	750 000	Application deadline: 30 May 2012. Specific beneficiary - CM
BG161PO001/3.2-01/2010 “Support for organisation of events of regional and national scope and impact”	30 June 2010	3 189 617,00	3 189 617	2 711 174	478 443	1 framework programme and 8 project fiches Specific beneficiary - MC
BG161PO001/3.2-02/2011 “Support for organisation of events of regional and national scope and impact”	15 November 2011	-	9 524 427	8 095 763	1 428 664	Application deadline: 15 March 2012
BG161PO001/3.3-01/2008 “Support for the effective national marketing of the tourism product and improved information services”	25 June 2008	32 714 044	32 714 044	27 806 938	4 907 106	5 project fiches Specific beneficiary - MEET

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the MC of OPRD decisions, adopted in 2011, on reallocating funds between operations and/or priority axes.

3.3.1.1. Information on the physical progress of the priority

Table 40: Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 3											
Impact indicators											
Net annual revenues from international tourism	Value achieved	N/A	N/A	0	0	0 ⁽¹⁾					0
	Target value	N/A	N/A	1 050	N/A	N/A	N/A	N/A	N/A	1 475	1 475
	Baseline value	914 (2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bed occupancy rate	Value achieved	N/A	N/A	0	0	0 ⁽²⁾					0
	Target value	N/A	N/A	39%	N/A	N/A	N/A	N/A	N/A	45%	45%
	Baseline value	35% (2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Additional annual number of visitors of attractions supported	Value achieved	N/A	N/A	0	0	0 ⁽³⁾					0
	Target value	N/A	N/A	20000	N/A	N/A	N/A	N/A	N/A	500 000	500 000
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Satisfaction of visitors with attractions and	Value achieved	N/A	N/A	0	0	0 ⁽⁴⁾					0
	Target value	N/A	N/A	70%	N/A	N/A	N/A	N/A	N/A	80%	80%

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
information services (%)	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual number of participants (organisations, companies) in international, national and regional tourism fairs and exhibitions	Value achieved	N/A	N/A	0	0	0 ⁽⁵⁾					0
	Target value	N/A	N/A	1,000	N/A	N/A	N/A	N/A	N/A	1 500	1 500
	Baseline value	900 (2006)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Total number of projects for tourism development Key indicator(6)	Value achieved	N/A	N/A	0	0	0 ⁽⁷⁾					0
	Target value	N/A	N/A	36	N/A	N/A	N/A	N/A	N/A	147	147
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of developed tourist attractions /sites	Value achieved	N/A	N/A	0	0	0 ⁽⁸⁾					0
	Target value	N/A	N/A	25	N/A	N/A	N/A	N/A	N/A	95	95
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of projects for national marketing and promotion, and projects for regional products development and marketing of destinations	Value achieved	N/A	N/A	0	0	0 ⁽⁹⁾					0
	Target value	N/A	N/A	11	N/A	N/A	N/A	N/A	N/A	34	34
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
National TIC network created	Value achieved	N/A	N/A	N/A	N/A	N/A					
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70% of TICs are included in the network	70% of TICs are included in the network
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) By 2010, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (2) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (3) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (4) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (5) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (6) The indicator corresponds to Key Indicator 34 "Number of tourist sites".
- (7) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (8) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.
- (9) By 2011, the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.

3.3.1.2. Information on the financial progress of the priority

Table 41: Contracted, disbursed and certified expenditures for the period between 01.01.2011 and 31.12.2012.

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified (EUR)
3. Sustainable tourism development	76 884 793,81	7 517 118,79	47 844,13

3.3.2. Qualitative analysis

This Priority Axis aims at enhancing regional tourism potential for the development and marketing of sustainable, diverse and region specific tourism products with higher value added.

In 2011, 2 grant schemes were published, with a total value of EUR 14 524 427, whereby achieving 100% coverage of the priority axis.

One of the schemes falls within the scope of Operation 3.1 “Enhancement of tourist attractions and related infrastructure”, and aims to support the development of a competitive tourist attraction (Evksinograd Palace) to help develop sustainable cultural tourism, diversify the tourist offerings, and increase the benefits of tourism. The scheme’s specific beneficiary is the Council of Ministers.

The second scheme is within the scope of Operation 3.2 “Development of the regional tourism product and destination marketing”, and aims, based on an integrated approach, to develop regional tourism products and raise the efficiency of the regional marketing. The projects proposed must help create regional products, covering multiple municipalities and promoting partnership between local authorities and tourism associations.

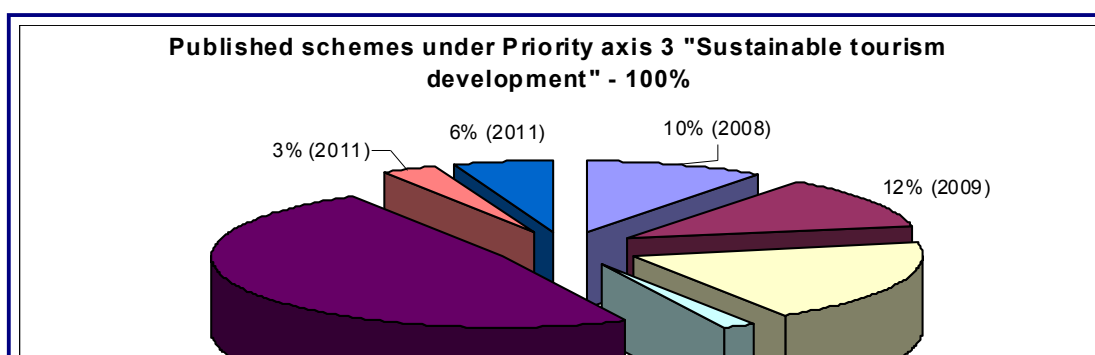
In the reporting period, a total of 73 project proposals were submitted, of which 3 past deadline, and 1 medium-term framework investment programme within 4 grant schemes. 71 project proposals (including 7 submitted in late 2010) and 1 medium-term framework investment programme were evaluated. During evaluation, 1 project proposal was withdrawn. 60 project proposals and one Medium-term Framework Investment Programme were approved.

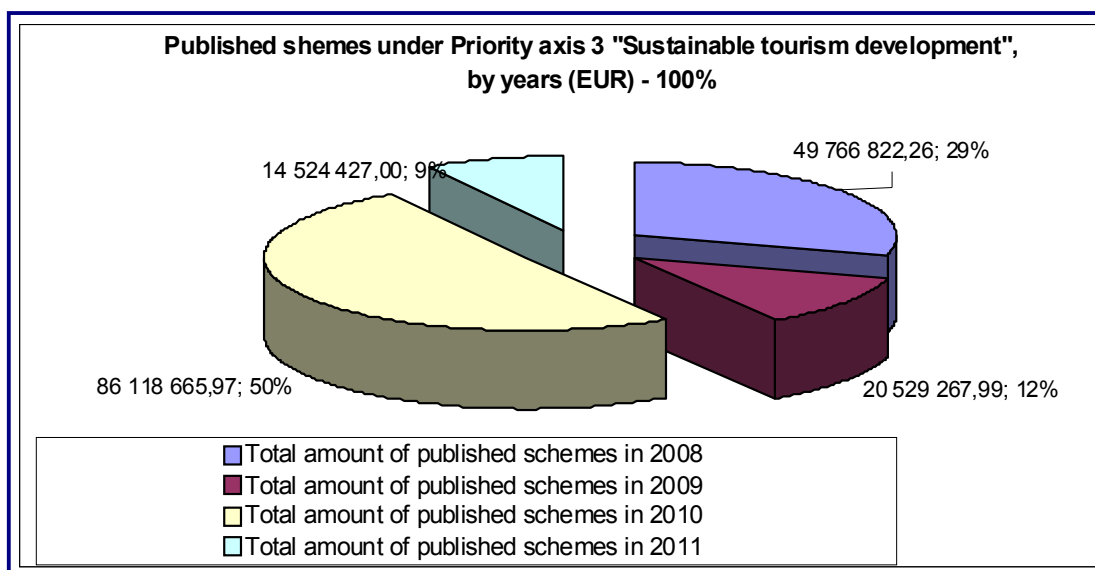
48 contracts with a total grant value of EUR 76 884 793,81, or 45% of the priority axis budget, were concluded.

The sites to receive support are located all over the country: along the Black Sea coast, near mountain resorts, as well as inland, which will help diversify the tourism product. Some national landmarks will receive support, including some cultural heritage sites of national and world significance. OPRD’s contribution will help increase their attractiveness, as well as to create new attractions with a large potential to attract tourists and increase the benefits of tourism.

By 31.12.2011, the cumulative size of Priority Axis 3 grants was EUR 111 515 253,72, representing 65.24% of the size of the priority axis.

Published calls under grant schemes under Priority Axis 3





RESULTS

Operation 3.1 “Enhancement of tourist attractions and related infrastructure”

Operation 3.1. aims at developing integrated and specific tourism products drawing on competitive and highly sought attractions contributing to diversification and territorial tourism development.

- ***Scheme BG161PO001/3.1-01/2008 “Support for cultural heritage of national and world significance to help sustainable development of tourism”***

The objectives of the grant scheme aim at creating specific tourism products based on competitive tourist attractions managed by the Ministry of Culture. The scheme supports projects to the amount from EUR 100 000 to EUR 2,5 million for conservation, reconstruction, restoration, equipment delivery for cultural heritage sites of national and world significance as well as for improved access to disadvantaged groups and staff training.

Specific beneficiary of the scheme is the Ministry of Culture. Before the 28 February 2011 deadline, the specific beneficiary submitted 1 project fiche. In March, an evaluation committee was formed and evaluated the 7 project fiches, submitted on 28.12.2010. All 8 project fiches were evaluated and approved. On 20 July 2011, 8 contracts were concluded, with a total grant value of EUR 15 368 122,57, or 46% of the size of the scheme.

Table 42: *Information on scheme BG161PO001/3.1-01/2008 “Support for cultural heritage of national and world significance to help sustainable development of tourism”*

Type of procedure	Direct selection procedure
Date of publication	15.11.2007
Deadline for submission of project proposals	for 2008 – 31 October for 2009 – 30 June For 2010 – 30 December for 2011 – 28 February and 31 October
Beneficiary	Ministry of Culture
Allocated funds	EUR 19 630 584,10
Planned funds (updated scheme budget by MC decision from the 9th session)	EUR 17 052 778
Submitted project proposals	1
Evaluated project fiches	8 (of which 7 submitted on 28.12.2010)
Approved project proposals	8
Number of evaluation committees	1
Number of contracts concluded in 2011	8
Total amount of contracts concluded in 2011 (grant)	EUR 15 368 122,57

Table 43: Results from the grant scheme BG161PO001/3.1-01/2008 “Support for cultural heritage of national and world significance to help sustainable development of tourism”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	1	0	0	0	0	0	1
Number of contracts concluded	8	1	3	1	1	1	1
Grant contract value in EUR	15 368 122,57	769 891,39	4 121 806,04	648 818,12	570 135,08	1 178 043,20	8 079 428,75
Bed occupancy rate	30,89%	37,00%	38,33%	30%	40,00%	38,00%	2,00%
Number of additional annual visits to the supported cultural heritage	886 427	61 730	13 119	5 486	13 739	944	791 409
Number of annual visits of museum sites	1 229 358	68 382	943 735	48 371	137 399	31 471	0
Increase in visitors' satisfaction from the attractions	20,77%	22,70%	21,93%	20,00%	20,00%	20,00%	20,00%

Number of supported cultural heritage sites of national and global significance	8	1	3	1	1	1	1
Number of jobs created at the supported tourist attractions from the cultural heritage of national and global significance	23	2	6	1	2	2	10

➤ **BG161PO001/3.1-02/2008 “Support for the development of tourist attractions”**

The specific objectives of the grant scheme were to develop competitive natural, cultural, and historical attractions and/or groups of attractions, capable to attract significant number of visitors; to support underdeveloped tourist locations in the country with considerable tourist potential. The proposed projects are to contribute for the following:

- diversified tourism supply and enhanced development of specialized tourism types;
- economic diversification of the respective area/region and reduced territorial tourism concentration;
- promotion of off-season offers, reduced seasonality and increased number of booked beds in the relevant area/region;
- natural and cultural heritage protection along the lines of sustainable development.

Within the scheme, projects with values between EUR 500 000 and EUR 3 million received support. Municipalities were eligible beneficiaries under the scheme. Eligible partners: municipalities, associations of municipalities, other public authorities managing cultural heritage sites of national significance and protected areas under the Protected Areas Act; tourist associations and their branches registered in the National Tourist Register.

In 2011, contracts under project proposals approved in 2010 continued to be concluded. A requirement for conclusion of the contracts (where applicable) was to present Council of Ministers’ decisions for a free transfer of state property to be managed by the respective municipalities. In 2011, 5 contracts were concluded with a total grant value of EUR 7 515 448,44.

The municipalities received support for:

- Development of natural, cultural and historical attractions including restoration, conservation, exhibit, equipment, introduction of techniques and animation and interpretation programmes, etc.;
- Development of tourist infrastructure **needed for the attractions** (touristic paths and health paths, climbing, horse riding and biking routes, picnic locations, signs, visitor information centres);
- Development of additional small-scale technical infrastructure in the area needed for visiting the attractions (access roads/streets, playgrounds, non-profit recreation and sport facilities, parking places, green areas, toilets, lighting, small facilities for garbage collection serving tourist attractions and visitors, access for the disabled necessary for the development of an end-to-end tourism product);
- Concomitant training for the staff working at the supported attractions; additional small-scale non-infrastructure activities relevant to the supported attractions (organization of events in the area of the attractions, marketing and advertising activities).

Table 44: Information on scheme BG161PO001/3.1-02/2009 “Support for the development of tourist attractions”

Type of procedure	Procedure for pre-selection of projects with a application deadline
Launch date (submission of forms for preliminary selection)	30.06.2009
Date of publication (submission of detailed application forms)	5.02.2010
Deadline for submission of project proposals	1 June 2010
Eligible candidates	48 municipalities, approved by Decision No RD-02-14-59/15.01.2010 for applicant ranking using a preliminary competitive selection procedure
Allocated funds	EUR 42 364 686
Planned funds (updated scheme budget by MC decision from the 9th session)	EUR 20 529 268
Project proposals submitted	-
Number of evaluation committees	-
Number of contracts concluded in 2011	5
Total amount of contracts concluded in 2011 (grant)	EUR 7 515 448,44

Table 45: Results from the grant scheme BG161PO001/3.1-02/2009 “Support for the development of tourist attractions”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	5	2	0	1	0	2	0
Grant contract value in EUR	7 515 448,44	3 293 671,43	0	2 013 401,96	0	2 208 375,05	0
Annual number of visitors to the supported attractions	134 876	23 000	0	5 500	0	106 376	0
Satisfaction of visitors with attractions (%)	28,67	0	0	80	0	92	0
Number of opened jobs related to the supported tourist attractions	263	241	0	12	0	10	0
Number of supported tourist attractions/sites	8	2	0	1	0	5	0
Number of trained people in the supported tourist attractions	27	21	0	2	0	4	0
Net annual revenues from international tourism in the area (in BGN)	1 481 500	598 000	0	744 000	0	139 500	0
Bed occupancy rate (%)	23,95	3,36	0	30	0	38,5	0

Number of nights spent in the area	85 636	14 720	0	7 040	0	63 876	0
------------------------------------	--------	--------	---	-------	---	--------	---

➤ ***Scheme BG161PO001/3.1-03/2010 “Support for the development of natural, cultural, and historical attractions”***

The scheme was published on 16 August 2010 as a continuation of scheme BG161PO001/3.1-02/2009 “Support for the development of tourist attractions”, with a main objective to develop competitive natural and cultural-historical attractions and/or groups of attractions, capable to attract a significant number of visitors; to support tourist locales with significant tourist potential. Within the deadline 15.03.2011, 56 project proposals were submitted. 3 project proposals were received past deadline. In total, 56 project proposals were evaluated, of which 46 were approved for financing. The approved projects aim to improve the condition of 87 tourist sites – cultural heritage and natural landmarks – through a complex of measures to develop an integrated tourism product, a combination of conservation, restoration, and preservation activities, construction of tourist and technical infrastructure, and marketing activities for product promotion. The full grant value approved under the OPRD was BGN 162 million.

On 23 November 2011, 29 contracts were concluded, with a total grant value of EUR 51 186 620,87. With the remaining 17 approved project proposals, contracts are to be concluded upon presenting Council of Ministers’ decisions to grant the applicant the authority to manage a cultural-historical and/or natural attraction for a period of at least 5 years after the completion of the project activities, or Municipal Council’s decisions to bear any additional expenses, which the evaluation committee has deemed to be ineligible for grant financing.

The sites to receive support are located all over the country: along the Black Sea coast, near mountain resorts, as well as inland, which will help diversify the tourism product and decrease territorial concentration. Some national landmarks will receive support, with the OPRD’s contribution helping increase their attractiveness, as well as create new attractions with a large potential to attract tourists and increase the benefits of tourism.

Table 46: *Information on scheme BG161PO001/3.1-03/2010 “Support for the development of natural, cultural, and historical attractions”*

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	16.08.2010
Eligible candidates	161 municipalities with a population of over 10 thousand people (all 264 municipalities in the Republic of Bulgaria for activities related to immovable cultural heritage of national and world significance in compliance with the Register of the National Institute for Immovable Cultural Heritage)
Allocated funds, EUR	EUR 88 850 934,90
Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 82 929 049
Deadline for submission of project proposals	15 March 2011
Project proposals submitted	59 (incl. 3 past application deadline)

Number of evaluation committees	1
Number of project proposals approved	46
Number of project proposals approved but not financed	-
Number of project proposals rejected	10
Number of contracts concluded in 2011	29
Total amount of contracts concluded in 2011 (grant)	EUR 51 186 620,87

Table 47: Results from the grant scheme BG161PO001/3.1-03/2010 “Support for the development of natural, cultural, and historical attractions”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	59	8	9	6	10	14	12
Number of contracts concluded	29	5	5	3	6	4	6
Grant contract value in EUR	51 186 620,87	8 568 535,12	11 871 877,13	5 564 440,46	7 683 174,63	5 545 850,50	11 952 743,03
Satisfaction of visitors with attractions (%)	64,14	87,60	60,00	86,67	63,75	48	55,67
Number of opened jobs related to the supported tourist attractions	1 608	389	283	81	278	129	448
Number of supported tourist attractions/sites	70	8	19	10	12	12	9
Number of trained people in the supported tourist attractions	208	21	51	18	28	21	69
Bed occupancy rate (%)	37,12	27,30	39,78	67,87	42,31	38,29	25,29
Number of nights spent in the area	11 411 303	1 128 286	259 413	2 396 835	2 374 595	118 158	5 134 016

Operation 3.2 “Regional tourism product development and marketing of destinations”

The objective of this operation is to increase the number of visitors and visitor days, improve seasonal and territorial distribution of tourism development in different regions and areas based on integrated destination management and marketing and use different tools, techniques and systems ensuring effective tourism information and marketing.

➤ **Scheme BG161PO001/3.2-01/2010 “Support for organisation of events of regional and national scope and impact”**

The scheme was published on 30 June 2010 with the objective to provide efficient usage of the tangible and intangible cultural heritage in order to develop sustainable cultural tourism; to support tourist destinations with cultural-historical heritage having significant tourism potential; to support preservation and protection of national and world cultural heritage as a resource for tourism. Specific beneficiary of the scheme is the Ministry of Culture. The following deadlines were set: 1 November 2010 to present a Medium-term Framework Investment Programme and 30 November 2010 to

present project fiches. New deadlines were added: 10 January 2011 for a MFIP and 11 February 2011 for project fiches.

In January 2011, the MC submitted a new Medium-term Framework Investment Programme. In February 2011, 8 project fiches were submitted thereunder. Over the course of evaluation, 1 project fiche was withdrawn by the specific beneficiary. 6 project fiches were approved for financing and 1 project fiche was rejected. On 25 February 2011, a framework agreement was concluded with the MC for the full amount of the resources under the scheme, based on the approved medium-term framework investment programme. On 06 October 2011, 6 contracts were concluded, with a total grant value of EUR 2 814 601,93.

The supported activities include the following: organisation of events of regional and national scope and impact, e.g. festivals, outdoor events, folklore events, presentation of local/regional traditions, cuisine, crafts, etc. contributing to the diversification and marketing of the tourism product, enhancing tourism potential of the target area, contributing to bridging the territorial gaps in the status of tourism development and supporting the development of tourist destinations with cultural and historical heritage having considerable potential for tourism; support of public awareness activities and enhanced awareness of cultural events/initiatives in the country contributing to tourism and activities related to the evaluation of monitoring tools introduced and the evaluation of their economic and social effect and contribution to tourism development.

Table 48: Information on scheme BG161PO001/3.2-01/2010 “Support for organisation of events of regional and national scope and impact”

Type of procedure	Direct award procedure
Date of publication	30.06.2010
Deadline for submission of project proposals	For the MFIP – 1 November 2010 and 10 January 2011 For project fiches – 30 November 2010 and 11 February 2011
Specific beneficiary	Ministry of Culture
Allocated funds, EUR	EUR 3 189 617
Number of evaluation committees in 2011	1
Number of project fiches submitted in 2011	1 Medium-term Framework Investment Programme 8 project fiches
Number of approved project fiches	1 Medium-term Framework Investment Programme 6 project fiches
Number of rejected project fiches	1 withdrawn fiche over the course of evaluation 1 rejected fiche
Number of contracts concluded in 2011	6
Total amount of contracts concluded in 2011 (grant)	EUR 2 814 601,93

Table 49: Results from the grant scheme BG161PO001/3.2-01/2010 “Support for organisation of events of regional and national scope and impact”

	Total	NWR	NCR	NER	SER	SCR	SWR	Republic of Bulgaria
Number of project proposals submitted	8	1	2	0	0	1	2	
Number of contracts concluded	6	1*	2	0	0	1	1	
Grant contract value in EUR	2 814 601,93	142 503,87	287 859,54	0	0	144 193,38	150 905,56	2 089 139,58
Net annual income	6 759 816,32	520 872	563 004,32	0	0	520 872	540	5 154 528
Bed occupancy rate	84	26	115,79	0	0	30	30	384,84
Number of nights spent	2 043 482	60 911	48 728	0	0	42 000	60 911	1 830 932
Increase of the number of visitors in the area as a result of the supported events	42	3,4	124	0	0	33	33	100
increase in visitors' satisfaction from the supported events	557	110	184	0	0	80	80	102,5
number of organised events of national scope and impact	155	6	19	0	0	1	1	128
number of visitors of organised events of national scope and impact	555 252	26 052	34 000	0	0	25 000	45 000	425 200
number of participants in the events (national; foreign)	13 000	2 000	1 000	0	0	450	2 000	7 550
number of foreign shows participating in the supported events	545	27	15	0	0	36	11	456
Net annual income	6 759 816,32	520 872	563 004,32	0	0	520 872	540	5 154 528

*The project is implemented on the territory of the NCR and the NWR

***The project is implemented countrywide, covering all regions in the country

➤ ***Scheme BG161PO001/3.2-02/2011 "Support for the development of the regional tourism product and destination marketing"***

The scheme was published on 15 November 2011 with the objective to develop regional tourism products and increase the efficiency of the regional marketing using an integrated approach. Deadline for application: 15 March 2012.

Specific objectives of the scheme:

- support for destinations having significant tourism potential, promoting the natural, cultural, and historical heritage;
- economic diversification of the respective area/region and reduced territorial tourism concentration;
- promotion of off-season offers, reduced seasonality and increased number of booked beds;
- attracting new market segments for specific regional products and utilising potential internal market demand.
- using efficient modern ways and techniques to reach tourism markets,

The proposed projects must help:

- create regional products, covering multiple municipalities and promoting partnership;
- complement/support the marketing, advertising, and information strategies and activities, planned at the national level, mostly under Operation 3.3.
- promote partnership between local authorities and tourist associations to improve tourism product quality and market value, as well as joint marketing coverage of tourist destinations;

Municipalities are applicants under the scheme. Under the requirements of Operation 3.2, the scheme is based on the partnership and regional approach principles. Eligible partners: local, regional, and national tourist associations registered in the National Tourist Register. The combination of partners is meant to develop regional tourism product, based on the natural, cultural, and historical heritage.

The applicant under the scheme must partner with at least two municipalities. When selecting its municipal partners, the applicant should use a strategically relevant approach and shall make sure that a number of conditions are fulfilled:

- each municipality in a partnership must have a common territorial border with at least one of the other municipalities in the partnership;
- the territory of the municipalities in a partnership must have similar properties allowing creation of a common regional tourism product.

The interventions under the scheme are so-called “soft measures”. The eligible activities to support the proposed regional tourism product are divided into six groups:

1. *Development of tourist packages or diversification of existing ones;*
2. *Advertising activities – preparation and distribution of informational advertising materials on the tourism region and proposals for the supported tourism product,*
3. *Participation in regional, national, and international tourism exchanges, exhibitions, and fairs,*
4. *Studies on the impact of the performed marketing and advertising activities;*
5. *Organisation of expedient trips, visits by travel agents, tourist operators, guidebook authors, media writers;*
6. *Support for public-awareness activities and information services – communication campaigns to improve awareness on the natural, cultural, and historical heritage and the contribution of tourism to the development, distribution of relevant information among the tourism businesses, organisation of tourism forums to promote effective two-way communication, participation and involvement of local businesses in identifying and resolving common problems.*

The project proposals should be based on marketing research and analysis of the potential and the demand for the regional tourism product and should be able to prove their ability to help the seasonal and territorial distribution of tourism in the respective region and territory; increase the number of visitors and the length of their stay. To this end, the applicants should develop a Regional Tourism Product Development Concept, based on convincing proof, official statistical data, etc.

Table 50: Information on scheme BG161PO001/3.2-02/2011 “Support for the development of the regional tourism product and destination marketing”

Type of procedure	Procedure for competitive project selection with a fixed application deadline
Date of publication	15.11.2011

Deadline for submission of project proposals	15 March 2012
Eligible candidates	Municipalities in a mandatory partnership with at least 2 other municipalities
Allocated funds, EUR	EUR 9 524 427

➤ ***Scheme BG161PO001/3.3-01/2008 “Support for effective national marketing of the tourism product and improved information services”***

The scheme was published on 25 June 2008 with the objective to increase the effectiveness and the significance of the activities related to the national marketing and to improve the information services in the sector. The scheme provides support for projects with values between EUR 100 000 and 4 million, designed to develop medium- and long-term national strategies for tourism marketing, advertising activities, marketing research, introduction of modern information technologies in the sector, etc. The scheme is meant to support project proposals, submitted by the Ministry of Economy, Energy, and Tourism.

On 31 October 2011, the specific beneficiary submitted 5 project fiches. An evaluation committee was established. It continues to work in 2012.

Table 51: Information on scheme BG161PO001/3.3-01/2008 “Support for effective national marketing of the tourism product and improved information services”

Type of procedure	Direct grant award procedure with a fixed application deadline
Date of publication	25.06.2008
Deadline for submission of project proposals	For 2008 – 30 September For 2009 – 29 May For 2010 – 31 March For 2011 – 30 April and 31 October
Specific beneficiary	Ministry of Economy, Energy and Tourism
Allocated funds, EUR	EUR 32 714 044
Project proposals submitted	5 project fiches
Evaluation committee established	1 (continues to work in 2012)

➤ **Project in implementation**

The total number of contracts in progress in 2011 under Priority Axis 3 is 67, concluded in 2008, 2009, 2010, and 2011, as follows:

Number of contracts	Grant scheme	Number of contracts
BG161PO001/3.1-01/2008	Support for monuments of culture of national and world significance, contributing to sustainable tourism development	10

BG161PO001/3.1-02/2009	Support for the development of tourist attractions	13
BG161PO001/3.1-03/2010	Support for the development of natural, cultural, and historical attractions	29
BG161PO001/3.2-01/2010	Support for organisation of events of regional and national scope and impact	6
BG161PO001/3.3-01/2008	Support for effective national marketing of the tourism product and improved information services	9

To monitor project implementation, MA performed total of 29 on-the-spot checks, including 24 under the Annual On-the-spot Checks Plan and 5 unexpected on-the-spot checks.

3.3.3. Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

3.4. Priority Axis 4 “Local development and cooperation”

Under the first revision of OPRD, approved on 9 February 2011 by the EC, the financial resources for this Priority Axis are **EUR 89 671 387**, of which **EUR 76 220 679** co-financing from the European Regional Development Fund. The total amount makes up **6,60%** of OPRD budget.

In accordance with the decisions of the Monitoring Committee of OPRD, adopted in 2011, on reallocating funds between operations and/or priority axes, the financial resources of Priority Axis 1 is updated to **EUR 114 051 118**, of which **EUR 96 943 450** co-financing from ERDF. The total amount makes up **7.12%** of OPRD budget.

3.4.1. Achievement of targets and analysis of the progress

This Priority Axis aims at contributing to local and interregional development. It is mainly characterized by the development and support of investment initiatives related to local property, formulated at a local level by local stakeholders and flexibly developed to find solutions to specific local issues.

In 2011, 1 grant scheme was launched under Operation 4.1 “Small-scale local investments” – BG161PO001/4.1-05/2011 “Support for small-scale measures for prevention of floods in 178 small municipalities”, with a total value of EUR 20 816 570,45, whereby achieving 100% coverage under the priority axis.

Table 52: Launched grant schemes and received project proposals

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF (85%), EUR	National financing, EUR (15%)	Projects received between 1.01.2011 and 31.12.2011
Operation 4.1 “Small-scale local investments”						
BG161PO001/4.1-01/2007 “Support to provide adequate and reliable educational infrastructure, contributing to sustainable local development”	19 December 2007	24 979 887	25 646 952	21 799 909	3 847 043	The procedure for the collection of project proposals was cancelled.

BG161PO001/4.1-02/2008 "Support for construction and consolidation of landslide prevention small-scale infrastructure"	02 October 2008	7 058 824	3 496 431	2 971 966	524 465	-
BG161PO001/4.1-03/2010 "Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities"	02 March 2010	13 940 418	27 540 569	23 409 484	4 131 085	-
BG161PO001/4.1-04/2010 "Support for small-scale measures for prevention of floods in 178 small municipalities"	01 July 2010	16 470 588	31 711 585	26 954 847	4 756 738	-
BG161PO001/4.1-05/2011 "Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas"	31 January 2011	16 470 588	20 816 570	17 694 085	3 122 486	7 project proposals
BG161PO001/4.2-01/2008 "Support for interregional cooperation and exchange of best practices"	31 July 2008	6 405 099	4 839 011	4 113 159	725 852	-

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the MC of OPRD decisions, adopted in 2011, on reallocating funds between operations and/or priority axes.

3.4.1.1. Information on the physical progress of the priority

Table 53: Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 4											
Result indicators											
Innovative practices transferred and adopted based on interregional cooperation (number)	Value achieved	N/A	N/A	0	57	122					122
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	80	80
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population benefiting from small-scale investments (number)	Value achieved	N/A	N/A	54 277	402 812	502 205					502 205
	Target value	N/A	N/A	75 000	N/A	N/A	N/A	N/A	N/A	166 000	166 000
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small-scale investment projects implemented	Value achieved	N/A	N/A	4	51	84 ⁽¹⁾					84
	Target value	N/A	N/A	60	N/A	N/A	N/A	N/A	N/A	250	250
	Baseline	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
(number)	value										
Interregional cooperation projects (number)	Value achieved	N/A	N/A	0	17	61					61
	Target value	N/A	N/A	15	N/A	N/A	N/A	N/A	N/A	40	40
	Baseline value	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.4.1.2. Information on the financial progress of the priority

Table 54: Contracted, disbursed and certified amounts for the period between 01.01.2011 and 31.12.2012.

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified (EUR)
4. Local development and cooperation	33 412 906,94	6 543 342,53	3 705 178,28

The Contracted Value column includes only the grant amount under contracts concluded in 2011 in accordance with the Decisions for the award of grants issued by the Head of the Managing Authority of OPRD, excluding the amounts on the annexes executed in 2011.

3.4.2. Qualitative analysis

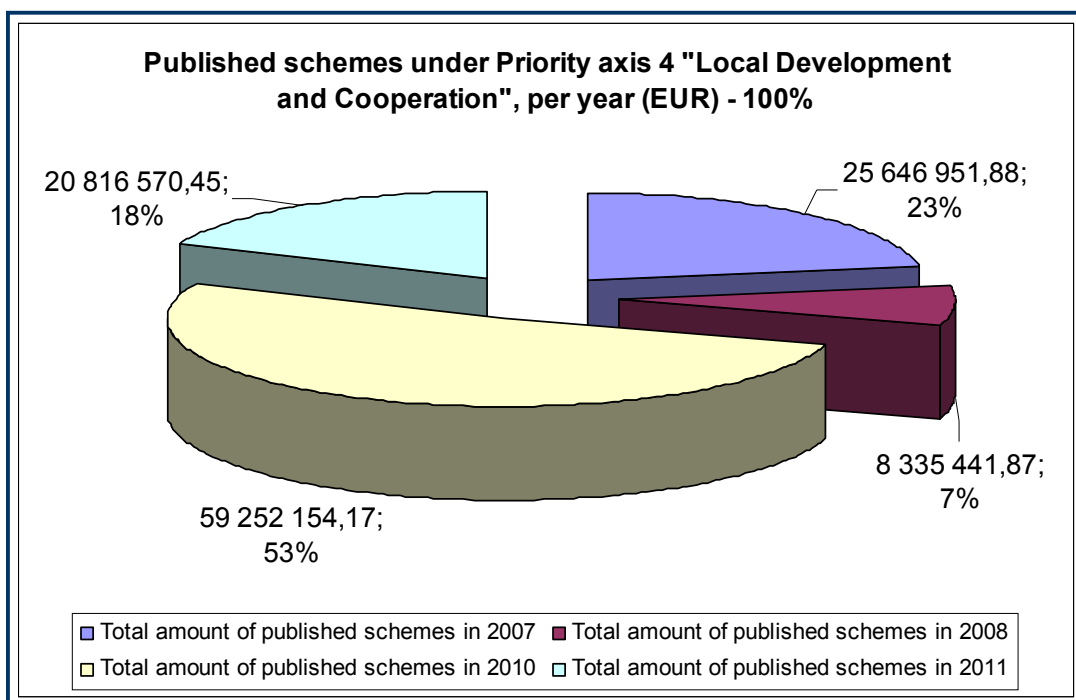
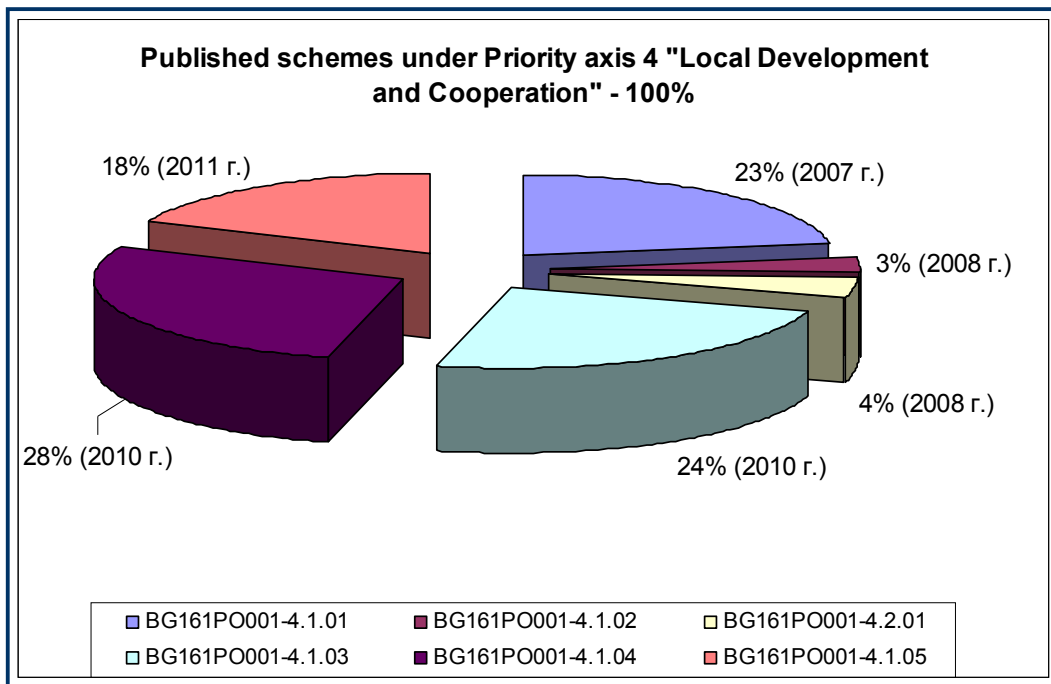
This Priority Axis aims at contributing to local and interregional development. It is mainly characterized by the development and support of investment initiatives related to local property, formulated at a local level by local stakeholders and flexibly developed to find solutions to specific local issues.

In 2011, 1 grant scheme was launched under Operation 4.1 “Small-scale local investments” – BG161PO001/4.1-05/2011 “Support for small-scale measures for prevention of floods in 178 small municipalities”, with a total value of EUR 20 816 570,45, whereby achieving 100% coverage under the priority axis.

7 project proposals were submitted (under scheme BG161PO001/4.1-05/2011 “Support for small-scale measures for prevention of floods in 178 small municipalities”). In total, 88 project proposals were evaluated, including 81 project proposals submitted before the 2010 deadline under scheme BG161PO001/4.1-05/2011 “Support for small-scale measures for prevention of floods in 178 small municipalities”. 41 project proposals were approved for financing, 12 project proposals were rejected, while 35 project proposals with a total grant value of EUR 15 250 867,53 built an unfunded reserve project proposal list under scheme BG161PO001/4.1-05/2011 “Support for small-scale measures for prevention of floods in 178 small municipalities”.

In 2011, 46 contracts were concluded, with a total grant value of EUR 33 412 906,94, of which, upon release of financial resources, 3 contracts were concluded on reserve projects under scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in municipal educational infrastructure of 178 small municipalities”, and 2 on reserve projects under scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”.

By 31.12.2010, the total value of the grant under Priority Axis 4 amounted to EUR 81 272 583,63, representing 71.26% of the value of the Priority Axis.



RESULTS

Operation 4.1 “Small-scale local investments”

Operation 4.1 aims at supporting local development through implementation of essential and useful small-scale local investments.

- ***Scheme BG161PO001/4.1-01/2007 “Support to provide adequate and reliable educational infrastructure, contributing to sustainable local development”***

The scheme was published on 17 December 2007, using a procedure for competitive project selection without a fixed application deadline with the objective to improve, renovate, and upgrade the educational infrastructure and to provide social integration and equal access to the municipal infrastructure for disadvantaged groups. In 2008, the project proposal reception was terminated, because the financial resources under this scheme were depleted. As a result of released financial resources under already concluded contracts, upon conducting procedures under the PPA and/or completing projects in 2010, 4 contracts were concluded, with a total grant value of EUR 1 907 361,73.

By decision of the Head of the MA of OPRD dated 24.10.2011, the list of reserve project proposals, having eligible scores but insufficient financial resources under the scheme, was erased. The project proposals in the waiting list were submitted in the January – November 2008 period. A large part of those were developed based on conceptual designs and/or architectural measurements, which was eligible under the requirements of the Application Guidelines. At this time, the investment projects presented are not consistent with the new amendments to the regulatory framework on the implementation of energy-efficiency measures (*Ordinance RD-16-1057 of 10.12.2009 on the terms and procedure to conduct energy efficiency surveys and building certification, energy property certificate issuance, and certificate categories*) and the requirements for accessible architectural environment for people with disabilities (*Ordinance 4 of 1 July 2009 on construction restructuring, execution, and maintenance, consistent with the requirements for accessible environment for the population, including people with disabilities, Ordinance 1 of 12 January 2009 on the terms and procedure for playground organisation and safety*).

In most cases, financing such projects requires investment projects to be revised/reworked to ensure regulatory compliance, including conducting energy efficiency surveys for some buildings. The MA of OPRD’s experience shows that the lack of ready technical/work designs at the time of grant contract conclusion is slowing down extremely the completion of the projects and these cannot be completed within the admissible period of 24 months under the Application Guidelines. In most cases, the creation of a technical/work design after a grant contract is concluded leads to ineligible changes in the planned quantities of the various construction works or to the addition of new quantities/new types of works.

The practice, when financing projects from the waiting lists, shows that a large number of the beneficiaries have already performed partial construction or repair works, including using targeted funds, which leads to amending the approved quotations and project budgets to avoid double financing.

➤ **Scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”**

The scheme was published on 2 March 2010, with the objective to provide municipal educational infrastructure with high energy efficiency, contributing towards development of sustainable urban areas and sustainable local development; to improve the energy efficiency of municipal educational facilities; to ensure use of RES in municipal educational facilities. The scheme is a continuation of scheme BG161PO001/4.1-01/2007 “Support to provide adequate and reliable educational infrastructure contributing to sustainable local development”, and a response to the energy crisis in the winter of 2009. The deadline for submission of project proposals was 5 July 2010. Upon evaluation, in 2010, 37 project proposals were ranked, but remained unfunded due to insufficient financial resources under the scheme, with a total grant value of EUR 13 785 114,34.

Upon release of financial resources in 2011, 3 contracts were concluded on the first three reserve projects in order of their ranking, with a grant value of EUR 1 346 454,34.

The supported activities include implementation of energy efficiency measures in municipal educational establishments such as crèches and kindergartens, primary and secondary schools, including gyms (insulation, replaced door and window frames, local installations and/or connections to heating and gas distribution systems).

Table 55: Information on scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	2.03.2010
Deadline for submission of project proposals	5 July 2010
Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Allocated funds, EUR	EUR 27 540 569
Number of contracts concluded in 2011	3
Total amount of contracts concluded in 2011 (grant)	EUR 1 346, 454,34

Table 56: Results from the grant scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	3	1	0	0	0	2	0
Grant contract value in EUR	1 347 455,35	587 321,68	0	0	0	760 133,66	0
Improved educational infrastructure – sq. m. total floor area	32 221	12 500	0	0	0	19 721	0

Students/children benefiting from improved educational facilities	1 241	640	0	0	0	601	0
Energy savings from the renovation of the buildings of the educational infrastructure (MWh/annual average)	2 240,41	1 250	0	0	0	990,41	0

➤ ***Scheme BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”***

The scheme was launched in April 2010, with the objective to protect the residential areas within the 178 small municipalities from flooding in order to reduce the potentially adverse consequences for the human health and the environment; to reduce the risks of floods in the residential areas within these 178 small municipalities by means of sustainable measures to fight floods. The deadline for submission of project proposals was 30 November 2010.

In 2011, the evaluation committee established in 2010 completed its work to evaluate the 81 project proposals submitted before the deadline (2 project proposals were submitted past deadline and thus were not evaluated). 34 project proposals were approved for financing, with a total grant value of EUR 16 460 717,38, 12 project proposals were rejected, and 35 ranked, but unfunded projects built a reserve project list due to depletion of the financial resources under the scheme. Subsequently 1 project was excluded from the reserve list by the applicant’s request because financing for the interventions under the project was obtained from other sources. As a result, 34 project proposals remained in the reserve list, with a total grant value of EUR 15 250 867,53.

On 1 June 2011, 34 contracts were concluded on the projects approved for financing, with a total grant value of EUR 16 460 717,38. Supported activities included: construction, reconstruction, and repair of the flood prevention infrastructure in the residential areas of the 178 small municipalities and the construction, reconstruction, and repair of small-scale spillways, retention basins, dykes, reservoirs, etc., which are part of the flood prevention facilities in the residential areas of the 178 small municipalities.

Table 57: *Information on scheme BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”*

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	1.04.2010
Deadline for submission of project proposals	30 November 2010
Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Allocated funds, EUR	EUR 16 470 588
Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 31 711 585
Number of evaluation committees in 2011	1

Number of project proposals approved	34
Number of project proposals approved but not financed	35
Number of project proposals rejected	12
Number of contracts concluded in 2011	34
Total amount of contracts concluded in 2011 (grant)	EUR 16 460 717,38

Table 58: Results from the grant scheme BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	83	17	5	6	10	22	23
Number of contracts concluded	34	7	1	4	1	8	13
Grant contract value in EUR	16 460 717,38	3 081 425,28	538 166,95	2 053 422,83	457 050,35	3 817 066,68	6 513 585,29
Population, benefiting from the built flood-prevention infrastructure	273 580	68 334	13 215	11 875	3 169	94 334	82 653
Facilities built to prevent floods in residential areas, metres length	35 216,04	4 961,07	283,10	3 744,44	339,30	8 737,40	17 150,73
Length of cleared riverbeds and gullies	38 475,98	6 24,34	360	4 547,44	230	8 715,70	17 798,50

➤ **Scheme BG161PO001/4.1-05/2011 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”**

The scheme was published on 31 January 2011, using a direct grant award procedure, with the main objective to provide suitable and effective municipal healthcare infrastructure in the municipalities outside the agglomeration areas, to promote sustainable development. The specific objective was to improve the opportunities for access to diagnostics, treatment, and aftertreatment of the population in small municipalities, outside the urban agglomeration areas.

Specific beneficiaries are the municipalities, on the territory of which the municipal hospitals, defined in Annex 1, Hospitals Eligible for EC Financing under OPRD to the Addendum to the Concept for Restructuring of the Hospital Care System, approved by the CM by Protocol 31 of the CM session of 1 September 2010, are located.

According to the Concept for Restructuring of the Hospital Care System, the financial resources under the scheme were divided into 2 components. The scheme will cover interventions in:

- hospitals for active treatment, with an option to provide aftertreatment services (Component 1 under the scheme). These are remote hospitals for active treatment, which will be modernised in order to provide both active treatment and aftertreatment, and
- hospitals for active treatment, which will be constituted as medical centres. Some of these small hospitals (under 1 200 patients) will be restructured into medical centres (medical facilities for specialised outpatient care with at least three physicians with different recognised specialities, with up to ten beds for patients staying up to 48 hours)

The investment will be used to repair and provide basic equipment consistent with the profile of the clinical paths for aftertreatment and active treatment. The type of equipment will depend on the type of the most common illnesses and those requiring long-term care.

Before the 12 August 2011 deadline, 7 project proposals were submitted by all 7 municipalities, specific beneficiaries under Component 1, which were evaluated and approved. The total grant value under the approved projects is EUR 15 806 830,87. The contracts were executed on 22 December 2011.

Table 59: Information on scheme BG161PO001/4.1-05/2011 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”

Type of procedure	Direct grant award procedure with a fixed application deadline
Eligible candidates	Municipalities outside the scope of urban agglomeration areas, under the Amendment of the Concept for Restructuring of the Hospital Care System, approved by the CM on 1 December 2010
Allocated funds, EUR	EUR 20 816 570
Deadline for submission of project proposals	12 August 2011
Number of evaluation committees in 2011	1
Number of project proposals approved	7
Number of eligible but unfunded project proposals	-
Number of project proposals rejected	-
Number of contracts concluded in 2011	7
Total amount of contracts concluded in 2011 (grant)	EUR 15 806 830,87

Table 60: Results from the grant scheme BG161PO001/4.1-05/2011 “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	7	1	2	1	0	1	2
Number of contracts concluded	7	1	2	1	0	1	2
Grant contract value in EUR	15 806 830,87	2 149 199,61	4 481 606,99	2 312 365,98	-	2 214 923,68	4 648 734,62
Number of patients benefiting from improved healthcare infrastructure	68 093	5 000	10 124	1 307	-	46 083	5 579

Total number of the population, benefiting from the renovated buildings of the healthcare facilities	409 900	30 000	234 482	24 500	-	52 520	68 398
Number of patients, benefiting from the purchased equipment	99 713	3 000	34 657	3 500	-	46 083	12 473
Improved healthcare infrastructure – sq. m. total floor area	17 555,97	9862,1	2 962,02	630	-	329,93	3 771,92
Energy savings from renovation of the medical buildings	6 740	630	1 250	0	-	0	4 860

Operation 4.2 Interregional cooperation

The operation aims at stimulating regional and local innovations and best practices exchange through interregional cooperation within the European territory.

➤ **Scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”**

The scheme was published on 31 July 2008 with the objective to promote regional and local initiatives and exchange of good practices by interregional cooperation in the EU, addressing the following eligible topics: risk prevention; regeneration of urban areas – urban planning and management; ICT networks/information society; housing policy; renewable energy sources; transport/transportation organisation models; tourism development and destination marketing focused on the more significant cultural and historic attractions; promotion and development of models for intermunicipal cooperation.

Upon release of resources under the scheme, in 2011, 2 contracts were concluded on projects in the reserve project proposal list, with a total grant value of EUR 263 883,88, whereby exhausting the reserve list.

Table 61: Information on scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	31.07.2008
Deadline for submission of project proposals	10 April 2009
Eligible candidates	Municipalities, district administrations, associations of local/regional authorities, non-governmental organisations
Allocated funds, EUR	EUR 6 405 099
Planned funds in EUR (updated scheme budget by MC decision from the 9th session)	EUR 4 839 011
Number of contracts concluded in 2011	2
Total amount of contracts concluded in	EUR 263 883,88

2011 (grant)	
--------------	--

➤ **Project in implementation**

The total number of contracts in progress in 2011 under Priority Axis 4 is 154, concluded in 2008, 2009, 2010, and 2011, as follows:

Number of contracts	Grant scheme	Number of contracts
BG161PO001/4.1-01/2007	Support of adequate and reliable educational infrastructure, contributing to sustainable local development	26
BG161PO001/4.1-02/2008	Support for the construction and consolidation of small-scale infrastructure to prevent landslides	11
BG161PO001/4.1-03/2010	Support for energy efficiency measures in municipal educational infrastructure of 178 small municipalities	38
BG161PO001/4.1-04/2010	Support for small-scale measures for prevention of floods in 178 small municipalities	34
BG161PO001/4.1-05/2011	Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas	7
BG161PO001/4.2-01/2008	Support for interregional cooperation and exchange of best practices	38

141 on-the-spot checks were carried out to monitor project implementation, 29 of which under the Annual Plan for On-the-spot Checks and 112 were carried out without prior warning.

➤ **Terminated contracts**

In the reporting period 4 grant contracts were terminated as follows:

Beneficiary	Contract No	Date of contract cancellation	Reasons for cancellation
Hitrino Municipality	BG161PO001/4.2-01/2008/028	24.02.2011	The contract is terminated in the MMIS on 24.02.2011 due to expiration of its term without submission of a final technical report and financial statement.
Oryahovo Municipality	BG161PO001/4.2-01/2008/058	30.03.2011	The beneficiary has requested contract termination due to insufficient financial resources to ensure implementation of the

			activities under the project.
Economic Development Agency, Kostinbrod	BG161PO001/4.2-01/2008/056	14.06.2011	The beneficiary has requested contract termination in view of a written request by the Kostinbrod Municipality to terminate the partner commitments and activities under the contract.
Regional Economic Development Agency, Blagoevgrad	BG161PO001/4.2-01/2008/059	9.08.2011	The contract is terminated in the MMIS on 09.08.2011 due to expiration of its term on 16.07.2011 without submission of a final technical report and financial statement.

➤ Completed projects

In the reporting period, 9 projects were completed under scheme BG161PO001/4.1-01/2007 “Support of adequate and reliable educational infrastructure, contributing to sustainable local development”. Reported achievement on indicators under these projects is as follows:

№	Indicator	Reported achievement
1	Population benefiting from the renovated building of the improved educational infrastructure	98 108 people
2	Improved educational infrastructure (number)	26 buildings
3	Number of people with disabilities benefiting from the intervention	82 people
4	Number of representative of Roma/other ethnic minorities benefiting from the project results	1 899 people
5	Students benefiting from improved educational infrastructure (number) Key indicator(4)	5 043 students

In 2011, 3 projects were completed under scheme BG161PO001/4.1-02/2008 “Support for the construction and consolidation of small- scale infrastructure to prevent landslides”. Reported achievement on indicators under these projects is as follows:

№	Indicator	Reported achievement
1	Population benefitting from improved physical environment as a result of risk mitigation	1 285 people
2	Area of strengthened landslides	311.400 sq. m.
3	Length of road sections saved from compromising and becoming unusable by means of strengthening and stabilising landslides.	1.346 kilometres

21 projects were completed under scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices”. Reported achievement on indicators under these projects is as follows:

№	Indicator	Reported achievement
1	Innovative practices exchanged and applied drawing on interregional cooperation (number per completed project)	65

2	Number of interregional events	116
3	Number of participants in interregional events	1 869 people

3.4.3. Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

4. ERDF/CF PROGRAMMES: MAJOR PROJECTS (IF APPLICABLE)

Within OPRD Operation 1.5 “Sustainable urban transport systems”, by European Commission Decision C(2011)5988 of 16.08.2011, the first major project within the meaning of Article 39 of Regulation (EC) No 1083/2006 was approved – the project 2010BG161PR003, “**Integrated urban transport of Burgas**”, (OPRD project number BG161PO001-1.5.01-0001). The full project value was EUR 67 071 840, of which EUR 51 816 427 were an OPRD grant, and the remaining EUR 15 255 413 were co-financing by the beneficiary.

In 2011, the Managing Authority of OPRD approved **the second major project** within the meaning of Article 39 of Regulation (EC) 1083/2006, the project BG161PO001-1.5.02-0001 “**Support for integrated urban transport in Sofia Municipality**”, with Sofia Municipality as specific beneficiary. The project was **created with support from JASPERS**. The OPRD grant contract was concluded on 23 August 2011. The total amount of the project is EUR 62 624 478, of which EUR 50 million OPRD grant and EUR 12 624 478 own contribution by Sofia Municipality. On 26 July 2011, the project was submitted for approval by the EC via the SFC2007 system, CCI No 2011BG161PR005.

More information on both projects is provided in the qualitative analysis, under scheme BG161PO001/1.5-01/2010 “Support for integrated urban transport in Burgas Municipality”, and scheme BG161PO001/1.5-02/2011 “Support for integrated urban transport in Sofia Municipality”, respectively.

Regarding **the third major project** within the meaning of Article 39 of Regulation (EC) No 1083/2006, on the modernisation of the urban transportation of Varna, within Operation 1.5 “Sustainable urban transport systems”, on 15 November 2011, the MA of OPRD published scheme BG161PO001/1.5-03/2011 “Support for integrated urban transport in the 5 big cities”, with a total value of **EUR 104 million** and a 15.03.2012 deadline for submission of project proposals. More information is provided in the qualitative analysis under the scheme.

Within a project under OPRD Priority Axis 5 “Technical assistance”, the feasibility studies for the 5 cities, including Varna Municipality, are carried out in order to outline the projects’ scope and content and to create transportation strategies; creation of financial and economic analyses; survey on the ownership of the urban transport rolling stock; including surveys on the auxiliary urban transport infrastructure.

The Integrated Urban Transport Project Management Unit, created within the MA of OPRD, with the cooperation of JASPERS experts, supports Varna Municipality in the preparation of the project under Operation 1.5.

The project includes 10 components:

Component 1 Automated ticket system

Component 2 System to grant right-of-way to mass urban public transportation (MUPT) vehicles

Component 3 Real-time passenger information system

Component 4 MUPT management centre

- Component 5 BRT corridor
- Component 6 Rolling stock
- Component 7 Cycling facilities
- Component 8 Improvement of three end stops
- Component 9 Improvement of the manufacturing and technology base
- Component 10 Measures to improve accessibility

5. TECHNICAL ASSISTANCE

Under the first revision of OPRD, approved on 9 February 2011 by the EC, the financial resources for this Priority Axis are **EUR 54 123 087**, of which **EUR 46 004 623** are European financing. The total amount makes up **3.38%** of programme budget.

In accordance with the decisions of the Monitoring Committee of OPRD, adopted in 2011, on reallocating funds between operations and/or priority axes, the financial resources of Priority Axis 1 is updated to **EUR 54 093 389**, of which **EUR 45 979 381** co-financing from ERDF. The total amount makes up **3.38%** of OPRD budget.

5.1. Achievement of targets and analysis of the progress

Table 62: Launched grant schemes

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF, (85%) EUR	National financing, EUR (15%)	Projects received between 1.01.2011 and 31.12.2011
<i>BG161PO001/5-01/2008 "Technical assistance for the preparation, management, monitoring, Evaluation, information, control, and strengthening of the administrative capacity for the implementation of OP Regional Development 2007-2013"</i>	<i>15 April 2008</i>	<i>54 123 087</i>	<i>54 093 389</i>	<i>45 979 381</i>	<i>8 114 008</i>	<i>15 project proposals</i>

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the MC of OPRD decisions, adopted in 2011, on reallocating funds between operations and/or priority axes.

Table 63: Issued grant orders in 2011

Priority axis	Total budget of the Priority Axis and breakdown by components in EUR	Total budget of the Priority Axis and breakdown by components* in EUR	Number of projects approved for financing	Grant value under the approved projects in EUR	Number of issued grant orders/contracts**	Grant amount by issued orders in EUR**
Technical assistance	54 123 087	54 093 389	13	7 574 858,56	13	7 213 039,71

Component 1	24 123 086	29 093 389	10	3 740 585,84	8	3 740 585,84
Component 2	10 000 000	5 000 000	2	136 412,67	1	136 412,67
Component 3	20 000 000	20 000 000	1	3 664 114,79	2	3 336 041,19

* The total priority axis budget is updated with the decisions adopted by the MC at its 9th session.

** The total number of issued orders includes also 1 grant contract under Component 3 with a specific beneficiary outside the MA of OPRD.

5.1.1. Information on the physical progress of the priority

Table 64: Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
TECHNICAL ASSISTANCE											
Result indicator											
Level of general public awareness about the OPRD (%)	Value achieved	N/A	N/A	0	0	0 ⁽¹⁾					0
	Target value	N/A	N/A	15%	N/A	N/A	N/A	N/A	N/A	40%	40%
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Technical support, consultancies, etc. (man-days)	Value achieved	N/A	360	360	416	1 328 ⁽²⁾					1 328
	Target value	N/A	1 000	5 500	N/A	N/A	N/A	N/A	N/A	15 500	15 500
	Baseline value	1 500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of trained people from MA (incl. regional departments) and beneficiaries (number)	Value achieved	1 084	3 978	4 442	5 307	6 448					6 448
	Target value	N/A	450	1 500	N/A	N/A	N/A	N/A	N/A	4 500	4 500
	Baseline value	600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Monitoring Committee meetings (number)	Value achieved	1	3	6	8	10					10
	Target value	1	N/A	6	N/A	N/A	N/A	N/A	N/A	14	14
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Information and publicity activities undertaken according to Communication Plan (number)	Value achieved	7	74	95	134	184					184
	Target value	N/A	6	20	N/A	N/A	N/A	N/A	N/A	60	60
	Baseline value	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evaluations undertaken (number)	Value achieved	N/A	N/A	1	1	2 ⁽³⁾					2
	Target value	N/A	N/A	3	N/A	N/A	N/A	N/A	N/A	10	10
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) With regard to reporting the public awareness level of OPRD, within project No BG161PO001/5-01/2008/005 titled "Communication, information, and publicity under the OPRD", under OPRD grant scheme BG161PO001/5-01/2008, a specific activity "Conducting OPRD related sociological surveys", is planned to be performed in

2012/2013, after performing other main project activities and the activities under project No BG161PO001/5-01/2008/044 “Ensuring transparency in the implementation of Operational Programme Regional Development 2007 – 2013 and its promotion in the electronic and print media”

- (2) For 2011, the target indicator value for 2009 was still not achieved, because, in the reporting period, a contract was concluded with a contractor under project “Strengthening the OPRD beneficiaries capacity for successful participation in the OPRD implementation and absorption of funds granted by the Structural Funds through implementation of the training plan”, which will continue to be implemented in 2012
- (3) By 2011, the target indicator value for 2009 was still not achieved, because 2 evaluation projects were completed and the evaluation plan was updated in December 2011, which will be reflected in the next revision of OPRD in 2012.

The objective of Priority Axis “Technical assistance” is to guarantee the smooth implementation, monitoring, evaluation, publicity and control of the programme, thus providing a high level of EU funds absorption. Considering the scope and number of potential beneficiaries, the publicity and information measures are of particular importance. The capacity building activities are a key element for the MA staff and the OPRD beneficiaries to ensure successful management and implementation.

5.1.2. Information on the financial progress of the priority

Table 65: Contracted, disbursed and certified expenditures for the period between 01.01.2011 and 31.12.2012.

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified (EUR)
5. Technical assistance	7 213 039,71	2 988 127,15	1 602 562,17

The Contracted Value column includes only the grant amount under contracts concluded in 2011 in accordance with the Decisions for the award of grants issued by the Head of the Managing Authority of OPRD, excluding the amounts on the annexes executed in 2011.

5.2 Qualitative analysis

In 2011, a total of 15 project proposals were submitted, 5 of which were submitted by specific beneficiaries under Component 3 outside the MA of OPRD. 11 project proposals were approved, 10 grant orders were issued and 1 grant contract was concluded under the following project proposals:

Project:	BG161PO001/5-01/2008/049 “Optimisation of the OP Regional Development 2007 – 2013 implementation documentation archiving processes”
Actions planned:	OPRD implementation documentation archiving, according to the National Archival Collections Act
Indicators set:	OPRD implementation documentation archived: 7 000 pcs.

Project:	BG161PO001/5-01/2008/050 “Strengthening and building the administrative capacity of the MA for successful management, implementation, and ensuring high level of utilisation of OPRD funds through selection and employment of assistants supporting the activity
-----------------	--

	and ensuring management, implementation, monitoring, evaluation, and control of OPRD”
Actions planned:	Development of a methodology for selection of outside experts and ensuring suitable working conditions Ensuring suitable conditions for the work of the outside experts providing technical assistance to the MA in the management and implementation processes
Indicators set:	Technical support, consulting, etc.

Project:	BG161PO001/5-01/2008/051 “Strengthening the capacity of the MA of OPRD through exchange of best practices and experience with managing authorities, certifying authorities, regional and local authorities from EU Member States, related to the implementation of regional policies of the Community”
Actions planned:	Coordination, organisation, and conducting meetings with institutions, regional and local authorities of EU Member States, involved in programming, management, monitoring, evaluation and control of ERDF funds, in order to share experience.
Indicators set:	Organised meetings in a EU member state to share experience and best practices: 8 Organised meetings in the country to share experience and best practices: 5.

Project:	BG161PO001/5-01/2008/052 “Elaboration of Action Plans to strengthen the administrative capacity of OPRD beneficiaries”
Actions planned:	Elaboration of Action Plans to strengthen the administrative capacity of OPRD beneficiaries
Indicators set:	Analyses (beneficiary capacity): 2 Elaboration of Action Plans to strengthen the administrative capacity of OPRD beneficiaries: 2 Research toolset: 2 Research methodology: 2

Project:	BG161PO001/5-01/2008/053 “Purchasing the necessary IT and office equipment for the work of the MA of OPRD”
Actions planned:	Providing the MA of OPRD with modern IT and office equipment to perform the activities ensuring correct and effective management, implementation, monitoring, programming, evaluation, archiving, information, and control of OPRD.
Indicators set:	<i>Purchased document scanners: 10</i> <i>Purchased screens for multimedia projectors on a stand: 8</i> <i>Purchased computer configurations: 100</i> <i>Purchased laptops: 40</i> <i>Purchased laminators: 4</i> <i>Purchased binding machines: 4</i>

	<i>Purchased multimedia projectors: 2</i> <i>Purchased multifunctional devices: 15</i> <i>Purchased netbooks: 3</i> <i>Purchased printers: 10</i> <i>Purchased fax machines: 10</i>
--	---

Project:	BG161PO001/5-01/2008/054 “Monitoring and control over the implementation of projects under the Operational Programme Regional Development 2007 – 2013 in order to improve the process of funds verification for an effective and high-quality project implementation”
Actions planned:	Internal monitoring and control Performing on-the-spot checks, reporting results from the checks, as well as following up on the results from these checks
Indicators set:	On-the-spot checks performed: 600

Project:	BG161PO001/5-01/2008/055 “Programming of regional development for the 2014 – 2020 period”
Actions planned:	Elaboration of a socio-economic analysis for the needs of OP Regional Development for the 2014-2020 programming period. Purchasing geographical information system software for the needs of OP Regional Development for the 2014-2020 programming period, GIS operation and GIS analytics training. Elaboration of a national concept for spatial development for the needs of OP Regional Development for the 2014-2020 programming period. Development of a strategy, objectives, priorities, financial allocation of funds, and indicators of the OP Regional Development for the 2014-2020 programming period.
Indicators set:	Elaborated socio-economic analysis: 1 Elaborated national concept for spatial development: 1 Elaborated system of monitoring and evaluation indicators: 1 Employees trained for GIS operation: 5

Project:	BG161PO001/5-01/2008/056 “Elaboration and dissemination of information, advertising materials and souvenirs related to the implementation of OPRD”
Actions planned:	Elaboration and dissemination of advertising materials and souvenirs for the OPRD. Elaboration and dissemination of information materials for the OPRD – bulletins, booklets, and other OPRD related documents in Bulgarian and in English.
Indicators set:	Advertising materials and souvenirs elaborated and disseminated: 62 700 Information materials elaborated and disseminated: 221 300

--	--

Project:	BG161PO001/5-01/2008/057 “Provision of a repository for OP Regional Development 2007 – 2013 implementation documentation on hard copy”
Actions planned:	Renting a room, concluding a contract, and transporting the documentation
Indicators set:	Documentation stored in an Archive Repository outside the MRDPW building: 5000

Project:	BG161PO001/5-01/2008/058 “Training for the auditors from the Directorate Internal Audit within the MRDPW”
Actions planned:	Ensuring participation of the IA employees in trainings
Indicators set:	Directorate Internal Audit employee trainings completed: 14 Directorate Internal Audit employees trained: 10

Project:	BG161PO001/5-01/2008/059 “Optimisation of the Road Infrastructure Agency for management of programmes and projects financed with EU funds”
Actions planned:	<p>Introduction of effective financial incentive system for a RIA team managing MFIP as part of the implementation of action plans to strengthen the administrative capacity of OPRD beneficiaries based on conducted evaluations.</p> <p>Organising participation of RIA’s Directorate IOPRDPEUTCP employees in specialised trainings in the area of EU Structural Funds.</p> <p>Development and deployment at the RIA of a Management Information System (MIS) for the monitoring and evaluation of the implementation of the Medium-Term Framework Investment Programme and of all RIA projects financed under OPRD.</p> <p>Building an automated data collection system for vehicle traffic on the roads in the Republic of Bulgaria.</p> <p>Development of ready (mature) projects at full level of project readiness (working projects in full volume, coordination, approvals, permits, etc.) (project pipeline), with which Road Infrastructure Agency can apply.</p>
Indicators set:	<p>Number of Border Checkpoints installed on rehabilitated road sites within the OPRD: 12</p> <p>Number of financially incentivised employees in the MFIP Management Team: 4</p> <p>Number of RIA employees trained to work with EU Structural Funds: 30</p> <p>Number of ready working projects developed to apply in the following programming period: 140</p> <p>Introduced Management Information System (MIS) for the monitoring and evaluation of the implementation of the Medium-Term Framework Investment Programme and of all RIA projects financed with OPRD funds. - 1</p> <p>Built open automated data collection system for vehicle traffic on the roads</p>

	<p>in the Republic of Bulgaria: 1</p> <p>Trained people from the MA (incl. regional departments) and beneficiaries: 30</p> <p>Ensured monthly remuneration for the OPRD MFIP Management Team – 96</p>
--	---

➤ **Project in implementation**

In 2011, the total number of projects in progress under Priority Axis 5 was 36. 6 on-the-spot checks were carried out on interim and final payment claims.

➤ **“Development of a set of documents for the modernisation of urban transport in the 5 big cities” project**

Within the project approved under OPRD Priority Axis 5 “Technical assistance”, “Development of a set of documents on modernisation and development of sustainable urban transportation in the 5 big cities” (Plovdiv, Stara Zagora, Varna, Russe, and Pleven), the preparation of feasibility studies continued in order to outline the scope and content of the urban transport projects and to create transportation strategies; creation of financial and economic analyses for the projects; survey on the ownership of the urban transport rolling stock of each city; including surveys on the auxiliary urban transport infrastructure.

During the public procurement procedure for the selection of consultants for the five cities, no contractor was selected for the city of Russe due to shortage of applicants meeting the minimum requirements. A new procedure had to be scheduled.

In the reporting period, contracts were concluded with the contractors for Varna and for Russe.

➤ **Project BG161PO001/5-01/2008/055 “Programming of regional development for the 2014 – 2020 period”**

The Managing Authority of OPRD has started the actual process of programming for the next period, with the implementation of a project “Programming of regional development for the 2014 – 2020 period”.

The implementation of the project will help the Ministry of Regional Development and Public Works in the preparation of the planning process for the next operational programme of regional development for the period 2014-2020.

The main objective of the project is to ensure timely, correct, and effective planning, awarding, and implementation of the activities and the stages of the process of programming the Operational Programme for Regional Development for the 2014-2020 programming period. The total value of the project is BGN 1 192 000. The project has a duration of 43 months and contains interconnected activities, for which it is planned to award separate public procurement contracts.

The following activities from a contract, concluded (19.09.2012) with a contractor under the PPA, with the subject “Development of a socio-economic analysis for the needs of Operational Programme Regional Development for the 2014 – 2020 period”, were completed:

- ✓ One introductory and three regular meetings were held between the Contractor and the Contracting Authority to coordinate activities and comment key points in the contract implementation process;
- ✓ Meetings were held with representatives of the stakeholders: managing authorities of other operational programmes;

- ✓ The Contractor presented an introductory report, which was commented by the Contracting Authority and its comments were reflected in the report;
- ✓ The Contractor submitted a first interim report, in which it presents an analysis of the current situation for the regional development and the Bulgarian regions. The Contracting Authority made comments, which were reflected in the report;
- ✓ At sessions of the Regional Development Councils in December 2011, the first version of a socio-economic analysis of the regional development in Bulgaria was presented by the Contractor. Furthermore, its team also presented the first conclusions of the completed analysis. These sessions were also attended by representatives of the Programming Unit within the Programming, Evaluation, Information and Publicity Department of DG PRD, which is the department using the help under the project and also the one organising and coordinating the activities for the preparation of the Operational Programme for Regional Development for the 2014 – 2020 period.

Completed projects

In the reporting period, 5 projects were completed under Priority Axis 5 “Technical assistance”. The beneficiary for all five projects is the Ministry of Regional Development and Public Works. The projects aimed at securing the work of the MA of OP Regional Development and facilitating the coordination and monitoring of the projects implemented and financed under OPRD.

Some of the more important result indicators for the projects under Priority Axis 5 “Technical assistance”, are as follows:

- Elaborated needs analysis and studies of opportunities for the preparation and implementation of the programming of regional development and related programming documents in the 2014 – 2020 period.
- Performed medium-term evaluation of Operational Programme Regional Development 2007 – 2013.
- Contract concluded with a contractor to support the Managing Authority in the activities to collect and prepare for archiving the documentation on the grant contracts from the application stage to the contract completion. The project implementation resulted in 7 000 documentation binders collected and described.
- Performed research of the existing experience, feasibility studies and development of Application Guidelines for the scheme “Support for organisation and promotion of innovative cultural events” under OPRD.
- Development of a database of outside evaluators to participate in the OPRD project proposal evaluation committees.

5.3 Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

6. INFORMATION AND PUBLICITY

The website

In early 2011, a small public procurement contract under OSPPA was launched for the selection of a contractor to optimize the functionality and update the design of www.bgregio.eu. The updated version of the Programme’s web site is operational since 05.08.2011.

This activity resulted in improved structure, functionality and vision of the web site, contributing to more accurate and facilitated work by both the beneficiaries and the MA in relation to information and publicity activities.

Under the requirements of Regulation No 1828/2006, Article 4(2b), the OPRD web site, www.bgregio.eu, contains an updated list of the programme beneficiaries, the operation names, and the amount of the public funds allocated for the operations.

Placed billboards

In line with information and publicity measures envisaged in the Communication Plan of the programme and the indicators set, in July 2010 contracts with four contractors were concluded after an open procedure under the PPA for a period of 14 months for the design and placement of billboards promoting the operational programme.

Within the August 2010 – September 2011 period, more than 250 billboards were placed countrywide in order to attract and raise public interest towards the programme and its implementation.

Information and promotional materials

In order to raise the awareness of the general public and the programme beneficiaries and also to develop and strengthen the positive image of the MA and the financial contribution of the EFRD, after a competition conducted under the OSPPA, in July 2011, a contract was concluded for “Elaboration and dissemination of information materials for the Operational Programme Regional Development 2007 – 2013 (OPRD)”.

Under the contract, in early December 2011, booklets and brochures were produced and disseminated, as follows:

7 booklets and brochures on the following topics:

- Energy efficiency of the homes
- Childhood for all
- Urban transport
- Joint European Support for Sustainable Investment in City Areas (JESSICA)
- Rehabilitation and reconstruction of second- and third-class roads
- Sustainable tourism development
- Operational Programme Regional Development 2007 – 2013

Information events

Under the framework agreements, concluded in the previous reporting period, in 2011, more than **20 events** were held, including work meetings, coordination meetings, experience-sharing meetings, official annual press conference on the progress under the OPRD, monitoring committee, and others related to the publicity of the programme.

10 information days on 4 OPRD grant schemes were organised:

- **BG161PO001/1.1-10/2010** “Support for organisation and promotion of innovative cultural events”
- **BG161PO001/1.1-11/2011** “Support for reconstruction, renovation, and equipment of municipal medical facilities in urban agglomerations”
- **BG161PO001/1.1-12/2011** “Support for deinstitutionalisation of social institutions providing services for children at risk”

- **BG161PO001/4.1-05/2010** “Support for reconstruction, renovation, and equipment of state medical and healthcare facilities in municipalities outside urban agglomeration areas”.

Press conferences and official ceremonies held on the occasion of concluded contracts

- **Official annual press conference on the progress achieved in programme implementation**
- **Press conference on the start of a contract** to develop specific training on operations for beneficiaries and consulting on development and implementation of projects under the programme.
- **Press conference** on the presentation of the updated and redesigned OPRD web site
- **17 official ceremonies on grant contract signings.**

Under project BG161PO001/5-01/2008/022 “Logistic and technical provision of conferences, information campaigns, meetings, and other events related to the implementation of OPRD and on-going activities”, the following information events, meetings, and other events related to the implementation of the programme were organised and held:

- Official annual press conference on the presentation of progress achieved in the implementation of the Operational Programme Regional Development 2007 – 2013
- Four coordination meetings on the subject of integrated urban transport in the seven big cities in the January - September 2011 period
- Two information days conducted under grant scheme *BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*
- Work meeting of the Managing Authority of OPRD on Version 7 of the Procedure Manual
- Work meeting of the Managing Authority of OPRD on Version 7.1 of the Procedure Manual
- Eighth session of the Monitoring Committee of OP Regional Development 2007-2013
- Work meeting with beneficiaries on the updated Guidelines on OPRD Grant Contract Implementation
- Work meeting of the MA on the implementation of OPRD
- Work meeting on experience sharing related to the integrated urban development plans
- Work meeting on grant scheme *BG161PO001/1.1-12/2011 “Support for deinstitutionalisation of social institutions providing services for children at risk”*
- Work meeting on experience sharing related to grant scheme *BG161PO001/1.2-01/2011 “Support for energy efficiency in multi-family residential buildings”*
- Joint visit by representatives of the Managing Authority of OPRD and of the media at completed and in-progress sites, financed under the OPRD, in the South Central Region
- Ninth session of the Monitoring Committee of OP Regional Development 2007-2013
- Annual conference of the MA of OPRD
- Work meeting of the Managing Authority of OPRD with representatives of the media
- Work meeting with OPRD beneficiaries on the implementation of the programme
- Work meeting on the improvement of the coordination within MRDPW in the implementation of OPRD

Ensuring accessibility, publicity and transparency of OPRD via e-media;

Within the “Ensuring transparency in the implementation of Operational Programme Regional Development 2007 – 2013 and its promotion in the electronic and print media” project, in the

December 2010 – February 2011 period, pursuant to Article 4, Paragraph 2 of the PPA, **contracts were concluded with 3 radio stations and 1 television channel** with national coverage to provide airtime to broadcast programmes, reports, and videos presenting the opportunities under OPRD, as well as current events and projects in progress.

As a result of these contracts, **192 specialised topics** were broadcast by the three national radio stations and **5 specialised programmes** by one national television channel.

The main objectives of the specialised broadcasts were related to informing potential applicants on the opportunities for financing under OPRD and to encourage them to use the provided financial support, as well as to promote the contribution of the European Community to the development of the regions before potential applicants and the general public, and to ensure transparency about the funds disbursed under the ERDF.

ANNEXES:

Template 1: Financial engineering instrument operations implemented with a Holding Fund

Template 2: Financial engineering instrument operations implemented without a Holding Fund