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Mid-term Evaluation of Operational Programme Regional Development 2007-2013 Final Report

under project BG161PO001/5-01/2008/037, implemented with the financial assistance of the Operational Programme "Regional Development 2007 - 2013", co-financed by the European Union through the European Fund for Regional Development

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ADVISORY

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LIST OF ACRONYMS

Abbreviation	Full expression
BGN	Bulgarian Leva
CF	Cohesion Fund
DCA	Decomposition analysis
DFR	Draft Final Report
EAO	Environment Assessment Opinion
EIA	Environmental Impact Assessment
EQ	Evaluation questions
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EUR	Euro
FR	Final Report
IB	Intermediate Body
InR	Interim Report
IR	Inception Report
MA	Managing Authority
MC	Monitoring Committee
mBGN	million Leva
MEQ	Main Evaluation Question
mEUR	million euro
MRDPW	Ministry of Regional Development and Public Works
n.a.	Not available
OP	Operational Programme
OPRD	Operational Programme for Regional Development
PA	Priority Axis
RDP	Rural Development Programme
SF	Structural Funds
TA	Technical Assistance
TO	Technical Offer
ToR	Terms of Reference

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Disclaimer

This report has been prepared solely in connection with and for use in accordance with the terms of our engagement letter dated 30.08.2010.

The current status of this report is final and it should be considered accordingly. The content of this report has been discussed and agreed upon with the Management of the Ministry of Regional Development and Public Works on 24.02.2011 and the corrections, remarks and additions were included in the report. Our advice in this document is limited to the conclusions specifically set forth herein and is based on the completeness and accuracy of the above and forth stated facts, assumptions and representations. If any of the foregoing facts, assumptions or representations is not entirely complete or accurate, it is imperative that we be informed immediately, as the inaccuracy or incompleteness could have a material effect on our conclusions. We will not update our advice for subsequent changes or modifications to the law and regulations or to the judicial and administrative interpretations thereof.

All responsibility for the content of the report is the responsibility of the Contractor – the Consortium, consisting of KPMG Bulgaria and KPMG Advisory Ltd., Hungary ("Consultant") and under no circumstances might be considered that this report reflects the official opinion of the European Union and the Managing Authority.

EXECUTIVE SUMMARY

The Ministry of Regional Development and Public Works of Bulgaria engaged the Consortium formed by KPMG Bulgaria and KPMG Hungary (the Consultant) for the Mid-term Evaluation of Operational Programme Regional Development 2007-2013 (OPRD). The present report is the Final Report of the mid-term evaluation project. The duration of the contract covered the period of 30 August 2010 – 28 February 2011.

The objective of the evaluation was threefold:

- to perform a review of the compliance and **relevance** of the OPRD strategy and implementation results;
- to perform a review of the compliance of the program objectives with the results and actual development needs and to analyze the quality of **implementation** and program monitoring; and
- to analyze the **environment impact assessment** of the OP.

To achieve these objectives, the Terms of Reference (ToR) expects results of the engagement in the form of answers, conclusions and recommendations linked to 20 Main Evaluation Questions (MEQ) and their sub-questions. These MEQs covered all relevant aspects of the programme and its implementation, including issues of relevance, implementation and even environment impact assessment.

The Consultant used a wide variety of methods to meet the above objectives. The application of the methodology greatly relied on data gathered through documentation review and data requests addressed to stakeholders, and validated through questionnaire-based surveys, interviews, workshops and other meetings. The stakeholders included the Managing Authority (MA) and its regional offices engaged in the Structural Funds (SF) management and implementation system, as well as representatives of special beneficiaries of the interventions. The cut-off date for the evaluation was 31 December 2010, unless otherwise indicated.

In the following section, the Consultant presents the main conclusions and recommendations of the evaluation in the structure imposed by the 20 Main Evaluation Questions.

Progress

The OPRD is **one of the best performing** (first in contracting, third in payment) and most popular SF funded development programme in Bulgaria. The steady increase of the main financial indicators makes it very likely that all budget allocations can be turned into approved grants by the end of 2011. However, this assumption carries two important messages in terms of preparation for the next programming period. First, it appears that the programme has faced a greater demand than originally anticipated which should provide lessons for the next programming period. Second, lack of opportunities for funding municipal developments in the period of 2012-13 might have backfiring effects: potential beneficiaries might consider this period of no available fund a shortcoming, rather than a success of planning.

Another important conclusion of the evaluation is that **achieving the non-financial indicators** of the OPRD by the end of the implementation period might be at risk. The reason for this is twofold. First, not all of the targets set in 2006 are realistic by now; and second, the data set of the completed projects does not show the level of performance that was expected in terms of achievement of non-financial targets. Therefore we recommend considering a reduction of target values in line with the changes in external environment and the achievable performance levels.

The **volume of payments** carried out amounts to 12% of the total allocation. This volume is low when considered in proportion to the time elapsed. In fact, the pace of payment has constituted a major risk in terms of ensuring full absorption. The paid grant amount is likely to reach the budget allocation by 2015, taking the optimistic scenario. The recent measures of the MA have successfully accelerated absorption through the introduction of simplified and accelerated payment procedures. However, based on the current figures of progress, the relatively low rate of payment is still one of the most urgent issues. This leads to two separate recommendations, i.e. further acceleration of payment for the current implementation period, and paving the road to quicker payment in the next period of 2014-2020. The latter one can be based on a careful review of the processes directly preceding payment and the disclosure offactors potentially leading to obstacles to pay out grants. Besides, an assessment of the projects under implementation should be

conducted in order to analyse in more detail the post-contractual issues that the beneficiaries face, which might result in delays in implementation and payment (e.g. procurement regulation, on-spot checks).

For the formulation of the **annual split of financial allocation** of the programme, it is recommended to consider the planned pace of resource allocation to final beneficiaries. This should follow the high level plans of scheduling calls, institutional capacity and expected progress and absorption rates. In order to mitigate risks deriving from lack of absorption capacity, it is advisable to plan rather front-loaded programmes (i.e. making more funds available in the first years of implementation than in the final years), however, it requires prepared intervention sets, a consideration of the N+2/N+3 rule and a sound and balanced institutional system already in place which is capable of handling high demand.

Previous evaluations

The most important recommendations of **previous evaluations were taken into consideration and addressed**. The MA is advised to **further proceed with the implementation of the recommendation** related to the revision of criteria for technical and financial evaluation of project proposals in order to better reflect the specificities of the particular grant scheme and to promote objective assessment. It is also recommended to introduce some changes in the current platform of the MA webpage as regards Q&A section for the purposes of establishing a more user-friendly pattern of response to all stakeholders.

SWOT analysis

The OPRD was programmed at a time when general socio-economic situation was characterised by growth and small regional disparities. In that period, the **SWOT analysis was consistent with the priorities**, and represented a solid background for OPRD strategy. Later, budget restrictions and alterations of sector policies (health strategy, industrial zones, gas connections) resulted in amendments of OPRD measures and launching of some new schemes. The global economic crisis had both positive and negative consequences on OPRD. In order for the original SWOT analysis to be compliant with the current and future (up to 2015) socio-economic environment, as well as for preserving OPRD strategy's relevance, a **few minor amendments and reformulations in SWOT are required** as specified in the report.

Continuous relevance

There are several external factors that have emerged after the formulation of the OPRD and have significantly affected the continuous relevance of programme rational and strategy. These factors are mixed in nature, with either positive or negative impact, or both. Political factors (e.g. national and municipal elections in 2006, 2008 and 2009, entailing changes of the government priorities) generally appear to have had a positive impact on OPRD.

However, there are negative impacts as well, such as lack of consistency in policy implementation (healthcare) and practical problems in applying the Public Procurement Act. Changes in sector strategies (national industrial zones support) have had a positive impact, allowing OPRD to reallocate some of its financial resources to more exigent measures. **The new operations and amendments in OPRD correspond to the new targets which resulted from the new factors. With a few exceptions, the rest of the targets identified during the programming period continue to be relevant.**

It is a significant step towards **a more focused and more demand-driven regional policy** that integrated urban development plans are being elaborated with OPRD support. This approach should be continued in the programming of next OPRD. Clear objectives and priorities and well-focused instruments should be set in the next programming period, taking into consideration the regional disparities and specific needs.

Consistency of objectives

The high level objectives of OPRD are still fundamentally valid, relevant and compatible with the rationale and strategy of the programme. In the current programming period it was necessary that the OPRD was focusing on removing obstacles (e.g. prevention against natural disasters – fire prevention, landslides and flood prevention). In the next programming period, it is recommended to shift the scope of the regional OP rather to **active promotion of dynamic development of the regions**. We also have to note that there are exceptions for active interventions, such as JESSICA, tourism development or urban transport development.

In general, **OPRD and the Rural Development Programme (RDP) are complementary**. This is largely due to an established mechanism for avoiding overlaps and double financing. Consistency and complementarity between OPRD and RDP should continue for the remaining implementation period and also the next one. In order to achieve this, it is recommended to use a **continuous and active monitoring system**, also to regularly and systematically check potential overlap of the programmes or an unintentional diversion of

applicants to one of the programmes. It is also advised to introduce a **checkpoint** corresponding to this issue in the planning process of the new regional development schemes. As OPRD and RDP territorial demarcations are based on statistical data, a **revision of the categorisation of rural municipalities** should be considered after performing the national census, planned for 2011.

The effectiveness of interventions – and OPRD as a whole – would be served by the **assessment of the consistency in the planning phase**. As a potential tool for this assessment, a checkpoint should be introduced in the mechanism of designing or changing future interventions.

Programming

The approach to the next programming period is recommended to be slightly shifted from the current one. The OP should have a **more integrated view and approach to regional development**, setting clear objectives and priorities on what interventions to include in the programme. These priorities should be carefully followed, even at the cost of completely dropping interventions that do not fit into the policy of the next OPRD. Sector interventions (e.g. gas, healthcare, ICT, housing) could be reconsidered in terms of suitability and capability of achieving objectives; while some of them could be supported as part of other strategic interventions or as separately funded programmes.

In planning for the next programming period it is necessary to identify the regions that will act as engines for the country's development in the coming years. The **"growth poles" approach** should also be analyzed against its definition and the way it was implemented so far. Targeting the development of the agglomeration areas, envisaging integrated activities in the urban centres and using an integrated approach for planning of areas should be considered.

Regional interventions should be strongly considered in terms of establishing the means of achieving growth and competitiveness, both in regions where priority is given to "competitiveness" and in regions where priority is given to "cohesion". A **regional quota system** could be considered as regards budget allocations.

It is important that the preparation for the next programming period is established on a solid basis, consisting of a **stable national policy and strategy background**. This obviously requires national policies and strategies to be created and/or updated, in accordance with the results gained in the current implementation period 2007-13. Integrated urban development plans could successfully be used for design of interventions.

The MA should consider the following practices: implementation of global grants, intensified direct award, no division of beneficiaries by ownership, strong regional offices which run the projects at regional level, preparation of good mature projects and adequate monitoring. Greater flexibility and proactive approach as regards to n+3/n+2 rule requirements is also advised. Establishment of active Intermediate Bodies with extended programme management and administrative functions should also be considered for the next period.

Indicator system

The indicator system is generally compliant with the systems used in other similar OPs. However, the number of indicators is too high and the complexity of the indicator system does not support the easy measurement of progress. Therefore, the Consultant recommends the application of **less, but better defined indicators**, that are easier to collect and monitor; and the preparation of specific guidelines for measuring and calculation of indicators in the form of a **handbook**.

The impact indicator of the OPRD "jobs created" does not properly reflect the character of OPRD. OPRD is not a programme directly promoting employment or competitiveness, therefore this impact indicator does not fulfil its role of reflecting the progress of the OPRD towards the attainment of its objectives in one figure. Therefore, the Consultant recommends the **introduction of a new impact indicator** for the next programming period, which is better aligned to the character of OPRD. A few examples might be "GDP growth per capita of the region (%)"; "GDP growth per capita of the region (BGN)"; "GDP per capita of the region as a percentage of national average (%)"; or "Satisfaction of effected population with urban and environmental developments (%)".

Given the fact that – except for the development of educational infrastructure and technical assistance – **indicator based progress is lagging behind the interim target values** for 2009, it is unlikely that the preset target values will be achieved especially after the years of the financial downturn. Therefore, the MA should reconsider defining new target values for the indicators that are more realistic to achieve. As there are some uncertainties related to the monitoring of indicators values, the MA **should double-check and verify inserted indicator values** in terms of number, unit and type.

Lead time

The average total lead time was 118 working days with OPRD applications – which is close to the international benchmark. This figure is in between the respective figure for Romania (where the process is longer) and Hungary (where the process takes significantly less time). Therefore, it is recommended to make an **extended comparison** of the OPRD lead time data with the respective data of CEE countries' regional OPs and other Bulgarian OPs. This would help identifying the weaknesses of the application process and taking steps for change, also considering national and international practices.

Although OPRD calls have gone through development regarding lead time the MA should make further steps in the **fine-tuning of application process**. This is important in order to meet the deadlines set in relevant legislation and to enable short payment periods, serving the interest of all stakeholders. It is also advisable to conduct a comprehensive assessment of the application process in order to disclose specific bottlenecks. By the time when the majority of applications will be processed (by the second half of 2011), it is recommended to conduct an **in-depth review** of the reasons of delays in the application process. Moreover, it is recommended to introduce a **system for measuring and monitoring lead times** in the institutional system.

Horizontal issues

Horizontal issues **have been considered appropriately and according to the character** of the OPRD interventions, both in the programming and in the implementation phase. In order to fully address the issue of horizontal themes the Consultant recommends the application of an approach that includes the consequent use of horizontal objectives, project selection criteria, indicators, monitoring and reporting considerations. For the next programming period, the MA should consider whether setting horizontal objectives at Programme level is required and whether objectives of the newly designed or updated schemes require the inclusion of horizontal issues related award criteria.

As for programming, the schemes launched in the second half of 2009 contain horizontal criteria as admissibility criteria at scheme level. However, there is no relevant practice identified to **monitor horizontal issues** in the implementation phase. The MA should introduce compulsory monitoring of horizontal issues related indicators at the on-the-spot checks. It is also advised to include the current value of horizontal indicators for all schemes in the Annual Report and to dedicate a separate section to horizontal issues in the Annual Report.

Capacity and capability

International experience shows that policy making, management of the programme and routine administration generally require different approaches and **separate organisations**. Having management and administration in one organisation carries the risk of emerging conflicts in the long run. Therefore, for the next period, the Consultant suggests that management and administration functions are separated in two or more organizations, i.e. the MA responsible for policy issues while the IB(s) responsible for administration and management of projects.

As implementation of the current period and programming of the next period will run in parallel, **a significant burden** is likely to be placed on the MA in terms of capacity. The increasing number of contracts in implementation necessitates the use of external technical expertise under TA to assess the quality of physical implementation during the on-the-spot checks.

The Consultant suggests that the **technical capability of regional departments** should be enhanced through trainings mainly in the area of procurement, financial control and monitoring procedures, use of UMIS and legal requirements related to construction works; while the pool of technical experts should also be launched, financed under technical assistance.

Efficiency

The assessment of the efficiency was hindered by the **lack of key efficiency indicators** at scheme level or other preset target values. At project level, assessment of efficiency was only possible for three of the reported indicators (students benefiting from improved educational infrastructure, km of rehabilitated road and population benefiting from small scale investments).

It is recommended that the **MA should introduce a system capable of acting as baseline for the assessment of efficiency** by following a number of specific steps, as suggested by the Consultant in the report.

Impact of OPRD

It is too early to draw very profound conclusions on the potential impact of the OPRD. The two bases for such assessment are the final progress reports of the completed projects and the current indicator values.

Given the current number of completed projects (altogether 81), it is **very early to draw conclusions** on impacts of the projects. According to previous MA expectation, this figure was to reach 100-150 by the end of 2010. Unfortunately, this is still lower, hence only a preliminary assessment could be conducted as part of the present evaluation report.

Current indicator values show, that – with the exception of educational infrastructure and TA projects – **indicator values are not likely to be achieved by the end of the implementation period**. The reason for this is twofold: first, with the change of the external environment (and above all, the financial crisis) some of the original objectives have become unrealistic. Second, projects implemented so far have not been capable of presenting the expected indicators. As for completed projects, their current number (81) does not allow thorough assessment of values.

There should be a more focused approach to setting investment priorities, with a greater emphasis on the concentration on major projects and projects of strategic importance.

Impact of the crisis

As a result of the global economic crisis, **OPRD became the main source of funding investments for the municipalities**. The major changes in the external environment are reflected in OPRD as new or modified measures or were either ceased or cancelled. However, these changes have not entailed changes in the overall and specific objectives of the Programme.

The achievement of the indicators affected by the economic crisis is relevant only for employment indicators at national level. The new jobs created under certain OPRD projects can be viewed as a minor compensation of the national increase in unemployment rate. Increased competition among suppliers has made beneficiaries more active and ambitious in absorption of funds. However, it is unfavourable at policy level that in line with the global experience, some of the inter-regional and intra-regional disparities have increased as an effect of the crisis.

The management and implementation system provided various solutions to the crisis: financial re-allocations were made within the OP, and new approaches, such as FLAG financial instrument and JESSICA initiative have been introduced. Given the current, well-progressed status of the OPRD, there might be a need for drawing in funds from other OP interventions with less absorption capacity.

It is recommended that JESSICA initiative and JASPERS technical assistance are further used and developed as efficient instruments addressing the negative effects of the financial crisis.

Management and control

The management and control system of OPRD designed and operated by the MA is fundamentally effective and is adequate in promoting the achievement of the OPRD objectives and mitigating the relevant risks. Minor adjustments and simplifications in the setup of the monitoring and control processes might be required for improvement of the effectiveness and efficiency of OP implementation.

Although the MA utilizes a management information system designed to keep track of the performance of the OP, UMIS does not support a function capable of monitoring the performance of the OP indicators and the aggregation of values at the level of OP. The MA is recommended to launch such a module, and to provide to beneficiaries with **clear guidelines on the calculation and reporting of performance indicator values**. The MA should also conduct, where possible, verifications of their actual achievement as part of the on-site visits of the projects, including delegation of relevant powers to the Regional Offices.

Acceleration of payment is key to ensuring absorption by the end of the implementation period. It appears that the burden imposed by administrative processes (e.g. public procurement checks, payment request verification) significantly hinders payment, thus the channelling of money into the Bulgarian economy. There exists a need for more rigorous risk assessment and proportioning the system of checks and balances to the risks faced. A related issue concerns the tendency to 'gold-plate', i.e. the system requiring 100% control coverage and duplication of the financial verification on regional level and headquarters. The MA might consider **delegating the performance of payment request verification entirely to the Regional Offices** which would further accelerate the reimbursement approval process.

Scheduling of calls

Scheduling of the calls is generally in line with the real launching and end dates, with two notable types of delays. First, the very first calls were launched as late as November 2007, demonstrating that a period of 10 months was spent without call launches. Second, there are many instances when calls have been launched with considerable delay despite best efforts. These delays, however, did not seem to have had significant impact on progress. The experience of the current period has shown that **short calls with specified deadlines** were more effective than the ones with rolling submission. To maintain the fluency of scheduling of calls, the MA should continue the current practice: to launch schemes to an intensive and short period with specified deadline. Furthermore, the MA is recommended to design and introduce a **'demand planning'-system** to manage the timing of launching calls for proposals, thus forestalling excessive peaks in the receipt and processing of applications.

There are a few measures where the call is still open, although all budget allocations have already been contracted. In order to promote the transparency of the system of calls, the Consultant recommends **closing schemes** in which the entire budget has already been contracted.

Project selection

Project selection criteria show a good level of consistency with the call objectives. However, in some cases specific objectives are not strongly supported through project selection criteria. The Consultant suggests that the project selection criteria should be reformulated in a way that promotes the selection of projects that are consistent with the **specific objectives** of the schemes.

Beneficiaries were generally satisfied with the design and management of the programmes and the support of the MA. They also found the requirements of project selection and general information provided understandable and appropriate.

Up till now there has been no difficulty in contracting the budget of the OPRD. In order to further increase effectiveness during the planning of the next programming period, the MA should select projects that are in line with the policy objectives to a greater extent through **stricter eligibility criteria and more precise targeting** (based on preliminary assessments). This also relieves the institutional system from the burden of evaluating applications that have passed the light eligibility criteria, but whose technical and financial content is not sufficient to be supported.

Generally, less emphasis is placed on eligibility criteria than project selection criteria. The filtering function of the eligibility criteria in respect of project selection and portfolio compositions is typically limited to regulatory compliance and legal issues without leading to the technical or financial filtering of applications. The MA is recommended to ensure that the administrative requirements pertaining to management and implementation are generally proportional to the potential risk, through a **classification of interventions** according to their total budgets, complexity, risk of project implementation and sustainability (e.g. simple, normal and complex project categories). A re-design of the project selection mechanism and bid selection criteria in such a way that they match the classification of interventions is also advisable.

Partnership

MA considers partnership an important principle that needs to be consistently addressed in order to meet requirement of the Structural Funds.

The involvement of social partners was extensive in the programming phase. In the implementation phase, the **partnership process has been less extensive**, mainly taking the form of the regular Monitoring Committee meetings, the recently organised open days and the active usage of other means of communication. Inter-municipal, local and regional partnerships have been promoted in only a small percentage of the schemes, while public-private partnership is missing at this stage of implementation. In general, **OPRD beneficiaries are satisfied with the partnering** model followed by the MA.

It is recommended that the public-private partnership approach is analysed in terms of its suitability and then further utilised and developed, where relevant. MA is also advised to build up solid relationship with the responsible environmental bodies to ensure compliance with EU sustainable development policy. Strengthening the process of partnering with OPRD beneficiaries, and particularly with newly introduced direct beneficiaries who need reinforced support in project development and implementation is also key. The local and regional partnership between beneficiaries with common needs and constraints needs to be reconsidered in the process of designing aid schemes, seeking the best possible approach to achieving integrated results.

Information and publicity

As a general conclusion, information and publicity activities do not appear to constitute an obstacle to the successful implementation of OPRD. Both the awareness raising and the dissemination of information components support well the activities covered in OPRD.

In order to acquire a clear and up-to-date understanding on the current status of the implementation of communication activities related to OPRD, the Consultant suggests the **monitoring of indicators** defined in the Communication Plan and the presentation of their status in the Annual Reports.

The Consultant also recommends the identification and presentation of successful **'model projects'** within the OPRD, with the objective of public disclosure in the EU and Bulgaria. Such a document would serve the purpose of both the orientation of prospective beneficiaries (i.e. what the MA considers successful) and communication purposes, when it comes to reporting about tangible results of the OPRD (national or EU level meetings, presentations).

Additionality

In the intervention areas covered by OPRD, **Structural Funds have become the main source for municipal investment activities.**

It is recommended that priority is given to strategic projects that are complementing the on-going implementation of national policies and/or municipal development initiatives, financed by national sources. Where such complementing projects are financed by OPRD, a verification mechanism (including measurable, achievable and objective indicators) should be put in place, in order to guarantee compliance with the additionality principle.

Environment impact assessment

The environmental requirements laid down in OPRD are generally taken into account with some exceptions. The environmental impact of all completed projects (81) for the period 2007 – 2010 is positive.

In general, the proposed amendments of OPRD will have a **positive effect** compared to the original version of OPRD. However, the amendment of OPRD in relation to environment impact assessment of the new measures requires a coordinated effort of the MA and the Ministry of Environment and Water (MOEW), and particularly the opinion of the latter.

Some of the **measures, envisaged in the Environment Assessment Opinion (EAO) are still relevant** and the implementation of measures is generally adequate. All relevant measures envisaged in the EAO should be implemented, where applicable in the respective projects. An environment expert should be involved in the consultation process of the applicable measures for the schemes and projects.

The assessment of data collection of environment related indicators is limited by the fact, that **not many indicators have been reported so far**. This is partially due to the issue, that no specific approach was defined to review the progress of the environmental indicators and that such indicators are basically measurable only after project completion. There are no implemented or finalized projects related to some of the indicators as stipulated in the EAO, either. All relevant indicators laid down in the EAO and the proposed amendments in the Final Report on Environmental Impact Assessment should be duly collected and reported.

1 INTRODUCTION

The present document is the Final Report (FR) for the project entitled Mid-term Evaluation of Operational Programme Regional Development 2007-2013 (OPRD), under Technical Assistance BG161PO001/5-01/2008/037 of the Ministry of Regional Development and Public Works (the "Client"), and the consortium composed of KMPG Bulgaria OOD and KPMG Advisory Ltd, Hungary (the "Consultant").

Table 1 - Project Summary

Project title	Mid-term Evaluation of Operational Programme Regional Development 2007-13
Country	Bulgaria
Client	Ministry of Regional Development and Public Works (MRDPW)
Consultant	Consortium of KPMG Bulgaria and KPMG Advisory Hungary
Target groups	as per the Terms of Reference (ToR)
Project start date	30 August 2010
Project duration	6 months

Source: KPMG

1.1 Purpose of the Final Report

The Final Report (FR) provides a detailed description of all the activities undertaken by the project over the course of its duration and the outputs produced. This document also includes the Consultant's conclusions and recommendations with regard to any follow-up and other activities in support of assuring the project's intermediate and wider impact, as well as the sustainability of its results. In addition, the FR contains an assessment of its success in terms of the expected results listed in the ToR

1.2 Overview of activities

The milestones of the project implementation have been the following:

Table 2 - Milestones of project implementation

Date	Milestone
30.08.2010	Signing of the Contract
07.09.2010	Expert meeting (technical kick-off meeting)
13.09.2010	Kick-off meeting
28.09.2010	High level project management meeting
29.09.2010	Submission of the Inception Report
14.10.2010	SWOT workshop
25.10.2010	Preliminary findings meeting
18.11.2010	Synthesis working meeting
17.01.2011	Submission of the Final Interim Report
08.02.2011	Submission o of the Draft Final Report
28.02.2011	Submission o of the Final Report

Source: KPMG

1.3 Structure of the report

The Final Report follows the structure of the Final Report as prescribed by the ToR:

- **Section 1 “Introduction”**

This section provides a brief description of the project background, the scope of tasks and the progress to date.

- **Section 2 “Methodology”**

Section 2 provides an overview of the general approach, the applied methodology and the source of information used during the course of the evaluation to date.

- **Section 3 “General progress”**

This section provides insight into the progress shown by the OPRD up till the cut-off date (31.12.2010), gives explanation behind the potential reasons of current status. It details relevant splits and aspects of the project portfolio and gives an estimated prognosis on the allocation and absorption of funds.

- **Section 4 “Findings of the evaluation”**

This section is divided into the three sub-sections of relevance, implementation and environment impact assessment corresponding to the structure prescribed by the ToR and accepted in the Technical offer. This part of the report focuses on answering the Main Evaluation Questions (MEQs) corresponding to the Evaluation Themes accepted as the approach to evaluation (as per the IR).

- **Section 5 “Conclusions”**

This section summarises the conclusions of the evaluation, categorised in a logical way.

- **Section 6 “Recommendations”**

This section summarises the recommendations of the evaluation with regard to any follow-up and other activities in support of assuring the project’s intermediate and wider impact, as well as the sustainability of its results.

- **Section 7 “Project results”**

This section provides a summary of the criteria set for this evaluation, including indicator target values, and shows how the project succeeded in fulfilling them

2 METHODOLOGY

2.1 Approach

The approach of the Consultant is composed of two major elements as put forward in the Technical Offer and the Inception Report. Our approach reflects both the basic evaluation principles that were respected during project implementation and the adherence to the triangulation approach widely supported by the Evaluation Unit of DG Regio.

2.1.1 Evaluation principles

As stated in the IR, the Consultant pursues the following principles during the course of the evaluation (a detailed description of these principles can be found in IR):

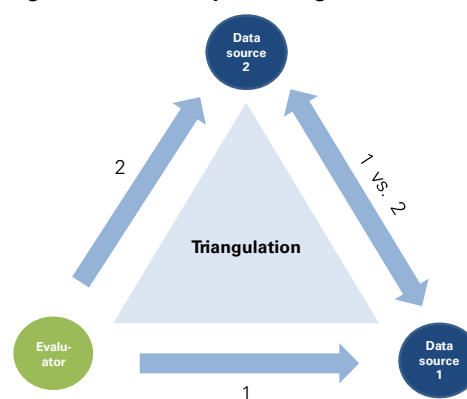
- Formative approach
- Focusing on the Terms of Reference
- Carrying out qualitative and quantitative research
- Participative approach
- International comparability
- Deploying a highly experienced team

2.1.2 General approach

As a general approach the Consultant based its activities on the triangulation concept supported also by the Evaluation Unit of DG REGIO. The basic concept of triangulation is that findings and conclusions have to be justified using at least two sources of information in order to establish a potentially adequate level of reliability.

Triangulation [ref: **Figure 2**] in practice usually means that the Consultant uses multiple data sources in the course of the evaluation and relies on findings that are backed up by the consent of the information sources. In the Consultant's general approach the Consultant has followed an **evidence based** (i.e. quantitative, based on facts and figures) and an **opinion based** approach (i.e. subjective sources, like interviews, survey, focus groups) in order to triangulate the findings and conclusions in the case of all evaluation questions where this approach is applicable.

Figure 2 - The concept of triangulation



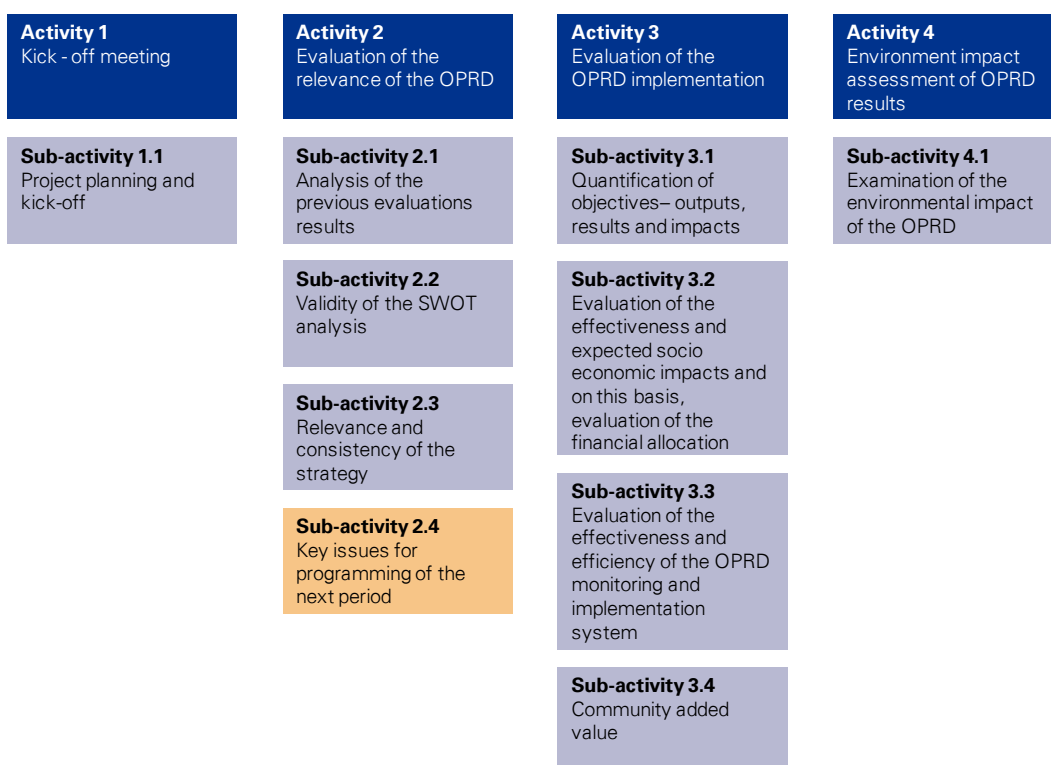
Source: KPMG

2.2 Evaluation framework

2.2.1 High level structure of the evaluation

The high level structure of the evaluation is described in the table below [ref: **Figure 3**] as per the IR.

Figure 3 - Structure of project Activities and Sub-activities



Source: Inception Report

2.2.2 Data collection techniques and evaluation methods

Table 3 sets out the detailed structure of the evaluation project by breaking down the sub-activities to Evaluation Themes and corresponding Main Evaluation Questions (MEQs) that the Consultant is expected to answer or comment on.

Table 3 - Structure of Main Evaluation Questions

Sub-activities	Evaluation themes	Main Evaluation Questions
2.1 Analysis of the previous evaluations results	Previous evaluations	Have the results of previous evaluations been considered in the programming and implementation of OPRD?
2.2 Validity of the SWOT analysis	SWOT	Are the factors of the SWOT still relevant and valid, given the current context of the OPRD?
2.3 Relevance and consistency of the strategy	Continuous relevance	Are there any new factors (especially economic crisis) affecting the continued relevance of the strategy of the OPRD?
	Continuous consistency	To what extent is the hierarchy of goals of the OPRD consistent (internally and externally)?
2.4 Key issues for programming of the next period	Programming	What are the major considerations for the programming of the next OP?
3.1 Quantification of objectives – outputs, results and impacts	Quality of indicator system	Is the OPRD indicator system appropriate?
3.2 Evaluation of	Progress	What is the real progress and financial performance of the OPRD?

Sub-activities	Evaluation themes	Main Evaluation Questions
the effectiveness and expected socio economic impacts and on this basis, evaluation of the financial allocation	Lead time	What is the lead time for major activities in the OPRD?
	Horizontal issues	Have horizontal issues been considered appropriately in OPRD?
	Capacity and capability	Is the capacity and capability of the management and implementation system of OPRD sufficient?
	Efficiency	How efficient have been the implementation of the OPRD?
	Impact	What is the impact of the global crisis on OPRD? What is the potential impact of OPRD?
3.3 Evaluation of the effectiveness and efficiency of the OPRD monitoring and implementation system	Management, monitoring and control mechanisms	Have the management, monitoring and control systems been appropriate and efficient?
	Scheduling of calls	How has the scheduling of calls been affecting the performance of the OPRD?
	Project selection	Are the project selection criteria generally objective, adequate and transparent?
	Partnership	What is the contribution of the partnerships during program implementation?
	Awareness	Were the public awareness activities adequate to attract the best projects?
3.4 Community added value	Additionality	Which aspects of the OPRD implementation progress would not be possible without the support of Structural Funds?
4.1 Environment Impact Assessment of OPRD results	Environment Impact Assessment	What is the impact of the OPRD implementation on the environment?

Source: Inception Report

The evaluation has already made use of a range of **data collection techniques** [ref: **Sub-section 2.2.2.1**] and key **evaluation methods** [ref: **Sub-section 2.2.2.2**] which have been carefully selected in order to promote the successful completion of the evaluation.

2.2.2.1 Data collection techniques

During the implementation of the project the Consultant has used some or several of the following general data collection techniques:

- Document review
- Data analysis
- Interview
- Workshop
- Questionnaire

2.2.2.1.1 Document review

The Consultant has reviewed relevant documentation during the course of the evaluation:

- Relevant legislation and EC Working Documents (Council of Ministers Decrees No121, No62 and No245 Commission methodological paper – WD No.3, Working Paper No 9, Commission WD N5, N8 and N9, Council Regulation 1083/2006, The Guide for Evaluation of Socio Economic Development)
- Relevant previous evaluations (OPRD ex ante evaluation, Review of the first open grant schemes under OPRD)
- Programming documents (OPRD, application guides, calls, document underpinning the reason behind the internal re-allocation of OP budget, amended OPRD (version October 2010, etc.)
- Sample of / Extract from application files
- Status reports on the implementation
- Meeting minutes of the Monitoring Committee
- Annual reports of the MA
- Background strategic documents
- OPRD Manual
- Monthly Reports of the MA
- Final report for planned on-the spot check BG161PO001/2.1-01/2007
- Final Technical Reports for completed projects
- Strategic Environment Assessment
- Publicity/Information Days Schedule
- Annual Indicative Work Programmes
- Latest performed risk assessment for on-the-spot checks
- Guidelines to the OPRD beneficiaries for implementation of the measures for information and publicity

2.2.2.1.2 Data analysis

The relevant data for this evaluation has been collected from MA databases:

- UMIS project level data sets (cut-off date 31.12.2010)
- Chronology of calls (launching and closing date of applications)
- Annual financial allocation by operation
- Indicators (baseline, milestone, actual)
- Capacity and capability related data
- Final technical reports for completed projects

During the analysis, other public available statistical data were used from Eurostat National Statistical Institute and Bulgarian National Bank.

Unfortunately the Consultant has encountered difficulties with data validation prior to data analysis. It is recommended that the UMIS data set used for management, monitoring and evaluation purposes should be cleared of input errors, missing information and other data clarity issues potentially hindering accountability.

2.2.2.1.3 Interview

The Consultant has conducted several interviews with both the representatives of the management and implementation system and the beneficiaries:

- Managing Authority
 - Senior management
 - Heads of departments
 - Experts
- Direct beneficiaries

The complete list of interviews and meetings with dates can be found in **Annex 8.12**.

2.2.2.1.4 Workshop

Besides collecting information, workshops were very suitable for synthesising opinions forming professional consensus and collecting feedback. Various stakeholders have shared their opinions and discussed their point of view at the same time, in one place, in a well-structured and properly facilitated manner.

Two working meetings and one workshop have been organised:

- SWOT workshop (14.10.2010)
- Preliminary findings meeting (25.10.2010)
- Synthesis working meeting with MA senior management (18.11.2010)

2.2.2.1.5 Questionnaire

A questionnaire targeted at all municipalities constituting the target group of the OPRD interventions was deployed in between 25.10.2010 and 08.11.2010. The questionnaire has been completely filled in for 166 municipality projects and another 154 partially filled questionnaire were received.

The questionnaire was prepared by KPMG and was hosted under the following web site: www.surveysandfeedback.com.

The Questionnaire was applied in order to sum up the opinions of the beneficiaries about the implementation of the OPRD, extracting possible recommendations for further development.

Figure 4 – Beneficiary questionnaire opening page



Source: KPMG

The survey carried out was based on a representative sample in order to get proper unbiased results. The Questionnaire was disseminated to all 264 municipalities and above 120 municipalities have completed it for at least one project which represents a sample of about 45% providing proper and unbiased results.

The report summarising the results of the beneficiary questionnaire is in **Annex 8.11**.

2.2.2.2 Evaluation methods

The evaluation methods widely used during the course of the evaluation are in **Table 4**.

Table 4 - Evaluation methods used in the evaluation

Evaluation methods	Evaluation methods
▪ Comparative analysis	▪ Capacity, capability and cost analysis
▪ Assessment of external factors	▪ Selection criteria analysis
▪ Indicators analysis	▪ Partnership contribution review
▪ Multi-level mapping	▪ Assessment of reporting and control system
▪ De-composition analysis (DCA)	▪ Information and publicity analysis
▪ Assessment of current indicator values	▪ Environment Assessment

Source: Inception Report

These methods and techniques are detailed in the Inception Report.

3 GENERAL PROGRESS







It is a basic pre-requisite for all mid-term evaluations to provide an overview of the progress of the programme to date. A clear picture on the current status of implementation establishes a solid basis for the evaluation. On the other hand, progress is stated in the ToR to be a separate Evaluation Theme.

The Consultant has adopted a two-pronged approach to answering this question. First, the Consultant observed and hereby presents the findings in respect of real performance based on facts and evidence-based data analysis of the UMIS data set (cut-off date 31.12.2010). Second, the Consultant presents a synthesis of findings yielded by qualitative evaluation techniques.

Therefore the assessment of progress does not rely solely on quantitative data. The Consultant comments on the current progress of the OPRD and its PAs in terms of his perspective on the absorption achievable by the end of the implementation period.

In order to easily capture the contents of the visual elements, all charts, figures and tables in the document have a strict **colour coding**. The OPRD at large and each of the PAs have a colour assigned to it/them, as in the table below [ref: **Table 5**].

Table 5 - Colour coding of PAs in the report

Priority Axis	Priority Axis 1	Priority Axis 2	Priority Axis 3	Priority Axis 4	Priority Axis 5	OPRD
Short title	Urban development	Accessibility	Tourism	Local Development	TA	-
Colour						

Source: KPMG

The Consultant had to **use estimates** to provide a more realistic picture of the general progress. Please note that none of the estimates have significant effect to the outcome of the analysis, as follows:

- **Requested grants:** There were 185 projects altogether (from the total population of 1427), out of which 11 have been withdrawn and 18 have been submitted after the deadline. For the remaining 157 projects – which have failed at an early stage of the project selection – there is no information available in UMIS for the amounts of requested grants. Still this information is necessary to provide a realistic picture on the demand for OPRD funds. Therefore missing requested grants were estimated, using the average of the operation to which the project was proposed. E.g. if there were 5 projects in Operation X, where 2 of them have had their requested values missing, and the existing requested grant values for the three existing projects have been 100, 200 and 300 respectively; then we assume, that the two project missing this figure have a requested value of 200 each (average of 100, 200 and 300). This average is calculated for each and every Operation and is applied to all projects missing this value (but those submitted after deadline or withdrawn).
- **Regional attribution:** Instead of using the (main) location of the beneficiary, location of the implementation was used in order to link projects to municipalities. Those projects whose location of implementation cannot be directly assigned to a municipality have been excluded to avoid distortion.
- **Regional split:** At regional level some grants cannot be separated, because they affect the entire country (for example some grants related to tourism and TA). For calculation of regional split, these grants were shared equally among the regions.

The Consultant measured the current status of progress of the OPRD using **two main indicators**, namely:

- **Progress (%)**, i.e.: contracted grants / allocation; and
- **Absorption (%)**, i.e.: paid grants / allocation.

In order to better understand the current status of progress, the Consultant used not only the 2007-13 period as a reference period, but also the period of 2007-10. The 2007-2010 figures help to assess time-proportional progress achieved in the first almost four years of implementation.

All data analysis presented in the following sections, is based on a central data set collected and validated by MA OPRD up to the cut-off date of 31 December 2010. All data include EU and national budget figures as the basis for all calculations. Where necessary, a fixed BGN/EUR **exchange rate** of 1.95583/1.00 was applied.

3.1 Financial allocation

3.1.1 Total funds of the OPRD

The total allocation of the OPRD for the period 2007-13 (EU plus national budget) is **3,132 mBGN** (1,601 mEUR). For the 2007-10 period the total OPRD allocation (EU plus national budget) is estimated to be **1,494 mBGN** (763 mEUR) [ref: **Table 6**].

The initial allocation acts as the basic reference point for comparing the financial resources to the progress achieved. The scope of the evaluation does not include individual assessment of allocations (that is a main function of the ex ante evaluation). However an overview of the allocation is necessary for understanding progress figures [ref: **Figure 5**].

3.1.2 Split of funds by Priority Axis

The split of the original total budget allocation by Priority Axis shows that the majority of the funds is allocated to Urban Development (PA1) and Accessibility (PA2), while Tourism (PA3), Local development (PA4) and Technical Assistance (PA5) have much lower values, 12%, 6% and 3% of the total.

After multiple re-allocations of the funds there are only slight changes in the split. Basically, Urban development gained 2% of the total funds while Tourism lost the same amount [ref: **Figure 6**].

3.1.3 Annual split of funds

The ratio of the allocation for the period 2007-10 to the allocation for the period 2007-13 is 48% [ref: **Table 7**]. This indicates that the last three years of the seven-year implementation period use 52% of the total allocation, meaning that the interventions under the OPRD are generally end-loaded. **Figure 7** shows the distribution of allocations over the implementation period.

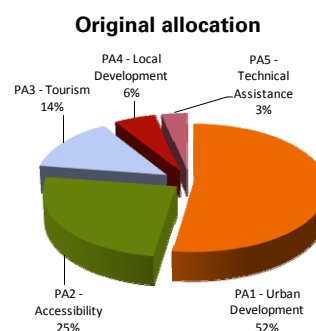
To sum it up, the larger part of OPRD funds will be made accessible to potential applicants in the second half of the implementation period. Therefore the reference values for the first years of implementation are even lower than what the share of years covered would indicate.

Table 6 - OPRD budget allocation

Total budget allocation of the OPRD	
3 132 mBGN	1 601 mEUR

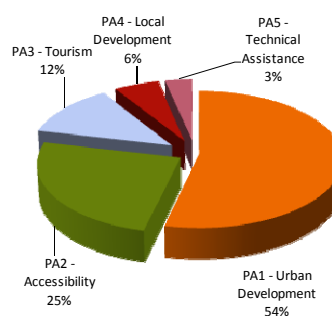
Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 5 - Original allocation of funds



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 6 - Allocation of funds after re-allocation



Source: KPMG (based on UMIS dataset, 31.12.2010)

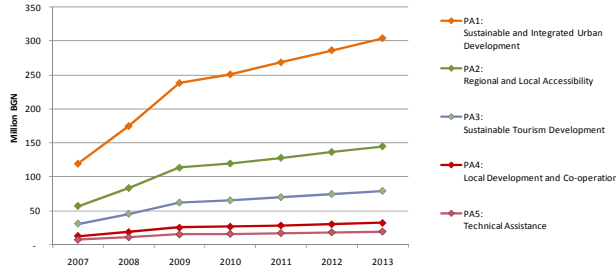
Table 7 - Budget allocations for 2007-13 vs. 2007-10

Priority Axis (mBGN)	Budget 2007-13	Budget 2007-10	%
Urban development	1641	783	48%
Accessibility	783	373	48%
Tourism	427	203	48%
Local development	175	84	48%
TA	106	50	48%
OPRD Total	3 132	1 494	48%

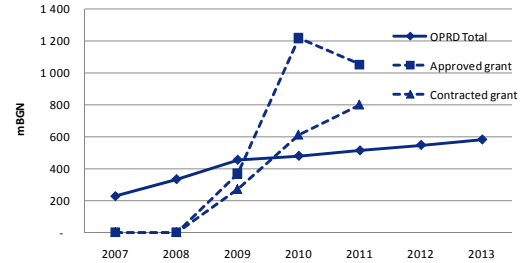
Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 7 - Schedule for the allocation of funds for the period 2007-13 (by PA and for total OPRD)

Annual budget allocation by Priority Axis



Annual budget allocation of the OPRD



Source: KPMG (based on annual financial allocation)

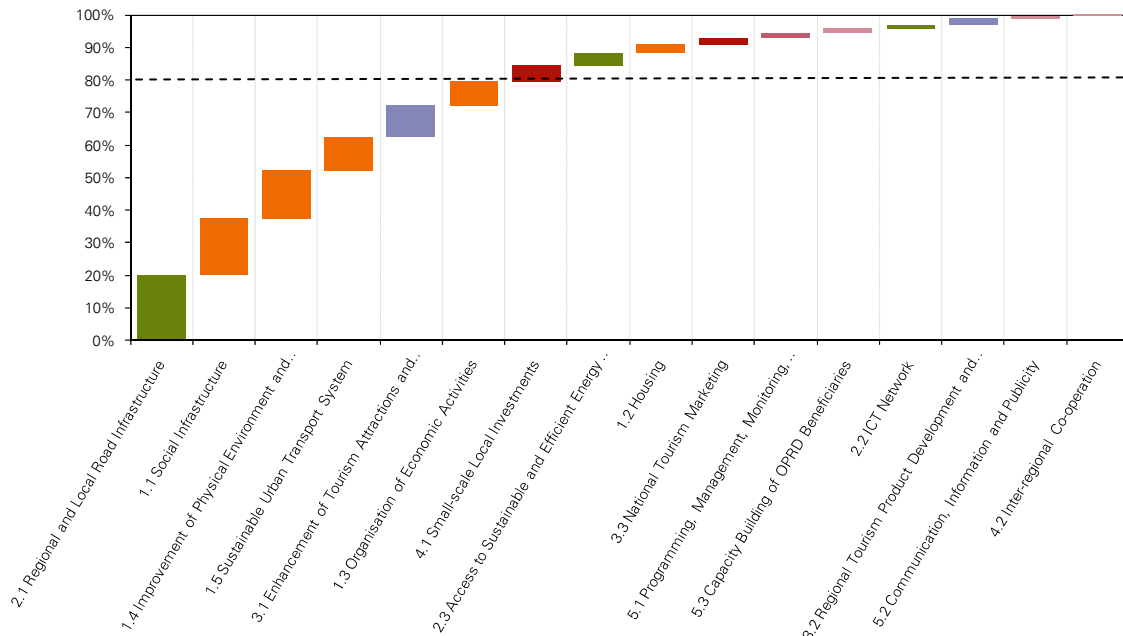
Figure 7 shows two important characteristics of the OPRD. First, there is a growing tendency of the annual allocation of funds. Second, the internal split of funds by Priority Axis remains the same year by year.

3.1.4 Concentration of allocations

The allocation figures reveal a slight concentration of grants [ref: Figure 8]. The breakdown at the level of operations shows that six of the operations take up about 80% of the total OPRD allocation, mainly driven by PA1 (Urban development).

This shows that the programme is focused on a few interventions of strategic importance and many smaller interventions.

Figure 8 - Concentration of allocation of funds for the period 2007-13



Source: KPMG (based on UMIS dataset, 31.12.2010)

3.2 Financial progress

3.2.1 Progress

The indicators for current OPRD performance are:

- **Progress** (contracted grants vs. allocation): **54%**; and
- **Absorption** (paid grants vs. allocation): **12%**.

At the cut-off date, more than half of the OPRD resources had been contracted and 12% paid out to beneficiaries as pre-financing or reimbursement. The indicator values have been calculated using the main figures in **Table 8**.

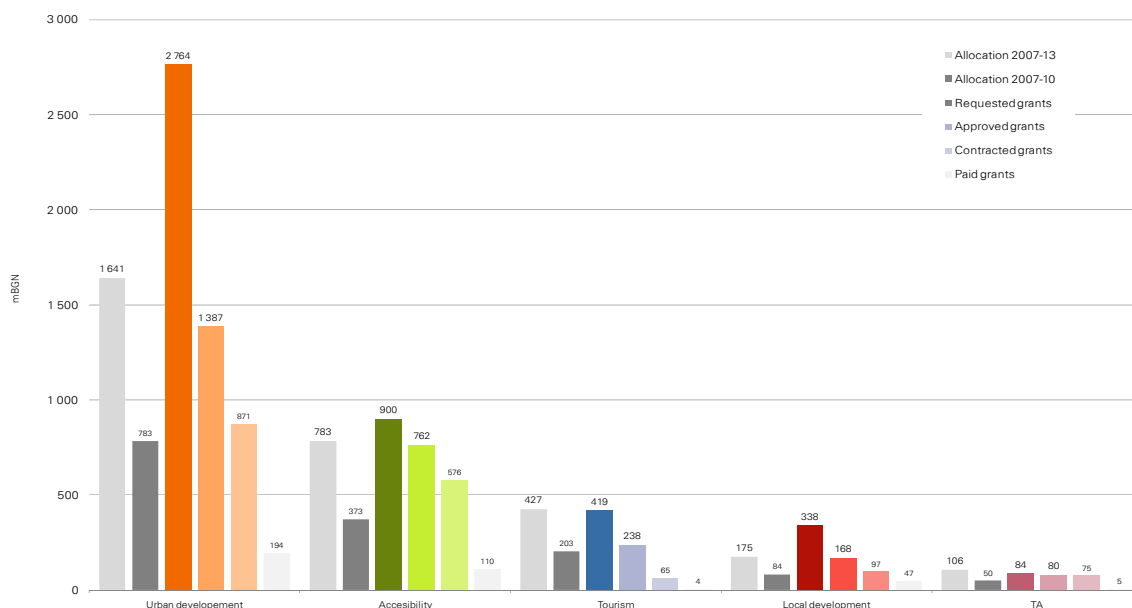
Figure 9 shows the main status figures of OPRD progress, broken down by PA.

Table 8 - Main OPRD progress figures

Stage	mBGN	mEUR	% of allocation
Allocation	3 132	1 601	100%
Requested grant	4 036	2 331	146%
Approved grant	2 635	1 347	84%
Contracted grant	1 684	861	54%
Payment	361	184	12%

Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 9 - Overview of progress by PA (mBGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 9 reveals that there are significant differences between PAs in terms of progress:

- **PA1 – Urban development:** this PA accounts for the majority (52%) of available funds and it is the most popular as well. It shows a high level of demand and good absorption.
- **PA2 – Accessibility:** the vast majority (74%) of the funds is already contracted, highly exceeding the allocation for the period 2007-10 (154%). Payment is fair (14%) considering also the general long implementation time required by road rehabilitation projects.
- **PA3 – Tourism:** the interventions show an improving trend, though the contract ratio is still low (15% of the budget has been contracted). However, demand and approved figures show that this Priority also has good chances to absorb the available funds. Still it is to note the Tourism is the only PA, where the contracted grant amount is lower than the allocation for period 2007-10.

- **PA4 – Local development:** this PA has a low budget allocation (6% of OPRD budget) but a high demand. (200% of budget allocation for 2007-10). It shows an average progress (55%), and an outstanding absorption (27%) – partly due to its relatively small budget.
- **PA5 – TA:** With half of the funds contracted, the PA is well-progressed. However payment is still at considerably low level (5%).

Table 9 summarises the main financial progress indicators by PA.

Table 9 - Overview of progress by PA

Priority name	Allocation		Requested grants	Approved grants	Contracted grants	Paid grants	Progress		Absorption	
	2007-13	2007-10					2007-13	2007-10	2007-13	2007-10
Urban development	1 641	783	2 382	1 387	871	194	53%	111%	12%	25%
Accessibility	783	373	903	762	576	110	74%	154%	14%	29%
Tourism	427	203	394	238	65	4	15%	32%	1%	2%
Local development	175	84	274	168	97	47	55%	116%	27%	56%
TA	106	50	84	80	75	5	71%	149%	5%	11%
OP Total	3 132	1 494	4 036	2 635	1 684	361	54%	113%	12%	24%

Source: KPMG (based on UMIS dataset, 31.12.2010)

The **progress** values show a relatively balanced picture. However, the Accessibility PA has been left almost without funds, while Tourism still has most of the available financial resources. The progress compared to the 2007-10 allocation is outstanding (113%).

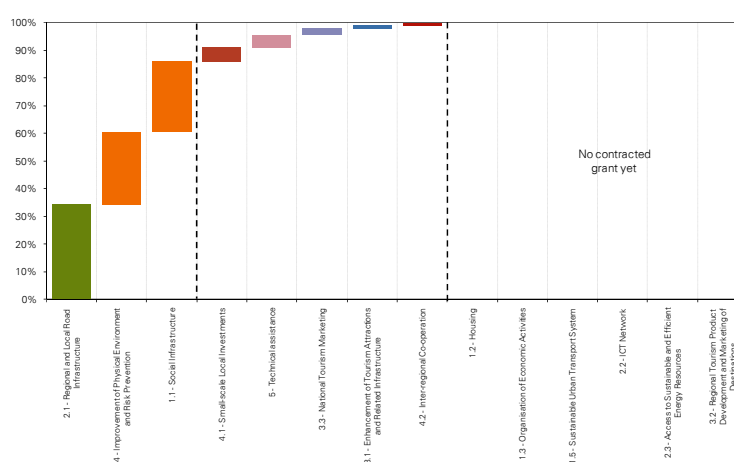
The **absorption** figures are time-proportionally low, basically as a result of the large share of infrastructure development projects within the OP. The absorption of the Local development PA is outstanding (27%). It only possesses 6% of the total OPRD funds, but still accounts for 13% of the absorption.

3.2.2 Concentration of contracted grants

The contracted grant volume (which constitutes the basis for the progress ratio) shows a high degree of concentration [ref: **Figure 10**]. This concentration reflects (i) the number of calls being open in the given period, (ii) the popularity of interventions amongst applicants; and (iii) the smoothness of the administrative process related to application assessment.

The Pareto Principle¹ seems to be reflected in the fact that three operations (around 20% of the total number) cover more than 80% of contracted grants across all operations. Therefore the three most significant operations in terms of the volume of contracted grants (2.1 Regional and local road infrastructure, 1.4 Improvement of physical environment and risk prevention and 1.1 Social infrastructure)

Figure 10 - Concentration of contracted grants



Source: KPMG (based on UMIS dataset, 31.12.2010)

infrastructure (2.1 Regional and local road infrastructure, 1.4 Improvement of physical environment and 1.1 Social

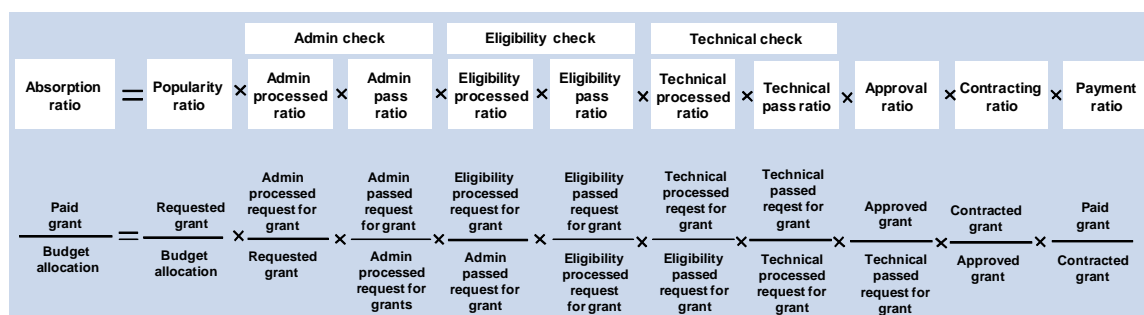
¹ The Pareto principle (also known as the 80-20 rule, the law of the vital few, and the principle of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes.

infrastructure) made a major contribution to OPRD progress to date. The reason for not having contracted grants for some operations is manifold. For instance, Operation 1.3 (industrial zones) was cancelled, while Operation 1.2 (Housing) has not started yet. As a result, it is to be noted that so far there is practical experience with only half of the operations.

3.3 Decomposition

A breakdown of the absorption figure (as main indicator of programme progress) to relevant and individually meaningful ratios allows the identification of potential bottlenecks or areas of improvement along the main stages of the project selection pipeline [ref: **Table 11**].

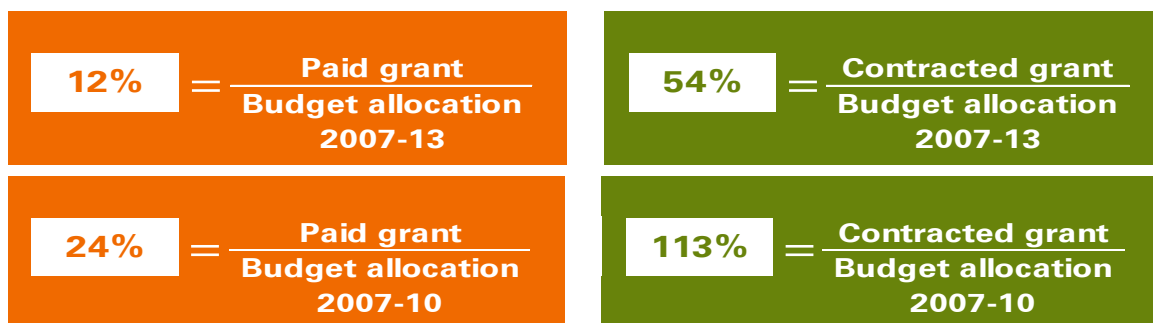
Figure 11 - Process Factors of Progress (based on the results of the decomposition analysis)



Source: KPMG

An examination of current absorption and progress ratios for the entire OPRD and for the PAs individually shows that the OPRD has a good popularity ratio, very high administrative and eligibility verification pass ratios, an appropriate approval ratio, a relatively high contract ratio and a moderate payment ratio. The values for each ratio are presented in **Figure 12**.

Figure 12 - Process Factors of Progress (based on the results of the decomposition analysis)



Priority Axis	Operation code	Operation name	Popularity ratio	Admin pass ratio	Eligibility pass ratio	Tech&fin pass ratio	Approval ratio	Contracting ratio	Payment ratio	Allocation ratio	Absorption ratio
			%	%	%	%	%	%	%	%	%
PA1 Urban Development	1.1	Social Infrastructure	228%	91%	96%	90%	94%	46%	25%	169%	19%
	1.2	Housing	-	-	-	-	-	-	-	-	-
	1.3	Organisation of Economic Activities	-	-	-	-	-	-	-	-	-
	1.4	Improvement of Physical Environment and Risk Prevention	325%	61%	71%	78%	90%	96%	20%	98%	19%
	1.5	Sustainable Urban Transport System	-	-	-	-	-	-	-	-	-
PA2 Accessibility	2.1	Regional and Local Road Infrastructure	144%	99%	93%	95%	97%	76%	19%	122%	18%
	2.2	ICT Network	-	-	-	-	-	-	-	-	-
	2.3	Access to Sustainable and Efficient Energy Resources	-	-	-	-	-	-	-	-	-
PA3 Tourism	3.1	Enhancement of Tourism Attractions and Related Infrastructure	126%	91%	70%	91%	89%	11%	0%	65%	0%
	3.2	Regional Tourism Product Development and Marketing of Destinations	-	-	-	-	-	-	-	-	-
	3.3	National Tourism Marketing	68%	100%	100%	100%	99%	100%	10%	68%	7%
PA4 Local Development	4.1	Small-scale Local Investments	189%	72%	96%	75%	95%	55%	50%	94%	26%
	4.2	Inter-regional Co-operation	234%	95%	81%	73%	87%	90%	38%	114%	39%
PA5 TA	5.1	Programming, Management, Monitoring, Evaluation and Control	-	-	-	-	-	-	-	-	-
	5.2	Communication, Information and Publicity	-	-	-	-	-	-	-	-	-
	5.3	Capacity Building of OPRD Beneficiaries	80%	100%	95%	100%	100%	93%	7%	76%	5%
OP Total			144%	82%	87%	88%	94%	64%	21%	84%	12%

Source: KPMG (based on UMIS dataset, 31.12.2010)

Generally, these ratios are adequate or good, compared to international benchmarks and achievable scores (as in the case of process ratios the figure cannot exceed 100%). There are three outstanding values:

- **Progress in Tourism (PA3):** The Tourism priority and its interventions need further improvement regarding progress ratio (15% and 32% time-proportionally to the period 2007-10) of the initial budget allocation. The fact that the call could not start well constitutes a potential risk for absorption in this phase of project implementation (i.e. more than half of the implementation period is over). However, there are several calls launched in the meantime with potential to promote absorption.
- **Low contracting ratio in Urban development (Operation 1.1):** The figure of 46% shows that less than 5 out of 10 approved projects have been contracted so far. The low rate of contracting might be explained by the relatively large number of approved projects on the reserve list as a result of lack of resources.
- **Generally low payment ratios:** The payment ratio is 21% on average, showing that only one fifth of the contracted grants have already received payment (advance payment or reimbursement) up till the cut-off date. The only exceptions are Operation 4.1 and 4.2 (Local development) with time-proportionally high (50% and 38% respectively) figures; and Operation 1.1 (Urban development) with a moderate (25%) value.

On the whole the above-mentioned negative factors do not put the implementation of the whole OPRD at significant risk.

3.4 Project portfolio

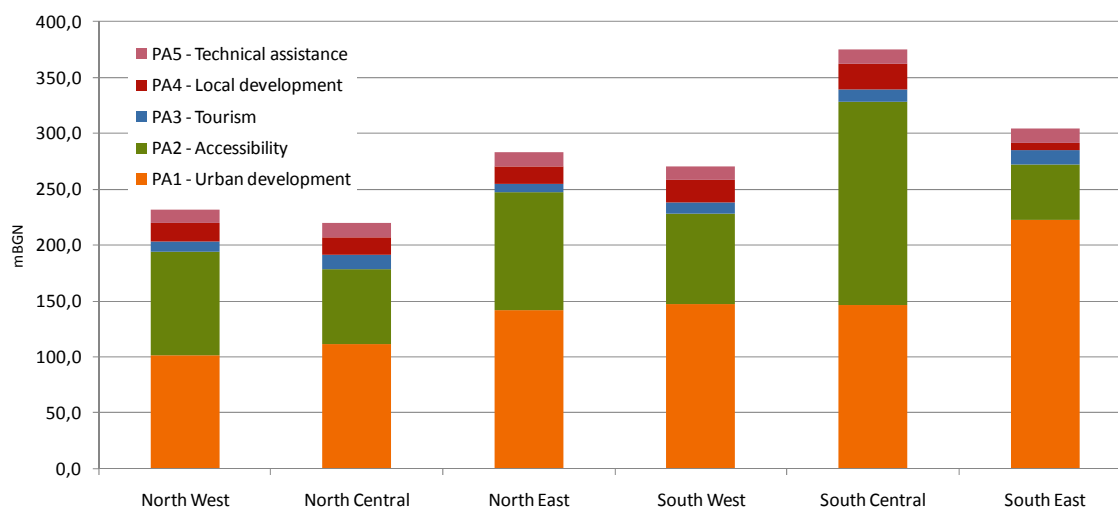
For the assessment of the project portfolio resulting from the application process the Consultant reviewed two main aspects, i.e. the territorial and the organisational distribution of contracted grants.

3.4.1 Territorial distribution of contracted grants

3.4.1.1 Regional split of contracted grants by PA

The regional split set out in **Figure 13** demonstrates that the South Central and South East Regions are leading the ranks in terms of contracted grant amount, and the Northern (i.e. North Central and North West Regions) and the South West Regions have slightly weaker results. The South Central Region could reach a high contracted grant amount in the Accessibility PA, while the South East Region was outstanding in Urban development PA.

Figure 13 - Regional split of contracted grants by Priority Axis (mBGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

The distribution of contracted grants by territorial categories as described by the OPRD (i.e. Sofia, the 6 big cities – growth poles, the 29 centers of agglomeration areas, the rest of the municipalities within the selected 86 and the 178 small municipalities) shows the following picture [ref: **Table 10**].

Table 10 – Distribution of contracted grant by territorial category

Territorial category	#	Contracted grants (mBGN)	Share of total (%)	Population (million capita)	Contracted grant per capita (mBGN)
Sofia	1	87,9	7%	1,25	70
Big cities	6	302,8	23%	1,36	222
Centers of agglomeration areas	29	525,9	40%	1,96	269
Other selected municipalities	50	310,6	23%	1,25	249
Small municipalities	178	94,7	7%	1,75	54
Total	264	1 322	100%	7,56	175

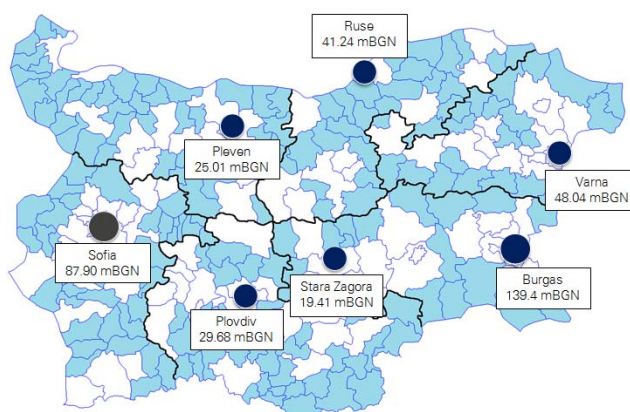
Source: KPMG (based on UMIS dataset, 31.12.2010 and population data from the National Statistics Institute)

According to **Table 10**, the current preliminary results of implementation are generally in line with the considerations set in the OPRD.

Figure 14 - Contracted grants in growth poles (mBGN)

A general approach of the OPRD is that dynamic major cities could act as regional drivers of the economy. Focus of the measures should be placed on enhancing the capacity of the major cities, which would affect the whole region, providing further growth. Thus, growth poles should be including the major cities, the regional centers.

Difficulties might arise due to lack of certain description of growth poles and strategic policy decision or strategy, supporting the development of such cities. At present, the legislation and the National Statistical Institute does not provide a legal definition for growth poles. The OPRD follows an approach covering the capital and the six biggest cities (Burgas, Plevan, Plovdiv, Ruse, Stara Zagora and Varna).



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 14 shows the territorial distribution of the capital and the six cities, with the amount of contracted grants. Sofia and Burgas are the only cities with more than 50mBGN grants contracted (87.90, respectively 139.40 mBGN). In case of the other five cities the amount of contracted grants was less than 50 mBGN.

Less than one quarter (23%) of the contracted amount is located in the six big cities. In Burgas progress was outstanding, attracting more than 10% of the total contracted budget; while the other five cities could only achieve less than 4% each. Even smaller cities, as for instance Smolyan (95.04 mBGN) or Lovech (56.88 mBGN) could attract a higher amount of contracted grants. Based on these figures it seems that the capital and the six growth pole cities could not allocate much of the OPRD funds despite the expectations.

Based on the current performance level and an estimate on forecast, the overall concept of supporting growth poles in Bulgaria needs to be reconsidered. In order to achieve a higher absorption it would be beneficial to widen the range of the focus, or to rethink this approach or the means of application of growth poles concept.

3.4.1.2 Regional split compared to GDP and population

Comparing the regional distribution of contracted grants to standard reference values reflecting the relative status of development of a region (GDP) and population, the picture is complex [ref: **Figure 15**, **Figure 16**, **Figure 17** and **Figure 18**]:

- The 2007 GDP value compared to the total contracted grants by region shows that the EU funding received constitutes around 3.0% of the 2007 GDP. There are outstanding values for the North West Region, with 5% (highest value), and the South West Region, with 1.1% (lowest value).
- The population related figures (i.e. contracted grant per capita) are in a range between 270 BGN/capita (South East and North East Regions) to 95 BGN/capita (South West Region).
- The distribution of the grants among regions is close to flat, so the amount of the population and GDP does not define the distribution of the grants between regions. The lower performance of the South West Region [ref: **Figure 17** and **Figure 18**] can be explained with the flat distribution of the grants.

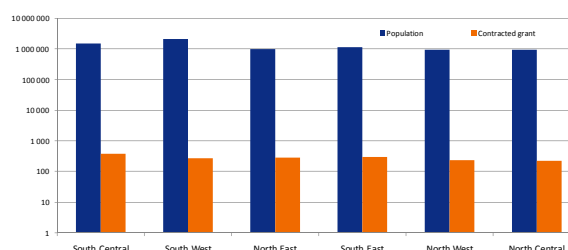
Regional split of contracted grants by relevant reference figures (population, GDP)

Figure 15 - Contracted grant and GDP (2007) by region (BGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 16 - Contracted grant and population by region (BGN, capita)



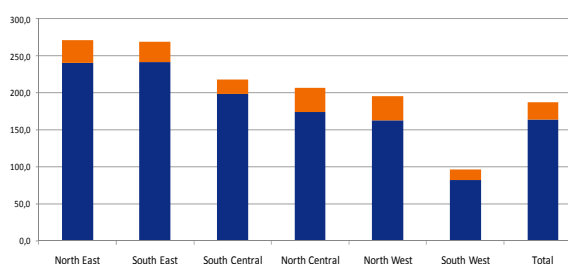
Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 17 - Contracted grant (2007-31.12.2010, BGN) / GDP (2007) by region (% of 2007 GDP, BGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 18 - Contracted grant / capita by region (BGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

3.4.1.3 Territorial distribution of grants by municipality

There have been 187 municipalities up till the cut of date of 31.12.2010 with a contract to receive OPRD financing to their projects. The total sum of contracted grants channelled to Bulgaria amounts to 1 684 mBGN.

The first three municipalities in contracted grants were Burgas (139.4 mBGN, which is 8.28% of the total), Smolyan (95 mBGN, 5.64%) and Sofia (87.9 mBGN, 5.22%), with almost 20% of the sum of the whole contracted grants. Only 7 of 86 municipalities, falling in the scope of agglomeration areas, did not have contracted grants. (Bozhuriste, Dobrich-rural, Kameno, Kystendil, Sadovo, Septemvri and Stamboliyski) [ref: **Figure 19**].

Figure 19 - Distribution of agglomeration areas according to OPRD financing

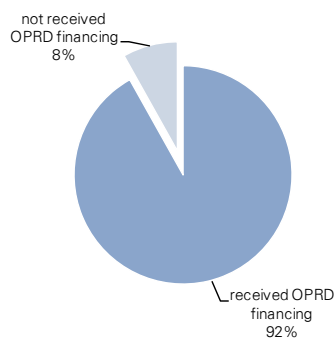
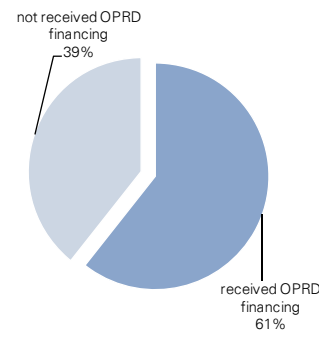


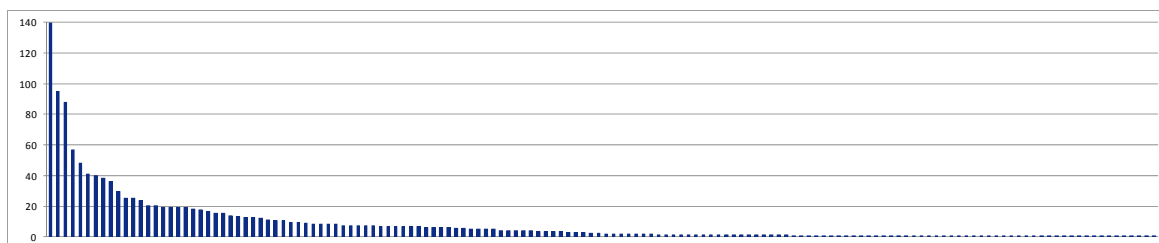
Figure 20 - Distribution of non - agglomeration areas according to OPRD financing



Source: KPMG (based on UMIS dataset, 31.12.2010)

178 municipalities could only apply for contribution for projects under Priority axis 4, operation 4.1, but still 108 municipalities could receive OPRD financing, however with a lower average amount of contracted grant [ref: **Figure 20**]. The information above is summarised in **Table 11**. **Figure 21** shows the distribution of contracted grants by municipalities in descending order.

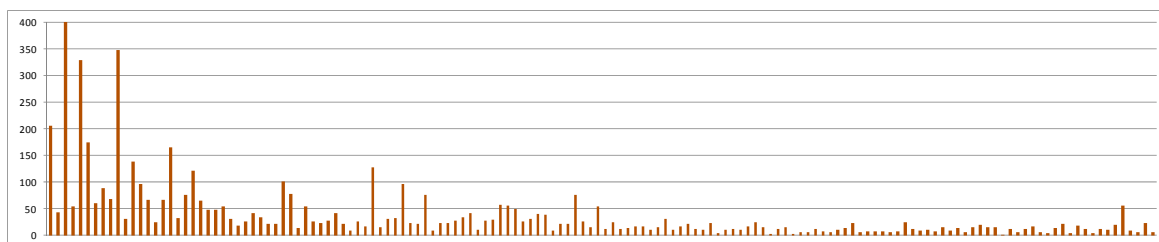
Figure 21 - Territorial split of contracted grants by municipality (mBGN)



Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 22 shows the distribution of population in the same order of municipalities as in **Table 213**. These Figures show that the largest municipalities (population) lead the ranks of contracted grant amount as well, with a more moderate distribution than in **Figure 21**. For the Table listing the municipalities by population and contracted grants please refer to **Table 53. Annex 8.1**.

Figure 22 - Popularity by municipality (thousand capita) – same order as Figure 22.



Source: Bulgarian National Statistics Institute

Table 11 summarises the information deriving from **Figure 21** by showing the number of municipalities and the corresponding total grant size by all those municipalities, broken down into relevant categories of contracted grant volume. **Table 11** shows that agglomeration area received 93% of the contracted grants while municipalities in the non-agglomeration area were less intensely supported (7% of contracted grants).

Table 11 - Categorisation of contracted grant by municipalities

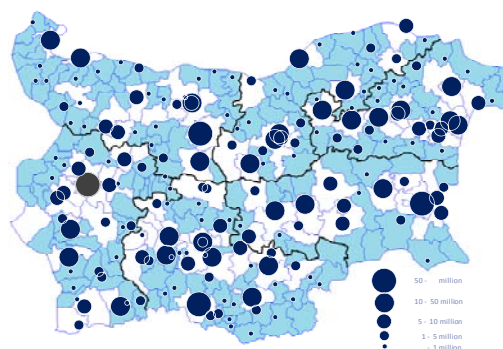
Category	Total		Agglomeration area		Non-agglomeration area	
	Municipalities (No.)	Contracted grant (mBGN)	Municipalities (No.)	Contracted grant (mBGN)	Municipalities (No.)	Contracted grant (mBGN)
25+ mBGN	12	663.1	12	663.1	0	0
25-15 mBGN	12	224.8	12	224.8	0	0
15-10 mBGN	8	96.7	8	96.7	0	0
10-5 mBGN	27	189.6	27	189.6	0	0
0-5 mBGN	128	147.8	20	53.1	108	94.7
OPRD Total	187	1 322²	79	1 227.3	108	94.7

Source: KPMG (based on UMIS dataset, 31.12.2010)

The PA level breakdown of the territorial distribution [ref: **Figure 23** and **Figure 24.**] shows different orientations:

- **PA1 – Urban development:** Projects show a rather even distribution.
- **PA2 – Accessibility:** The share of regions is fairly balanced. (Contracted projects: SCR - 14, SER - 6, SWR - 10, NCR - 8, NER - 14, NWR - 8)
- **PA3 – Tourism:** Few projects have been started, and most of them are not linked directly to a municipality, having an effect on the whole country.
- **PA4 – Local development:** Very balanced distribution of small-size projects across the country.
- **PA5 – TA:** Technical Assistance is used by organisations of the management and implementation system of the OPRD. Therefore, the location of the implementation cannot be linked directly to a municipality. Please note that for PA5 there is no map attached.

Figure 23 - Territorial distribution of contracted grant (mBGN)

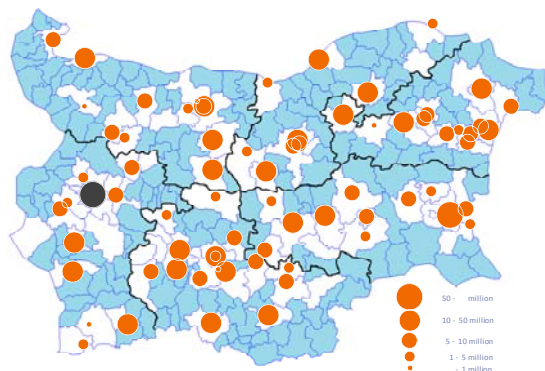


Source: KPMG (based on UMIS dataset, 31.12.2010)

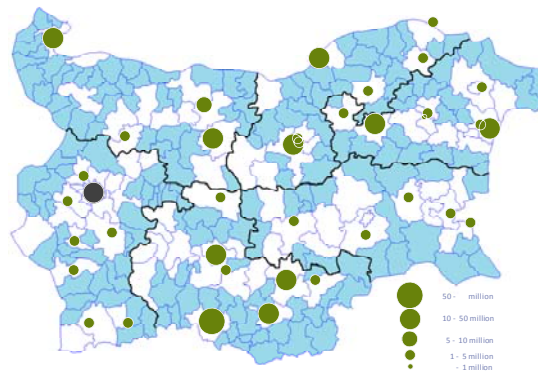
² The contracted grant does not contain all grants, as projects, whose location of the implementation cannot be directly assigned to a municipality, are excluded.

Figure 24 - Regional split of contracted grants by Priority Axis

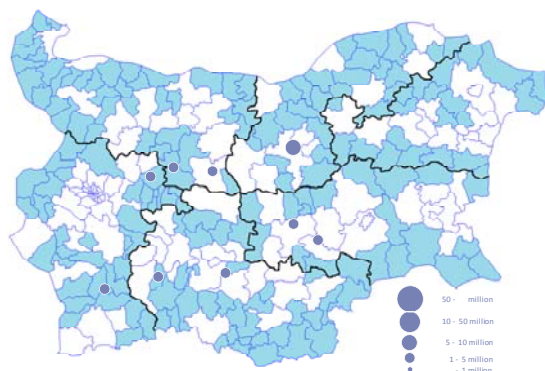
PA1 – Urban development



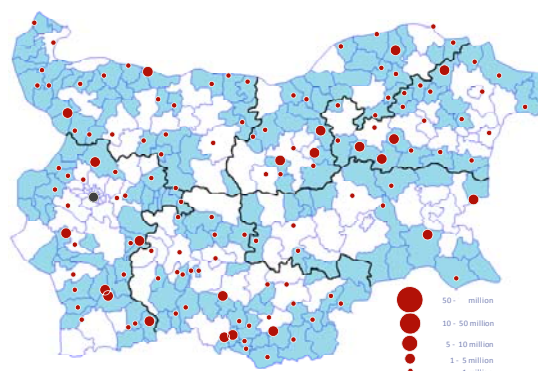
PA2 - Accessibility



PA3 – Tourism



PA4 – Local development



Source: KPMG (based on UMIS dataset, 31.12.2010)

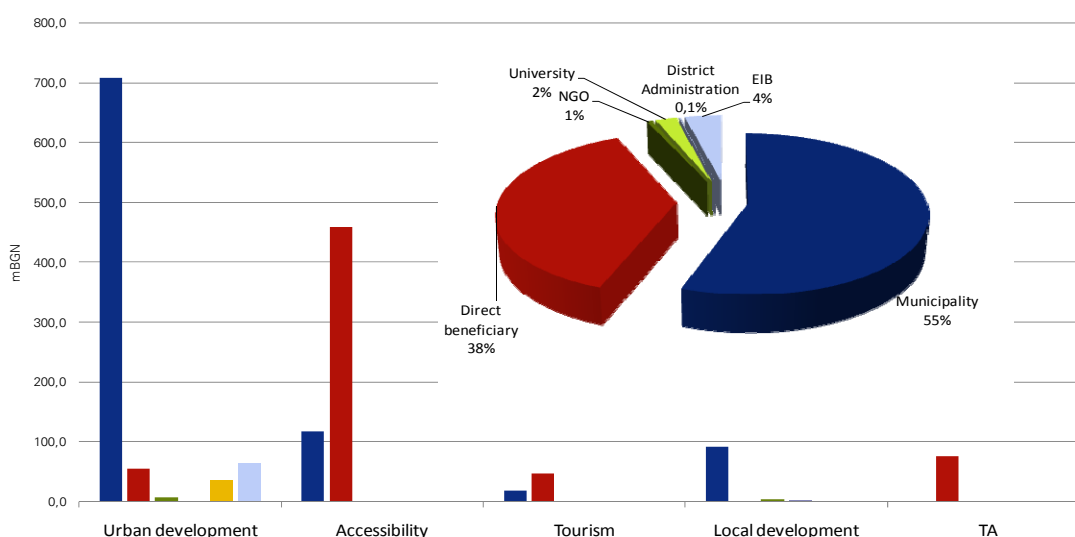
3.4.2 Beneficiary split of contracted grants

In the OPRD there are six major groups of beneficiaries:

- Municipalities
- Direct beneficiaries
- NGOs
- Universities
- District administrations
- European Investment Bank (EIB)

Figure 25 sets out the split of contracted grants among these six major types of beneficiaries (see pie chart), and their share of funding within each Priority Axis (block chart).

Figure 25 - Beneficiary split of contracted grants by Priority Axis (mBGN)



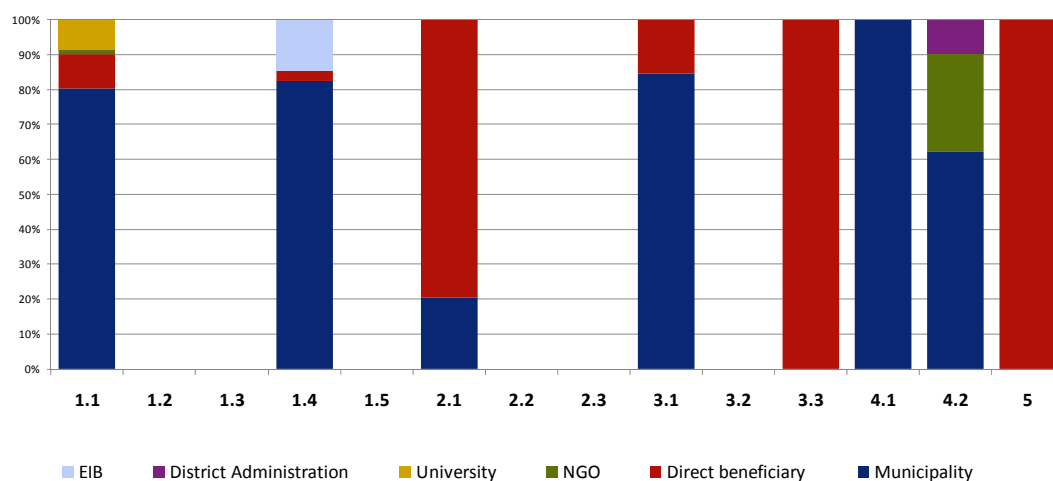
Source: KPMG (based on UMIS dataset, 31.12.2010)

Based on **Figure 25**, clear linkages can be identified in between operations and type of beneficiaries in accordance with the consideration of the grant schemes and corresponding calls, e.g.:

- **PA1 – Urban development:** supports mainly municipalities, with some universities, district administrations, some direct beneficiaries (e.g. Ministry of Interior, Ministry of Culture) and also the project with the European Investment Bank can be found under PA1
- **PA2 – Accessibility:** the National Road Agency (direct beneficiary) is taking the lead, though municipalities have a fair share of the contracted grants
- **PA3 – Tourism:** the low volume of contracted fund is linked to direct beneficiaries and municipalities
- **PA4 – Local development:** the PA mainly supports municipalities
- **PA5 – TA:** contracted grant was only provided through direct beneficiaries (MRDPW)

Figure 26 breaks down the distribution to operation level, also reinforcing and further detailing the above finding on the relations between PAs and type of beneficiaries.

Figure 26 - Beneficiary split of contracted grants by operation (mBGN)



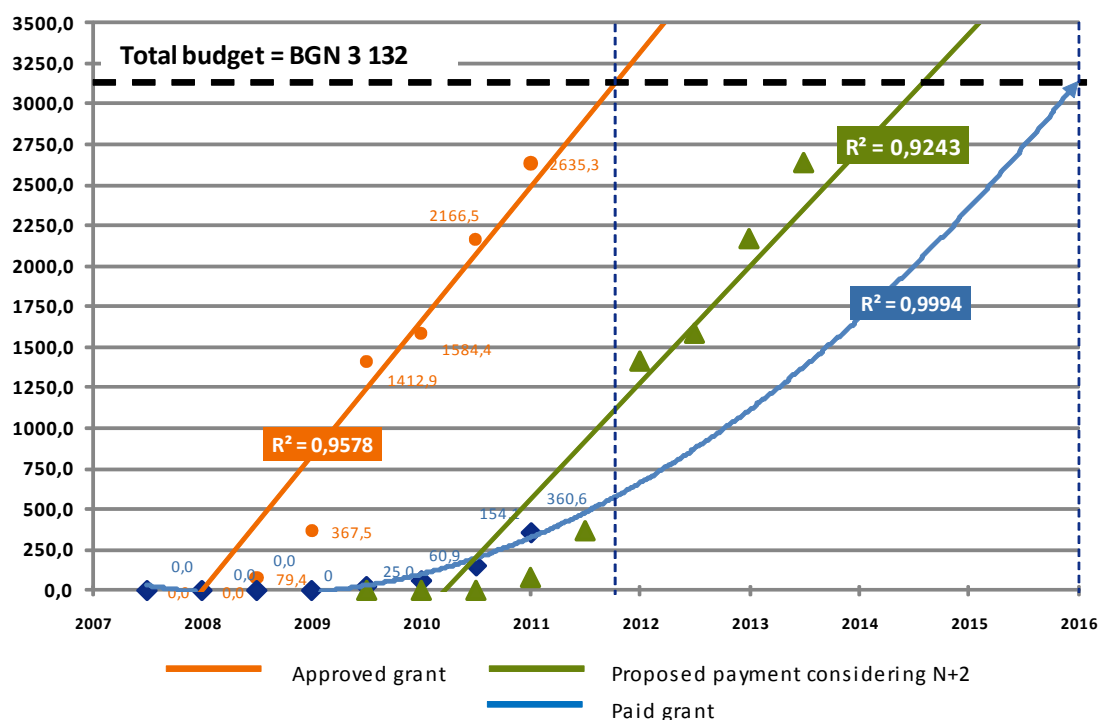
Source: KPMG (based on UMIS dataset, 31.12.2010)

3.5 Prognosis

The purpose of this prognosis is to assess the likely progress of the OPRD within the timeframe limited by the programming period (i.e. 2007-13) and the period available for the implementation of the projects, i.e. 2007-15, also considering the N+2/N+3 rule).

The prognosis aims to provide a view that is easy to capture, using extrapolation of the historic trends of implementation period up till the cut-off date of 31.12.2010.

Figure 27 - Prognosis for the approved and paid figures (considering the N+2 rule)



Source: KPMG (based on UMIS dataset, 31.12.2010)

The prognosis was conducted using a realistic estimate aiming to minimize the difference or the square of the differences in between status points. The prognosis uses linear and polynomial curves for setting trends, the latter one considering additional effects like the learning curve or the decreasing trend of the amount of funds available. This curve was used for the prognosis of approved and paid grant amount [ref: **Figure 27**] in order to consider the N+2/N+3 rule.

For this calculation the Consultant used a realistic approach of considering the average of 2.5 years spent in between the approval of the grant and its payment. This approach assumes that given the high number of beneficiaries, periods in between approval and payment have to be close to the average maximum length of the period set in the respective regulation (i.e. 2.5 years as the range varies from the maximum of 2 years to a maximum of three years). Please also note that this rule is rather informational at present, due to the temporary suspension of its application as a result of the EC reaction to financial crisis.

The message of the prognosis is twofold:

- **Approved grants** are likely (realistic prognosis) to be spent by the end of 2011. This is definitely advantageous from the point of view of potential early absorption of grants, but on the other hand might limit the room of action for scheduling payments.
- **Paid grants** definitely need assistance, as there is only a little chance to gain the impetus required to comply with the N+2 regulation, i.e. the green trend line, and the deadline of 31.12.2015. From mid-2010 on, there is an increasing trade-off between the green and blue trend lines, requiring attention. The management of a change from one trend to the other would clearly require prompt intervention.

3.6 Other progress related issues

According to the ToR and the TO, there are further and minor evaluation questions, which the Consultant is expected to answer in the evaluation report in connection with the topic of progress. Please find below the comments to those evaluation questions not covered in the previous section. They stand separately or along with their references pointing to other sections of the current report.

3.6.1 Real progress of projects

As per the cut-off date of the current report (i.e. 31.12.2010) there are 81 completed projects, while another 403 are under implementation. This data set does not allow a systematic overview of projects in the post-contractual phase. The Consultant will draw his conclusions based on the small number of projects.

3.6.2 Results and progress towards OPRD objectives

Status of indicator values

The information on achieved indicator values was estimated on the basis of completed projects. Therefore, for a large part of the indicators no achieved values are indicated.

Having assessed the 58 operation level indicators 26 – 14 output and 9 result and 3 impact – indicator values have been measured. [ref: **Table 13**]. In case of 1 indicator value, the result is not measurable yet. For about one third of the indicators, values are not available since related projects have not been completed yet. In case of 8 indicators, values were not achieved as implementation of the corresponding activities has not started yet. [ref: **Table 12**].

Table 12 - Status of operation level indicator values

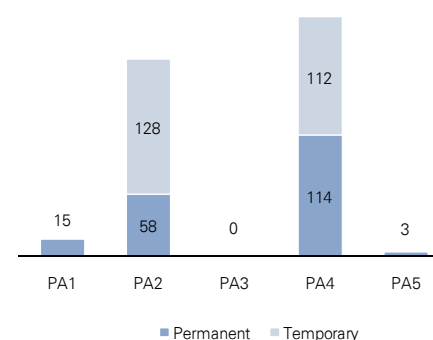
Legend	Explanation of status	Pcs
✓	Indicator values available	26
✎	Result/impact is not measurable yet	1
📁	No projects have been completed yet.	19
☒	Implementation of activities not started	8
⚠	No information, not applicable	4
Total		58

Source: Annual Report 2009, MA and KPMG

Regarding the impact indicator “Jobs created” 430 jobs (out of which 190 permanent and 240 temporary) have been created until the cut-off date. Most (226) jobs were created under Priority Axis 4, while 186 workplaces were established as a consequence of projects implemented under PA2. Although no target values exist for the number of jobs to be created, so far, the impact of OPRD in stimulating the creation of jobs is negligible.

As for the operation level indicators the most indicator values are available for Priority Axis 1. The achieved values (as of 31.12. 2010) for culture facilities improved energy savings from refurbished buildings and projects improving the physical environment do not reach the set interim values for 2009. They only constitute 3-6% of the set interim targets. The number of students benefiting from improved educational infrastructure and educational facilities improved exceeds the set interim values (138% and 145%, respectively) showing a satisfactory progress. The number of population benefiting from refurbished buildings (except for educational and healthcare institutions) reaches 20% of the interim target values (100,000). There are no achieved indicator values for health facilities improved, although by 2009 more than 20% of the health facility improvements should have been completed. There are also no values available for social services facilities improved and integrated urban plans elaborated. According to the OPRD about 40% of the social services facilities should have been improved and 20% of the urban plans should have been elaborated until

Figure 28 - Achieved values for the Programme level indicator jobs created as of 31.12.2010



Source: MA

the interim period. No indicator based progress can be recorded regarding renovated multi-family buildings and social housing.

As for Priority Axis 2 road projects are also lagging behind taking into account the achievement of interim target values. Regarding the value km of reconstructed roads only 23% of the preset interim target could be achieved. There are no completed projects recorded regarding ICT and gas in spite of the fact that for the interim period 30 projects (including road projects) should have been completed.

As for Priority Axis 3 no achieved indicator values are provided, rendering the analysis of indicator based progress difficult. No projects for tourism development have been completed so far which is a significant lagging behind even taking into account the interim target values (36). According to the OPRD until 2009 about 25% of the projects for tourism development should have been completed.

Taking into consideration the interim target values about 60% of the planned small scale investment projects and the interregional cooperation projects have been implemented so far within the scope of Priority Axis 4. The number of innovative practices transferred and adopted based on interregional cooperation has achieved more than 80% of the interim target values while the number of population benefiting from small scale investments has already exceeded target values for 2015.

As regards Technical Assistance related indicators number of trained people from MA and beneficiaries has almost achieved the set targets for 2015, while the number of information and publicity activities has already exceeded the 2015 targets. Technical support and consultancy mandays are significantly lagging behind even the set interim targets (reaching 7% of the set interim values) [ref:Table 13].

With the exception of education facilities improved and respectively the number of students benefiting from improved educational infrastructure it is doubtful whether the preset target values can be achieved for Priority Axis 1. As for Priority Axis 2 only two indicators show the expected progress (value for time savings in EUR/year stemming from reconstructed roads for passengers and freight and Increase passengers and freight traffic on the rehabilitated roads). Otherwise it is very unlikely that preset target values will be achieved, similarly as in case of Priority Axis 3 where no indicator values are provided at all. As for Priority Axis 4 except for the value population benefiting from small scale investments, no other indicator values are expected to be achieved. In respect of achieving indicator values Priority Axis 5 is best performing as except for the indicator Technical support and consultancies and the level of general public awareness about the OPRD all the indicator values show good progress (or even exceeded the set target values for 2015).

Table 13 - Achieved indicator values as of 31.12.2010

	Indicator	Unit	Baseline value (2005-2006)	Interim target value (2009)	Target value (2015)	Achievement (31.12.2010)
1.1	Education facilities improved	Number	0	20	45	29
	Culture facilities improved	Number	0	35	90	2
	Energy saving from refurbished buildings	MWh	n.a.	44 400	189 000	1,949
	Students benefiting from improved educational infrastructure	Number	n.a.	6 300	10 000	8,724
	Population benefiting from refurbished buildings (except educational and healthcare institutions)	Number	n.a.	100 000	230 000	18,165
1.4	Projects improving the physical environment, attractiveness of the towns and risk prevention	Number	0	80	200	2
1.5	Reduction of greenhouse emissions (CO2 and equivalents, kt)	kt	n.a.	21	56	0.721
2.1	Number of projects	Number	n.a.	30	70	13
	km of reconstructed roads	km	n.a.	500	1300	113.54
	Value for time savings in Euro / year stemming from reconstructed roads for passengers and freight	Euro/year	n.a.	46 000	208 000	294,335

	Indicator	Unit	Baseline value (2005-2006)	Interim target value (2009)	Target value (2015)	Achievement (31.12.2010)
	Increase passengers and freight traffic on the rehabilitated roads (based on year 2006)	%	n.a.	10	27	17.57
2.3	Reduction greenhouse emissions (CO2 and equivalents, kt)	kt	n.a.	4	39	20%
4.1	Small scale investment projects implemented	number	0	60	250	36
	Population benefiting from small scale investments	number	0	75 000	166 000	293,901
	Energy savings from refurbished buildings	MWh	n.a.	n.a.	n.a.	587,582
4.2	Interregional cooperation projects (number)	number	0	15	40	9
	Trainings and seminars related to environment	number	0	n.a.	n.a.	5
	Innovative practices transferred and adopted based on interregional cooperation	number	0	30	80	25
5.1	Technical support, consultancies, etc.	mandays	1 500	5500	15 500	360
	Number of trained people from MA	number	600	1500	4 500	4 ,442
	Evaluations undertaken	number	0	3	10	3
	Number of Monitoring committee meetings	number	0	6	14	6
5.2	Information and publicity activities undertaken according to Communication Plan (number)	number	6	20	60	7
	Level of general public awareness about the OPRD	%	n.a.	15%	40%	10%**
5.3	Technical support, consultancies, etc.	mandays	1 500	5 500	15 500	360
	Number of trained people from beneficiaries	number	600	1500	4 500	4 4,42

* Reported value of number 533 provided by the MA is in numbers instead of %

**Value at 31.12. 2008

Please note

Source: MA

3.6.3 Probability of achieving impact related objectives

In order to be able to answer the impact related evaluation question (EQ31) within progress, a time-proportional achievement of the impact indicators should be used as a basis for the assessment. However, only one impact indicator from one completed project has been measured so far. This might have several reasons: there are only a few (81 pieces) of projects completed so far. This is a very small sample to use as a basis for drawing conclusions. What is more, most of the indicators require one or even more years to pass before the impact indicator can be measured.

As a result, there is no factual foundation for assessing the probability of achieving impact related objectives. Based on the opinion based information collected (i.e. interviews, beneficiary questionnaire, workshops) there is a positive attitude towards the attainment of expected impacts which is partially underpinned by the fact that the OP is progressing well, thus eliminating a few risk of achieving impacts, e.g. beneficiary needs, absorption capacity, timing.

3.6.4 *Financial weight of priorities*

The split of the original total budget allocation by Priority Axis shows that the majority of the funds are allocated to Urban Development (PA1) and Accessibility (PA2), while Tourism (PA3), Local development (PA4) and Technical Assistance (PA5) have much lower values, 12%, 6% and 3% of the total. After re-allocation of the funds there are slight changes in the split. Basically, Urban development gained 2% of the total funds while Tourism lost the same amount [ref: **Figure 6**].

Based on the fundamental progress figures [ref: **Table 9**] it seems that the initial financial allocation was generally suitable, i.e. with both the needs and development capacity of the potential beneficiaries and the policy objectives were in line. During the course of the implementation and as a result of the modification of PA level budgets, the financial allocations kept up with the altered policy objectives.

The progress figures [ref: **Table 9**] show that the internal share among the PAs are generally adequate, while the amount of the OP level budget could still increase to keep up with the demand (especially in PA1 – Urban development).

4 FINDINGS OF THE EVALUATION

4.1 Introduction

This section contains the main findings of the assessment conducted by the Consultant. The text is broken down into relevant Evaluation Themes, as introduced in the Inception Report and approved by the MA. All Evaluation Themes belong to one of the Activities of the evaluation structure [ref: **Figure 3** and **Table 3**], i.e. relevance, implementation and environment impact assessment.

The description of findings by Evaluation Themes follows a similar pattern. The background broadly describes the situation, while the analysis covers the activities conducted by the Consultant and also summarizes the findings of the assessment. Please note that conclusions derived as a result of the evaluation can be found in **Section 5** –conclusions.

4.2 Relevance

4.2.1 Previous evaluations

4.2.1.1 Background

Two previous evaluations were performed in relation to the programming and implementation of the OPRD:

- **Ex-ante evaluation of the OPRD** performed before the official approval of the OPRD - The final report from the evaluation was issued on 24 February 2007 and has included thirty nine recommendations.
- **Review of the first opened grant schemes** under OPRD performed in 2009. The Final Report was issued in January 2010. The evaluation was financed under the OPRD and was requested by the Managing Authority in order to assess the first opened fourteen grant schemes and to identify well in advance any weaknesses in the implementation of the programme. The Final Report under the performed evaluation includes eighty seven recommendations.

4.2.1.2 Analysis

The Consultant analysed the implementation of the recommendations provided under the ex-ante evaluation of OPRD and recommendations under the project for "Review of the first opened grant schemes". The implementation of every single recommendation was checked for evidence. In addition, the Consultant has performed interviews with the head of the Programming and Evaluation department at the MA in order to further clarify some of the outstanding issues.

The Consultant's analysis is based on the document review of:

- Ex-ante evaluation of the OPRD
- Review of the first opened schemes under OPRD 2007-2013

The Consultant's comments and the status of implementation of the relevant recommendations are presented in **Annex 8.12**.

Summary of the progress and the fulfilment of the recommendations are listed in **Table 14**.

Table 14 - Considerations of the recommendations of previous evaluation

Performed Evaluation	Findings/ Recommendations	Addressed	Partially Addressed	Not relevant	Not addressed	Not accepted by the MA	Recommendations for which the Consultant could not provide evidence based opinion
Ex Ante Evaluation of OPRD	39	27	4	6	2	-	-
Review of the First opened grant schemes	87	50	Partially (4), In progress (4)	5	-	17	9

Source: KPMG

Based on the review and the analysis performed, the Consultant considers the following:

- The Managing Authority is providing a justified opinion for the recommendations that were not accepted. In most of the cases the recommendations are not addressed as there is no proof for value added or they already exist as control, procedure or are addressed in a different way.
- There were no major changes as a result of the previous evaluations introduced in the programme.
- Although the Managing Authority is referring under point 4.5. Summary findings of ex-ante evaluation of the OPRD to the elaboration of the Programme Complement to further refine project pipe-line activities and to establish the necessary evaluation criteria, grant and procurement and monitoring manuals to facilitate the identification, assessment, implementation and management of value-for-money projects, the Programme Complement was not elaborated. The documents and procedures were integrated in the Manual for management and implementation of OPRD and the Guidelines to applicants under the specific schemes.
- The “Review of the first opened grant schemes under OPRD 2007-2013” used different methodological approach for the evaluation of the grant schemes. It is focusing on operational level issues, therefore the Consultant found it difficult to use the information provided in the report when assessing the Programme in terms of programming and implementation level issues. The review nevertheless, has been useful as background information for performing the analysis under the present project.
- There are still nine recommendations that were accepted by the Managing Authority, for which the Consultant did not find evidence of being addressed, or found such of being partially addressed. The recommendations are considered minor with the exception of the following:

Recommendations	Response of the MA
<p>Rec. 16 from the Review of First Opened Grant Schemes:</p> <p>Revision of the criteria for technical and financial evaluation is required aiming at reflecting the specifics of the particular scheme and for the purposes of objectivity of assessment, which can be performed using more quantifiable criteria.</p>	<p>The recommendation will be taken into consideration in the design of the subsequent grant schemes, published since the beginning of 2010.</p> <p>No change/actions are required.</p>

Source: Summary Report: Review of the First Opened Grant Schemes

For the above recommendation the Consultant considers that some of the schemes which were launched in 2010 aimed at providing evaluation criteria that were to a greater extent adapted to the specificity of the call For instance, 2010 grant schemes (4.1-03/2010, 1.1-09/2010) related to energy efficiency measures explicitly refer to the expected result from the energy audit and the implementation of renewable energy sources measures as part of the technical criterion ‘Overall effect from the project’s implementation’.

A new approach as regards evaluation of direct beneficiaries’ applications is also to be noted. This is evident from the calls related to elaboration of urban development plans (1.4-07/2010) and sustainable urban transport

systems (1.5-01/2010). The technical and financial criteria are specifically designed to better address the objectives of the calls. The evaluation methodology itself fully reflects the type of the selection procedure (direct award), providing a simple 'yes/no' system of approval of the project proposal.

Still, the above approach does not seem to have been consistently introduced in all 2010 grant schemes, as under PA 3 there are direct award interventions which deploy the 'old' evaluation methodology with unquantifiable technical and financial criteria applied to a number of projects of the same beneficiary (e.g. 3.2-01/2010).

4.2.2 SWOT analysis

4.2.2.1 Background

During time of programming, the external socio-economic environment was marked by sustainable growth and stability. The main situation at the time being can be described as follows:

- the average GDP growth over the period 2000-2006 reached 5.4 %;
- for the period 2000 – 2006, gross investments have increased more than three times reaching 6.2 bn EUR;
- there has been a constant tendency of population decrease - decreasing number of the population and worsening of the age structure;
- after 2000, the unemployment level has gradually decreased and in 2006 the unemployment rate stood at 9.1 % and is close to EU-25 average rate (7.9 % for 2006);
- relatively low regional disparities as compared to the other EU Member States;

The OPRD was programmed to propose a set of integrated measures designed to contribute to achieving the long-term development goals of the country by also incorporating the territorial factors of growth. Some of the suggested operations were supposed to be implemented in partnership and coordination with different sectoral policies, while others were objects only of regional policy. There are a number of policies defined both at Community and national level, which are largely taken into account in the design of OPRD. The original SWOT analysis can be found in **Table 56, Annex 8.3**.

4.2.2.2 Analysis

4.2.2.2.1 Changes in the external environment

The current status of OPRD marked a significant change in terms of socio-economic situation. The expected growth and stability did not occur due to change of the world macroeconomic environment. The global crisis reflected on the macroeconomic indices of the NSRF and OPRD outlined a decline in the figures. Some figures are provided in the table below:

Table 15 - Main macroeconomic indicators

Indices	Baseline value	Target value	Achieved value	Difference (targeted/achieved)
National Strategic Reference Framework				
GDP growth (annual average)	5% (2000-2006)	5.73% (2007-2013)	-4.9% (2009) -1.4% (Q2 2010)	-185% (2009) -124% (Q2 2010)
Exports/GDP	60.8% (2005)	89.77% (2013)	47.83% (2009) 57.43% (Q2 2010)	-46.71% (2009) -36.03% (Q2 2010)
Unemployment level	10.1% (2005)	7% (2013)	9.1% (2009) 9.3% (Q2 2010)	+29.99% (2009) +32.86% (Q2 2010)
Economic activity level – 15-64 years of age.	62.1% (2005)	68.5% (2013)	53% (2009)	-22.63% (2009)
Foreign direct investment	EUR 3.2 billion (2005)	EUR 21.7 billion	EUR 3.281 bn (2009) EUR 0.825 bn (Q3)	-84.88% (2009)

Indices	Baseline value	Target value	Achieved value	Difference (targeted/achieved)
			2010)	- 96.20% (Q2 2010)
OP "Regional Development"				
Reduction of greenhouse emission(CO2 and equivalent, kt)	n.a.	21 (2009) 56 (2013)	4 (2008)	-80.95% (2008)
Bed occupancy rate (tourism sector)	35% (2005-2006)	39% (2009)	15.11% (2009)	-61.26% (2009)

Source: NSRF, OPRD, NSI, BNB

The changes in the government following the national and local elections brought about some amendments in the general sector policies related to OPRD (namely the health strategy, related to the implementation of operation 1.1., PA1), but they have not influenced the programme significantly.

Amendments taken from the beginning of the OP implementation

A number of amendments took place during the first three years of programme implementation. While some of them are focused on purely technical and financial reallocations among the operations and priorities, few of them were related to the main objectives of OPRD and therefore the SWOT:

- Defining 36 municipalities – centres of the agglomeration areas – as direct beneficiaries under operation 1.4. "Improving physical environment and risk prevention" (new numbering of operation 1.3.).

The amendment followed EU territorial agenda recognizing the importance of cities as engine for growth and employment. Integrated urban development plans were identified as bases for planning and utilizing investments in sustainable urban development in the next programming period. According to OPRD justification, the present situation does not require elaboration of integrated plans for smaller settlements that are not centres of agglomeration areas. Therefore, amendment was introduced only for the 36 agglomeration centres that became direct beneficiaries under OPRD operation.

- closing operations related to development of industrial zones and waste disposal and reallocating their resources to new schemes assisting energy efficiency measures in educational institutions (operation 4.1.)

The amendment was due to the shift in the sectoral policy in the field of business and industrial zones. Following the change in national policy, industrial zones' rehabilitation and construction were considered to be an important part of the newly strategy for attracting investments. A new strategy for development of industrial zones was created where support to industrial sites were supposed to be financed with national funds.

- setting Executive Agency 'Electronic Communications Networks and Information Systems' as direct beneficiary under operation 2.2. "ICT Network".

The amendment was performed due to limited financial resources and the importance of the operation concerning European priorities for ICT development. The operation is going to focus on one activity only, namely – building broadband connections toward and in urban areas – "In this sense, the operation will support the completion of the modernization of telecommunications transmission network, expansion of the local telecommunications network in sparsely populated, economically undeveloped and rural areas of the country (located in the "white" and "gray" area) and future digitization of this network³". The amendment is based on the justification for maximum absorption of the limited financial resources to satisfy the EU policy and necessity for introduction of broadband access to wider possible territories and ensuring homogeneous environment for e-government operation. As a result, all resources previously allocated for municipalities were transferred to state agency.

- adding new activities to operation 1.1. – support for institutions, delivering services to children without parental care and disabled children

EU policy on children without parental control and disabled children states that new modern institutions and services should replace old ones. Following that direction, new activity was added to operation 1.1. focused on reconstruction, rehabilitation or construction of new places for children without parental control or disabled children. It is stated that these will be complementary to soft interventions under the OP "HRD" concentrated in the urban areas.

³ OPRD version October 2010

- amendment in the scope of the gas pipe operation - the support has shifted from addressing the construction of gas connection between Bulgaria and Turkey, to Bulgaria and Greece and, ultimately to Bulgaria and Serbia.

The amendments were driven by the new economic situation, change in the priorities of the country's energy policy. Following gas crisis from 2009, Bulgaria shifted its national energy policy towards development of alternative gas connections including secure pipe connections with neighbouring countries.

All amendments introduced were due to changed external political, social or economic environment. As SWOT analysis is a reflection of the internal and external environment for OP implementation, these new factors should be marked in SWOT as identified during the analysis performed.

The SWOT analysis validation which was performed during the workshop shows slight differences compared to the basic one. **Table 567** in **Annex 8.3** summarizes the validity and relevance of the SWOT findings, as identified during the workshop.

4.2.2.2.2 Analysis results

In summary, the SWOT of OPRD remains valid. In 2010 the socio-economic situation in Bulgaria is characterized by:

- Minor inter-regional disparities in development of the NUTS II planning regions. On the other side, there are still strong rural/urban disparities (demographic profile, education, health, access to basic services/infrastructure) and substantial disparities regarding the development of districts and municipalities within the planning regions and presence of backward areas
- Well-developed big cities in socio-economic aspect that could act as engines for economic growth
- Well distributed cities throughout the territory of the country
- Agglomeration areas are the backbone of the economic development of all regions
- Strong potential for tourism to act as one of the leading sectors of the country.

The review in relation to the country's weaknesses broadly concurs with the one presented in the OP, with the caveat that there has been a worsening of some of the weaknesses/ threats identified at the outset of the Programme:

- Unsatisfactory technical parameters and bad quality of regional and local roads
- One-sided tourism product mix combined with extreme territorial concentration of tourism development.
- Weak planning and investment capacity especially in the smaller municipalities
- Underdeveloped partnership and cooperation between municipalities, partners and stakeholders in developing and implementing joint projects

Overall and based on the information available there has been little marked change within the period in review. The most notable changes are:

- The administrative capacity for absorption of the EU funds has increased in the municipalities. The experience up to now shows that municipalities have increased their capacity to elaborate and implement projects under Structural Funds. Some problems still exist in terms of implementing issues – application of Public Procurement Law, heavy administrative requirements for reporting, etc., but the overall situation shows progress in strengthening municipal capacity. On the other hand, direct beneficiaries having the same project areas (e.g. municipal schools and public schools) are experiencing more difficulties and the level of their performance is still lagging behind compared to the one of the municipalities
- Strategies were elaborated that took into consideration regional factors. Municipalities and regional authorities have started preparing more focused strategies for regional development. Meanwhile, the national strategic documents began to introduce regional approach in elaborating strategic guidelines and measures
- There is still a lack of gas supply diversification. The planned international projects (South Stream and Nabuko, Burgas- Alexandropolis) are still under negotiation. The lack of alternative and diversified gas supply sources caused a necessity to re-orient some of the resources in order to build on international connections

- Some introduced legislation is affecting the OPRD implementation – e.g. the Condominium Ownership Management Act. Heavy rules on setting up so called “councils on Condominium ownership” and the required approval of all the inhabitants, along with the necessity to register the created organization in order to introduce any measures in the multi residential buildings, put the implementation of the OPRD housing measures under question
- The socio-economic situation in the county has marked a significant change due to the global crisis. This resulted in increasing intra-regional disparities. The lack of sufficient financial sources determined pre-orientation in strategic planning. Therefore the OPRD continues to focus on agglomeration areas as driving force of the local economic development and “growth poles”
- Two elections took place during the evaluation period – local elections in 2008 and national elections in 2009. Following the change in some governmental policies, some amendments in sectoral strategies related to OPRD were introduced (e.g. health policy, industrial zones, etc.). As OP operations should follow SWOT findings, some minor amendments are necessary to be taken into consideration.

4.2.2.2.3 Findings

- SWOT analysis is still valid in almost all aspects
- Topics in the SWOT analysis refer to both baseline and updated socio-economic data
- The strategy and operations of OPRD refer to SWOT topics
- The OPRD priorities and measures continue to be an adequate response to the needs identified in the SWOT
- OPRD result and impact indicators are applicable to the SWOT topics validation. The methodology for monitoring of indicator as defined in the OPRD ensures that impacts are measurable
- The accumulated positive municipal experience in strategic planning, spatial planning, project development and management should be considered as a strength and not an opportunity
- The weak institutional partnership and limited financial and technical capacity of smaller municipalities and other local development actors for absorbing the Structural Funds is an internal gap which should be considered rather a weakness than a threat
- The identified strengths are still valid to a great extent. Some reformulations are necessary in order to address the new socio-economic situation
- Some new strengths are needed to be added due to OPRD development
- The overview of all weaknesses shows that they are still valid; ranking of inconsistencies need few re-arrangements as some of the gaps identified have lost some of its importance (therefore some operations were canceled and changed with new ones ranked higher under the new circumstances);
- Amendments are necessary to be introduced in the SWOT in cases of newly introduced measures and changes in the OPRD;
- Minor changes are needed in the identified opportunities in order to be still valid in the today's socio-economic environment;
- Insignificant updates in the main threats identified are necessary
- The specific objectives and priorities of OPRD continue to be relevant to the inconsistencies and gaps identified by SWOT.

4.2.3 Continuous relevance

4.2.3.1 Background

The analysis shows that during programming phase Bulgaria was going through a period of long-term stability and sustainable growth. The average GDP growth over the period 2005 – 2006 exceeded the EU-25 index (6.4% for Bulgaria compared to 2.2% for EU25). The rapid development of the private sector, investments and export were considered to be the main engines of high economic growth. The statistics indicate that Bulgaria had relatively low regional disparities. For the programming period, FDIs have increased more than three times reaching 6.6 bnEUR. In 2006 investments in comparable prices showed an increase of 17.6 % compared to the previous year or making 23.5% relative share of GDP. The social and economic changes in standard of life led to significant changes in the demographic structure of the population. The main problems are the decreasing number of the population and worsening of the age structure. The main factors for the decrease are the negative birth rate and external migration. The unemployment level has gradually decreased.

The economic crisis in 2009 marked significant change in the macroeconomic situation of the country. The Bulgarian economy is registering another decline for the second quarter of 2010 but it is smaller compared to the one in the first quarter (3.6%) and is in the range of 1%. Household consumption and investments into fixed assets sustained their negative contribution to GDP dynamics, which was partially offset by the increase in inventories, net exports and government consumption. In the second half of 2010 economic growth was expected to start to recover slowly due to the improved international environment, but the preliminary data still show a decline. The firms continued to restructure their expenditure, including labour costs and the expected increase in social insurance fees and pension years will worsen the companies' indicators in the next year. Uncertainty regarding income prospects led to decrease in households savings at the end of the third quarter of 2010 for the first time since 15 months. Business savings are decreasing constantly.

The slowing decline in the economy in the first quarter of 2010 proved by the GDP calculated using the production output based approach is due to the slowing decline in three economic sectors (agriculture, industry, services). The slowing decline of GDP calculated using the expenditure method is due to the continuing growth in the export of goods. Construction has also demonstrated an uptrend since the beginning of the year related to a delay in the decline in monthly production on an annual basis, very rapidly seen in civil engineering construction. Preliminary data on the inflow of foreign direct investment (FDI) are not encouraging - only 253 mEUR or 0.7 % of GDP for the first five months of the year. Overall unemployment rate in Bulgaria is around the level of EU27. From March 2010 to May 2010 it shows a descending trend.

Table 16 describes the variances in the main macroeconomic data in the period 2005 – 2010.

Table 16 - Macroeconomic data 2005-2010

Indexes	2005	2006	2007	2008	2009	Q2 2010
GDP (mBGN)	45 484	51 783	60 185	69 295	68 537	16 875
GDP (average growth rate, %)	6.4	6.5	6.4	6.2	-4.9	-1.4
Export of goods and services (mBGN)	18 438	31 696	35 790	40 342	32 783	9 692
Import of goods and services (mBGN)	25 301	40 803	47 656	54 557	38 213	10 463
Employed (thousand people)	2 177	2 268	2 380	2 467	2 295	–
Unemployment rate (%)	10.7	9.1	6.9	6.3	9.1	9.3
Average month remuneration (BGN)	324	360	431	545	591	640
GDP per capita (BGN)	5 529	6 411	7 379	8 753	8 735	–
Foreign direct investments (mEUR)	3 152.1	6 221.6	9 051.8	6 685.9	3 281.9	604.5
FDI as share of GDP (%)	13.6	23.5	29.4	18.9	9.4	1.7

Source: NSI, BNB and Employment agency.

4.2.3.1.1 PEST analysis

During the SWOT analysis validation workshop some new factors affecting the OPRD strategy were outlined. The methodology used is PEST analysis (political, economic, social and technological factors). The PEST analysis was used in order to describe the framework of macro-environmental factors in the environmental scanning, component of strategic management and to describe the different macro-environmental factors that the MA of the OPRD has to take into consideration. Based on the desk research and the brain storming, the following preliminary new factors could be outlined ref. **Table 17**].

Table 17 - New factors

Factor	Positive	Neutral	Negative
Political	Availability of municipal development plans	National and municipal elections (2006, 2008, 2009), change of the Government Priorities	Problems with application of Public Procurement Act
	Changes in sector strategies (diversification of tourism products)	Change in EU policies – Lisbon Strategy and Europe 2020	Changes in sector strategies (health, industrial zone, gas supply)
	EU membership	Gas crisis from 2009 – change in the governmental strategy as regards industrial zones and gas supply.	Lack of decentralization
		Migration process (from district cities to growth poles)	Lack of coordination mechanism for strategies and policies at central and local level
Economic	New financial instruments available – FLAG Fund; JESSICA		Gas crisis from 2009
	Economic crisis: OPRD acts as the main source for funding municipal development Increased competition in construction industry pushed prices down		Economic crisis: Problems in crediting investment initiatives Budget deficit – lack of financing with national sources <ul style="list-style-type: none"> ▪ FDI decrease ▪ Unemployment ▪ Economic dropdown
			Increase in the intra-regional discrepancies (SW region)
Social	Improved access to public services as a result of project implementation	Migration process (from district cities to growth poles)	Impoverishment of the population
	Stopped pressure to overbuild in costal areas (less environmental damage)		Unemployment
			Low quality of education
			Civil society organizations are not active

Source: KPMG

New factors identified in PEST analysis are related to general socio-economic environment and regional development. As OPRD is directly corresponding to objectives of social and economic cohesion, all changes and new factors in the field are influencing OPRD implementation in one way or another.

The identified new factors are covering many aspects of the external environment of OPRD implementation. The new factors are mainly due to socio-economic changes resulting from global economic crisis and some national change in the environment.

Most of the factors have both positive and negative impacts and the precise effect is difficult to be assessed. E.g. some changes in sectoral policies like decision for national industrial zones support allowed OPRD to reallocate some of its resources to some other more exigent measures, while the still continuing uncertainty in health strategy impeded the implementation of a large scale schemes.

The increased competition between construction companies led to better conditions offered to municipalities – better quality at lower prices.

The inter-regional disparities do not mark significant change, except for the South west region, where the capital is situated. The rest of the regions still continue to perform at a relatively equal level. These levels are also preserved due to some legislation changes – the introduced regional redistribution at NUTS II level, imposed by the requirement of minimum number of population (in 2008 North Western Region was enlarged by adding the districts of Pleven and Lovech, which make possible to be in compliance with EU requirements). Such redistributions allow agglomeration areas and growth poles to be more uniformly distributed throughout the territory, therefore keeping minor inter-regional disparities at NUTS II level.

Due to political changes following the two elections in the period, some amendments in government views and priorities affected OPRD programming strategy and implementation. Health reform programme and mainly the uncertainty of number of hospitals to remain and their functions is one of the factors that could be considered problematic to creation of viable schemes that will have a tangible and visible effect. The reduction in interest rates on deposits will gradually result in lower lending rates.

Despite of the new factors identified during evaluation process and proposed SWOT update, the objectives and priorities of OPRD continue to be relevant to the gaps to be overcome. OPRD general objective is broadly formulated – it is in direct relation to achievement of NSRF aims and objectives of Cohesion policy. Changes in the external political, economic and social environment are influencing the programmes objectives but not in a way, an amendment to be necessary. The targets programmed are still achievable and coherent to inconsistencies and needs identified. Some new factors that require new activities are addressed by the operations introduced in OPRD changes (e.g. gas crisis from 2009 that reflected in need of alternative gas connections required some support in that direction. It was satisfied by the amendment introduced in OPRD operation). The need for more integrated and objective-driven approach in planning and programming investment projects (due to limited financial resources for municipalities) results in introduction of more focused intervention tool in elaboration of urban plans (cities identified as possible driver for regional development were set as direct beneficiaries under the operation).

4.2.3.1.2 Findings

- There are new factors mainly due to socio-economic changes resulting from global economic crisis and some local change in the environment.
- Most of the factors are multi-layered; it is difficult to precisely estimate the clear positive or negative effect of a certain factor.
- Typical negative factors (like crisis in construction business) have positive impact on OPRD implementation.
- The inter-regional disparities do not mark significant change, except for the South west region, which continue to develop faster than other regions.
- Due to political changes governmental priorities shifted which influenced the OPRD strategy. The delayed Health reform caused confusion and problems in implementing some of the OPRD health development strategy to serve as a basis for supporting health sector.
- Industrial zones were considered to be financed under different sources different from OPRD – national budget or other programmes and were cancelled for support under Regional Development.
- The foreign direct investment to GDP ratio on an annual basis continues to decline that is reflected in decreased flow of fresh investments in the regions and is impeding the local business development.
- The downward trend in credit growth was sustained due to the weak economic activity and the great uncertainty which resulted in reduced credit demand and contributed to the tightening of banks' credit standards.
- The new factors identified are covering all aspects of the external environment of OPRD implementation. The needs stemming from these new factors were correctly reflected in the proposals for SWOT update.
- The new operations and amendments in OPRD correspond to the new targets resulted from the factors. The rest of targets which were identified during the programming period continue to be relevant.

4.2.4 Consistency of objectives

4.2.4.1 Background

The evaluation theme can be separated into three sections, the assessment of internal and external consistency of the policy objectives and the demarcation between OPRD and the Rural Development Programme (RDP).

- **Internal consistency of objectives:** Relevant levels of the OP objective hierarchy were assessed through comparison. All relevant objectives levels (OP level, PA level, call level) were summarised into a table allowing easy comparison.
- **External consistency of objectives:** The alignment of relevant external policy and strategy level documentation was compared to the objectives set in the OPRD in order to assess the continuous consistency of the objectives with the current socio-economic environment.
- **Demarcation of OPRD and RDP:** The alignment, complementarity and potential overlap of the OPRD and the RDP measures were assessed.

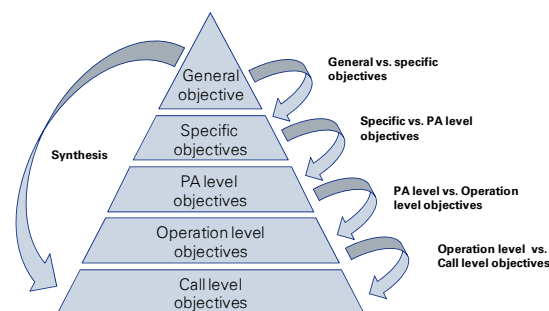
4.2.4.2 Analysis

4.2.4.2.1 Internal consistency of objectives

The results of the analysis of internal consistency of objectives are shown in several tables. This set of tables considers an incremental assessment in between the levels of hierarchy of objectives. Therefore, the assessment includes the following aspects:

- OP level objectives (General objective vs. Specific objectives of the OPRD)
- PA level objectives (Specific objectives vs. PA level objectives of the OPRD)
- Operation level objectives (PA level objectives vs. operation level objectives)
- Call level objectives (Operation level objectives vs. call objectives)
- Overall assessment (Synthesis of the previous assessments)

Figure 29 - General hierarchy of objectives



Source: KPMG

OP level objectives

The overall scope of the OPRD is very broad („To enhance the quality of life and working environment with better accessibility to the basic services and to create new opportunities for improved regional competitiveness and sustainable development.“). Therefore, it is unlikely to find any intervention objectives which are not compliant with this objective. In general OPRD is focusing on solving issues that are removing obstacles rather than actively promoting dynamic development of the regions. In the current programming period it was necessary that the OPRD was supporting generally the removal of obstacles (e.g. prevention against natural disasters – fire prevention, landslides and flood prevention) in order to enable the launch development-type programmes in the next period. However, there are several schemes within the OPRD that are supporting the regional development itself, e.g. support of tourism development, JESSICA, Integrated urban development plans, urban transport, etc.

Hence, there is no contradiction between high level OPRD and operational level call objectives. However, in some cases it is difficult to derive the call objectives from the OPRD/PA level objectives. Although not required under the SF regulations for this programming period, the lack of a detailed medium term implementation oriented programming document could be considered as partly the reason for this.

The OP level general objective has been properly broken down to the level of specific objectives to establish strong consistency in the hierarchy. The specific objectives do not cover completely the area set out in the scope of the general objective, but concentrate on the main issues in the Bulgarian context.

PA level objectives

Table 18 summarises consistency of the specific objectives of the OP and the PA level objectives.

Table 18 - Specific objectives vs. PA level vs. operational level objectives of the OPRD (with differences highlighted)

OP specific objectives (1-4)	PA level objectives (1-4)	Operation level objectives	Comment
To develop sustainable and dynamic urban centres connected with their less urbanized surrounding areas , thus enhancing their opportunities for prosperity and development	PA1: To promote sustainable, cohesive, accessible urban centres attractive to residents, visitors, investors, mobile workers and that act as motors to more competitive regions	Oper 1.1: To ensure appropriate and cost effective, educational, health, social care and cultural infrastructures consistent with future demands of the cities and their surrounding urban areas	The operational objective corresponds to higher level objectives and further specifies them.
		Oper 1.2: To provide better living conditions for citizens and make a contribution to social inclusion through raising living standards and generally improving the quality of life among disadvantaged and vulnerable urban communities	Though the operational level objective fits to the general concept of improving the quality of life, social inclusion has weak links to higher level objectives
		Oper 1.3: To enhance quality of life and appropriate environmental conditions, including risk prevention , as well as the physical aspect of the urban centres and agglomerations as a part of a broader social and environmental regeneration strategy	It is not evident how risk prevention and social regeneration fits to the concept outlined by the specific and PA level objectives
		Oper 1.4: To promote accessibility and cohesion through efficient and sustainable urban transport systems	Good theoretical consistency across levels
To ensure in regions significantly lagging behind better accessibility to road-, ICT- and gas networks	PA2: To promote accessibility and connectivity within urban agglomeration areas, between urban agglomeration areas , their surrounding territories and the related poorly urbanised areas.	Oper 2.1: To promote accessibility, interconnectivity and cohesion within regions through upgrading and repair of regional and local roads	Good theoretical consistency across levels. Consistency between the specific and PA level objectives is not evident.
		Oper 2.2: To provide access to broadband infrastructure in the context of transition to information society	Good theoretical consistency across levels. Consistency between the specific and PA level objectives is not evident.
		Oper 2.3: Implementation of projects for gas interconnection Bulgaria-Serbia ensuring the increase of the security and diversification of natural gas supplies for Bulgaria	Good theoretical consistency across levels. Consistency between the specific and PA level objectives is not evident.
To enhance the regional tourism potential to develop and market sustainable and diversified, territorially specific and higher value-added tourist products	PA3: Enhancing the regional tourism potential to develop and market sustainable and diversified, territorially specific and higher value-added tourist products and increase the sector's contribution to sustainable	Oper 3.1: To develop integrated and distinctive tourism products based on competitive and marketable attractions that contribute to diversification of the national tourist product and territorial spread of tourism	The lower level objectives are consistent in theory with the higher level one. They also further specify them.
		Oper 3.2: To increase the number of visitors and visitor days, to improve seasonal and territorial distribution of tourism development in different regions and areas based on integrated destination management and marketing and to use different tools, techniques and systems ensuring effective tourism information and marketing.	The operational level objective provides a clear specification on how the specific objective can be broken down to measures

OP specific objectives (1-4)	PA level objectives (1-4)	Operation level objectives	Comment
	regional development.	Oper 3.3: To enhance the effectiveness and impacts of national marketing efforts and related activities, market intelligence and transparency to facilitate diversification of tourist products and markets and sustainable tourism development	The operational objective is in line with the intention of the higher level objectives to develop the tourism market.
To mobilise regional and local opportunities and resources for implementing regional development policies	PA4: To enable smaller municipalities to participate in the development processes of the country and to stimulate regional and local innovation through inter-regional exchange	Oper 4.1: To support local development through implementation of essential and useful small-scale local investment solutions	The operational level objectives reflect the approach of the specific objective, rather than the PA objective. However, they are basically in line.
		Oper 4.2: To stimulate regional and local innovations and best practices exchange through inter-regional cooperation within the European territory	The operational level objective corresponds more to the PA level objective. It also sets out clearly the tools to be used to achieve objectives.

Source: OPRD

The OP level specific objectives and the PA level objectives are generally consistent. The OP level specific objectives 1 to 4 can be directly linked to the objectives of PA 1 to 4, where PA5 separately stands for TA (i.e. not forming part of the direct intervention area). PA level objectives (except for that of PA2) provide a level of detail that is beyond that of the specific objectives. Therefore the PA level objectives establish a more elaborate basis and a better defined scope for forthcoming calls.

However, in the case of PA2 and OP specific objective 2, the consistency is not obvious. The specific objective is very limited in scope to connectivity of networks (road, ICT, gas) while PA2 objective promotes accessibility and connectivity with no other specification, thus leaving the scope open to further types of interventions. The target group is also significantly different, with the specific objective addressing only regions "significantly lagging behind", and PA2 objective aiming to support projects "within and between urban agglomeration areas, their surrounding territories and the related poorly urbanised areas".

As for operational level objectives, they are generally in line with the intentions of the higher level objectives. In most cases, operational level objectives provide a more specific approach to the considerations of either the specific objective or the PA level objective. However, in some cases (risk prevention or social inclusion related interventions) the link in between the operational and higher level objectives are not evident. Besides, these objectives sometimes go back to the general objective level which is actually a broad one, thus carrying the opportunity to cover many types of interventions. The operational level objectives seem much more capable of capturing the themes that lead to direct interventions; hence they serve the purpose of operationalising high level activities well.

Call level objectives

Table 59 [ref: **Annex 8.4**] describes consistency of the call and PA level objectives of OPRD.

The contents of the **Table 59** clearly indicate that generally there is considerable consistency in between the objectives of the individual calls and the PA level objectives. In other words, the PA level objectives are generally well-interpreted and utilised on the level of calls. There are but a few items to be highlighted:

- **Call 1.4-01/2007 (Fire prevention):** Although the purpose of the intervention fits into the concept of the OP and PA1 objectives, the linkages are not really strong. The PA1 objective hardly supports the objective of the operation and the call, and it has weak linkage to the other PA level objectives either. However, there is a clear link between the call level objective and the operational level objective.
- **Call 1.4-03/2008 (Landslides):** Similar to fire prevention, this intervention has vague linkages to OP and PA1 level objectives and provides no additional support to the attainment of other PA level objectives. Call and operational level objectives show much better consistency.

- Call 1.4-06/2010 (Flood prevention):** Just like in the case of fire prevention and landslides, prevention against natural disasters is not explicitly stated to be supported by any of the PA level objectives or the OP objective. The intervention is partly supported by PA1 objective; therefore there is a certain level of consistency between PA and call level objectives in this case. However, the real link is between the call and the operational level objectives.
- Call 1.4-07/2010 (Integrated urban development plan):** This intervention apparently serves the purpose of supporting all PA level objectives but that of PA2. It promotes an integrated vision, and aims to establish a new concept of regional development, based on the newly designed development plans. This concept is well grounded by OP and PA level objectives and is to be highlighted as a good example of utilising previous experience in the planning and programming process. The fact that such preparatory actions are supported by the ongoing Operational Program stresses also the relevance of such intervention.

Overall assessment of the consistency of objectives

As a summary, **Table 60** [ref: **Annex 8.4**] synthesises information gained as a result of the assessment of consistency between the relevant levels (i.e. general OP level, specific OP level, PA level, call level) of the objective hierarchy of OPRD. The consistency of call level objectives and different higher level objectives is generally good. The system is well structured and experience shows that it is operable.

However, consideration has to be given to the assessment of the main concept of the system of objectives and hence the system of interventions of the OPRD (see calls marked with “?”), which might prove a useful input to the planning for the next programming period.

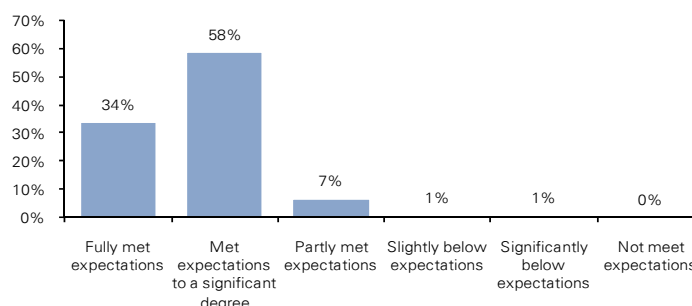
Objectives vs. beneficiary needs

According to the questionnaire and the interviews conducted with the specific beneficiaries, for the majority (92%) of the beneficiaries the objectives of the referred scheme met the expectations or fully met.

Nearly one-third of the beneficiaries who answered the questionnaire and participated in the interviews found the objectives of the calls fully in line with the expectations.

Only 7% of the beneficiaries stated that the objectives of the calls have partly met their expectations, while the rate of those partly or fully unsatisfied with the consistency of objectives remained under 1%. [ref: **Figure 30**].

Figure 30 - Calls objectives vs. beneficiary expectations



Source: Beneficiary questionnaire, 2010

4.2.4.2.2 External consistency of objectives

In general, some of the OPRD objectives are policy driven and the assessment disclosed no major discrepancies in between policy level objectives and OPRD objectives.

Nevertheless, it is important to note that the basic concept of regional development outlined in the OPRD [ref: OPRD Section 4.1 and 4.2] reflects a policy decision made at the time of the development of the programme, and hence some of the specific objectives might have partly lost or gained more relevance in the meantime. The specific objectives make reference to certain interventions covered by the PAs (e.g. urban development, road-, ICT-, gas-network, tourism, etc.) that could be reviewed in the light of the current socio-economic context. Such review could constitute a valuable input to the development of the OPRD 2014-2020.

4.2.4.2.3 Consistency of new activities

A number of amendments and new activities were introduced effectively in OPRD for the period between its approval and present evaluation. Some of them are stemming from new economic and social situation and new factors emerged – e.g. changes in gas support operation. Others are due to change in policy view –e.g. industrial support operation. All of the amendments introduced received approval by Monitoring Committee.

As most of new activities are resulted from some new needs identified (see section 4.2.2. SWOT and 4.2.3. Continuous relevance) they are related to gaps to be overcome. The new activities are in compliance with the OPRD objectives. All of them are justified by serious analysis, including analysis on economic situation, documentary review or business situation snapshot (amendments justifications for Monitoring Committee). As the amendments on compliance to SWOT analysis and OPRD objectives, they do correspond to the rest of the OPRD interventions, providing a complete and coherent intervention tool. All the amendments are following significant European or national policy or strategy. All OPRD interventions need to follow a focus and strategic approach; therefore relation to integrated regional/municipal development plans is obligatory. Environmental impact of the new amendments is analysed in Environmental impact section of the report. All horizontal issues are followed in OPRD interventions.

Table 19 – OPRD amendments vs. EU/National policy

OPRD Amendments	Respective EU/national policy
Setting up direct beneficiaries under operation 1.5. "Sustainable Urban Transport Systems"	Growth poles supporting policy; JASPERS initiative;
Defining 36 municipalities – centres of the agglomeration areas – as direct beneficiaries under operation 1.4. "Improving physical environment and risk prevention" (new numbering of operation 1.3.).	Territorial Agenda and Leipzig charter for sustainable European cities. In compliance to support for development of plans sensitive to social and functional diversity to tackle the high concentration of economic, environmental and social problems affecting urban areas (Commission Regulation No1080/2006, Article 8).
Operation 3.1. – widening the territorial coverage of the operation "Improving the tourist attractions and related infrastructure"	Council of Ministers Strategic Plan for development of cultural tourism in Bulgaria (2009)
Amendment in the scope of the gas pipe operation - the support has shifted from addressing the construction of gas connection between Bulgaria and Turkey, to Bulgaria and Greece and, ultimately to Bulgaria and Serbia.	EC Directive 2004/56/EO, related to measures to guarantee the gas supply. National policy in energy sector.
Setting Executive Agency 'Electronic Communications Networks and Information Systems' as direct beneficiary under operation 2.2. "ICT Network".	13th European Report on progress on single telecommunications market (COM(2008) 153), European plan for economic recovery
Operation 1.1. , activity New construction, reconstruction, renovation and conversion of social institutions in urban agglomerations for children deprived of parental care and children with disabilities, supporting the processes of deinstitutionalization and reintegration	EU policy on deinstitutionalization and reintegration of children without parental control or disabled children.
Operation 4.1.- operations related to development of industrial zones and waste disposal and reallocating their resources to new schemes assisting energy efficiency measures in educational institutions	National strategy on industrial zones support.

Source: KPMG

While new operations continue to be relevant to OPRD objectives, schemes that remained unrealized after the amendments are not influencing the general and specific objectives of the Programme. Though some operations were cancelled (industrial zones support) and others changed their scope (gas support instruments), this did not influence the OPRD objectives. Despite of defining the direct beneficiaries under operation 1.4. – the 36 agglomeration centres – the operation continue to be relevant to specific objective 1 "To develop sustainable and dynamic urban centres connected with their less urbanized surrounding areas, thus enhancing their opportunities for prosperity and development". Shifting in the scope of gas supporting operation preserved its compliance to the objective "To ensure in regions significantly lagging behind better accessibility to road-, ICT- and gas networks" [EQ14 and EQ15].

In terms of strategy coherence, after the amendments the share and weight of every priority axis and operations is still preserved. The financial split of the original budget allocations by Axis shows that main part of funds is focused in PA1 Urban Development (52% and PA 2 Accessibility (25%) [see Figure 4 and Figure 5 in section 3.2.2. Split of funds by Priority Axis]. After amendments and re-allocations of funds, Priority Axis 1

still remains with biggest share in total budget distribution – 54%. The additional 2% was gained from Priority Axis 3. The weight of the operations after re-allocation is kept – local and road infrastructure measures are still holding the biggest share of funds, followed by social infrastructure and improvement of physical environment. The distribution of funds among supporting instruments is in compliance with OPRD strategy and objectives – measures supporting fulfilment of support for sustainable and dynamic urban centres objective are holding biggest funds allocations [EQ31].

4.2.4.2.4 Demarcation between OPRD and RDP

Demarcation/overlapping between OPRD and RDP at Strategic level

The OPRD measures are complemented by interventions under the Rural Development Programme and the other operational programmes intervening at sector level.

During programming stage, two major strategic documents were elaborated and their priorities were used as a baseline for drafting the OPRD and RDP. The National Regional Development Strategy (NRDS) for the period 2005-2015 is the fundamental document formulating the long-term objectives and priorities of the country's regional policy. It outlines the strategic directions and levels of the regional policy and acts as a starting point for getting and distributing EU assistance for implementation of the programmes related to regional development. The objectives of the National Strategy Plan for Rural Development aim at improving the economic and social conditions in rural areas. They are geared to the Bulgarian Government's long-term vision for the development of the Bulgarian countryside.

Table 61 [ref: **Annex 8.4**] summarizes the complementarity of objectives and priorities of the two strategic documents and the possible additionality effect and/or overlapping between interventions envisaged. As highlighted above, the Strategy for Rural Development illustrates the possibility of additionality with National Regional Development Strategy priorities, e.g.:

- **Axis 3** "To improve the quality of life and diversify job opportunities in rural areas", sub-objective 2 "To promote diversification of job opportunities in rural areas" complements to Regional Development Priority 3 "Raising the attractiveness of and quality of life in the planning regions", sub-objective 2 "Integration of the entire territorial community in the labour market". The additionality of both sub-objectives in rural and other regions could contribute to fulfilment of national strategies for ensuring better quality of life and jobs and increasing the employment level.
- **Axis 2** "To protect natural resources and the environment of rural areas", sub-objective 2 "To promote Sustainable forest and forest land management" complements to Priority 2 of Regional Strategy "Development and improvement of the infrastructure to create conditions for growth and employment", sub-objective 2 "Building and improvement of the environmental infrastructure" by adding activities to preservation of natural resources through building an infrastructure for the protection of the environment.

In addition to the supplementing measures, there is also a possibility for overlap between the sub-objectives:

- **Axis 4** under Rural Strategy aimed at building local capacity for implementation of the LEADER approach and supporting implementation of local development strategies could be in some overlapping with Priority 6 of the Regional Strategy, sub-objectives "Strengthening of the capacity and improving of the co-ordination at the regional and local level for management of the funds allocated under the EU Structure Funds", due to similar activities envisaged (support to local authorities to strengthen the administrative capacity).

Demarcation/overlapping between OPRD and RDP at Priority Axis level

The OPRD is aimed at enhancing the quality of life and working environment through better accessibility to basic services and creation of new opportunities for improved regional competitiveness and sustainable development.

The investments envisaged under Rural Development Programme are coordinated with the investments in human and basic capital financed by EU Structural Funds. RDP objectives are aimed at improving the economic and social conditions in rural areas and complement each other.

Demarcation between OPRD and RDP

The objectives under Priorities 1 and 2 of the OPRD are close to the objectives of Axis 3 of the RDP. Both programmes employ similar intervention tools and territorially complement each other:

- **Priority 1 “Sustainable and Integrated Urban Development”** of the OPRD targets sustainable and integrated urban development and supports development of social infrastructure, housing, urban transport, living environment in 86 municipalities included in agglomerations, of which 53 rural municipalities. RDP is not supporting any of these activities on the 86 municipalities. Complementarity is achieved through OPRD contribution to the improvement of basic services in 53 rural municipalities, accounting for 42% of the rural population. There is no overlapping in the supported measures as RDP does not provide resources for the 53 rural municipalities for similar activities.
- **Priority 2 “Regional and Local Accessibility”** of the OPRD targets improvement of regional and local accessibility by investments in road infrastructure. OPRD is supporting activities for improving municipal road network in the 86 agglomeration areas. On the other hand, the Rural Development Programme covers the remaining municipalities in rural areas, where the interventions of Axis 3 “*Improving quality of life in rural areas and encouraging diversification of economic activities*” are focused. Complementarity is ensured through OPRD contribution to renovation of municipal roads in 53 rural municipalities within agglomeration borders (or about 30% of the territory of the rural areas).
- Complementarity was programmed between **Priority 3 “Sustainable development of tourism”** of the OPRD, which focus on sustainable tourism development and Axis 3 and 4 Measures of the RDP. The Programmes differ by scope and to some extent by interventions. The tourism development actions under the OPRD aim to improve the overall consistency and effectiveness of the national tourism policy implementation. Contribution between the Programmes is ensured through RDP support under Axis 3 private investments in accommodation and tourism amenities, which are identified as a major constraint for the development of alternative tourism in Bulgaria.
- **Priority 4 “Establishment of regional and local networks, cooperation and capacity development”** of OPRD is highly consistent with the overall approach of the RDP and aims at local development and cooperation by supporting investment facilities in rural municipalities outside agglomerations. It is focused only on improving the public education, health care and business related infrastructure in smaller municipalities and thus will complement the interventions under Axis 3 of the RDP (the latter will not support similar type of activities).

Additionality/Overlapping between OPRD and RDP at Priority Axes level

Some amendments were introduced to OPRD during the evaluation period (2007-2010). Following some changes in national strategies or due to shifted socio-economic situation, MA has proposed and Monitoring Committee approved some changes in the original texts of OPRD. The majority of changes refer mainly to reallocation of funds, but the following had direct impact on additionality issues:

- **Priority 2 “Regional and Local Accessibility”** was initially focused on benefiting internet penetration in all 264 municipalities including underserved and remote rural areas by supporting investments in broadband. RDP was not intended to support similar measures. The amendments of the OPRD changed the initially planned beneficiaries of the measure by transferring all funds to Executive Agency Electronic Communication Networks and Information Systems (EA ESMIS) as direct beneficiary. This resulted in the exclusion of rural municipalities from the scope of both OPRD and RDP.

Priority 3 “Sustainable Tourism Development” - Rural Development Programme envisages support to marketing activities of local (municipal) scope and importance while OPRD envisages interventions at regional level, with much broader (supra-municipal) scope and importance. The definitions used could be considered vague and there is a potential for overlapping between the two measures.

Mechanism for tracking overlapping between the two programmes and tracing the double financing of the same project

The lack of overlapping of supporting measures under the two programmes is ensured at two levels:

- At programming level – through the demarcation line in National Strategic Reference Framework and the demarcation areas in the texts of the **programmes**;
- **At implementation level – through the mechanism of joint participation in evaluation Committees for project selection carried out under RDP.** Representatives of OPRD Managing Authority are participating during the project selection sessions of the RDP. **There are some concern regarding the effectiveness of the mechanism for prevention of overlapping – the representatives of each of the programmes in MC may not** be aware to a full extent of the specific measures of the programme that represents (the statement is more relevant to RDP where the different units in the MA are strictly specialized in only one Priority Axis and an effective internal coordination is necessary to provide an overall expertise);

- Following information presented by OPRD MA with an order of the Minister of Regional Development dated 3.01.2008 a **Contact Coordinating Group** was established between MA of OPRD and MA of RADP, involving experts from the Managing Authorities of both programs. The task of the Contact Group is to achieve an inter-institutional coordination in the process of executing Grant Schemes for operations within the frameworks of the respective priority axes of OP „Regional development“ 2007-2013. The Contact Coordinating Group shall be called whenever necessary to make decisions about coordinating activities under both programs.
- Referring to the information by the MA, experts from OPRD MA will participate as members of the evaluation committees for selection of strategies of the LAGs under the RDP. The Consultant would request an evidence to finalize the assessment in this respect.
- There is no unified database at central level. Such systems are created for SF projects, but still no information is available for RDP beneficiaries that are not listed in the database. We have been informed that recently a number of steps at the central level of UMIS maintenance service (operated at the Council of Ministers) have been undertaken in order to address this issue. Furthermore, The MA has required from the OPRD beneficiaries by contractual obligations and operational instructions, that the beneficiary, in order to ensure the required data and reports for MA, must guarantee an adequate accounting system on contract level, by source of funding (ERDF, national budget and own contribution). The on-the-spot checks of MA shall verify whether the beneficiary has complied with the requirement to maintain a separate analytical documentation for each grant contract. When expenses have been correctly reported the check must verify how many projects have provided funding to the beneficiary and whether the supporting documents under the OPRD contract have not been reported by the contractor under other programs as well, including under RDP, or whether there has been funding from the budget or from other sources. The checks are designed to also cover the suppliers' documentation under the project.

Findings

- New schemes introduced after OPRD amendments are relevant to OPRD objectives and are in compliance with the respective national and EU policies
- New activities introduced are based on market and situation analyses and are related to national strategic policies
- Unrealized schemes (after the amendments) are not influencing the general and specific objectives of the Programme
- The Strategy for Rural Development and National Regional Development Strategy priorities contribute to fulfilment of national strategies for a better quality of life and jobs and increasing the employment level.
- Activities to preservation of natural resources through building an infrastructure for protection of environment under both strategies are complementing each other.
- The objectives of the Regional Development OP and its five priorities are consistent and complementary to RDP objectives.
- The objectives under Priorities 1 and 2 of the OPRD are close to the objectives of Axis 3 of the RDP. Both programmes employ similar intervention tools and territorially complement each other.
- Complementarity is achieved through OPRD contribution to the improvement of basic services in 53 rural municipalities, accounting for 42% of the rural population. It is also promoted with the renovation of municipal roads in 53 rural municipalities within agglomeration borders (30% of the rural territory).
- Complementarity was programmed between Priority 3 “Sustainable Tourism development” of the OPRD and Axis 3 and 4 Measures of the RDP. The Programmes differ by scope and to some extent by interventions. The tourism development actions under the OPRD aim to demarcation areas in the texts of the programmes
- Due to amendments in OPRD aimed at investments in broadband, rural municipalities remained out of the scope of both programmes
- The lack of overlap of supporting measures under the two programmes is ensured at two levels: programming and implementation
- Although at central level there have been some new developments as regards ensuring a common UMIS database service, including both OPRD and RDP, there are still some concerns regarding the effectiveness of the mechanism for prevention of overlapping due to the limited practice in this respect.

4.2.5 Programming

4.2.5.1 Background

To assess and outline the major considerations for the next programming period, three sub-questions were considered:

- Are there any operations that do not fit into OPRD strategy and reasons? – the assessment is based on experts' opinion, OPRD progress implementation, review of European and Bulgarian strategic documents and findings of the SWOT workshop
- What is missing or not focused (targeted) properly into the operations of OPRD? – the statements and findings are built on the data from MA's interviews and conclusions drawn from the SWOT workshop brainstorming
- What are the main directions to be followed for the next programming period? – the focus of the question is on expectations of OPRD MA senior and expert's staff. It should also be backed up with strong background information from strategic documents review.

At present, Bulgaria is in the middle of the Structural Funds programming period with the time to start planning for the next programming period. This has to be in accordance with the European and national planning priorities, formulated jointly by government and business. As a Member State of the EU, Bulgaria should aim to actively participate in the planning of priorities at EU level and proceed to their implementation at local level, as opposed to the current practice of incorporating ready priorities handed down by the EU into national policy.

The importance of availability of quality projects is often declared. These projects are usually well planned, well targeted and are in conformity with the mandatory EU policies and the global reality projects. At the same time, they are consistent with the objectives of all stakeholders who will be directly affected by their implementation. The main principles to be observed during programming could be summarized in the following:

- Clearly defined objectives and priorities. Avoiding segmented approach and follow international developments
- Strategic approach to planning: the development plans are a 'political map' for development policies in each ministry and region
- Achieving greater synergies between co-financed interventions with measures financed exclusively by national funds
- Operationalization of Operational Programmes' measures.
- Developing a reliable and effective management and control system with simplified procedures and requirements, aiming at quality and transparency
- Rationalizing the structure and number of Final Beneficiaries. Developing powerful mechanisms for implementation with clearly defined responsibilities and increasing their effectiveness and efficiency
- Enhancing the technical and managerial capacities of the final beneficiaries
- Preventing compliance problems with EU law in domains of particular importance for the future programs
- Utilizing the accumulated experience and know-how from the previous programming periods

In three years time the current programming period will end and the European Commission is already drawing the outlines of its strategy for the next programming period. Working documents such as "Europe 2020" describe societal challenges that the Commission proposes to the member states and the European Parliament to give priority attention in the next set of EU-programmes and national policies.

Europe 2020 is the EU's growth strategy for the coming decade. In a changing world, we want the EU to become a smart, sustainable and inclusive economy. These three mutually reinforcing priorities should help the EU and the Member States deliver high levels of employment, productivity and social cohesion.

Concretely, the Union has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020. Each Member State will adopt its own national targets in each of these areas. Concrete actions at EU and national levels will underpin the strategy.

The 5 targets for the EU in 2020

- Employment - 75% of the 20-64 year-olds to be employed
- R&D / innovation - 3% of the EU's GDP (public and private combined) to be invested in R&D/innovation
- Climate change / energy greenhouse gas emissions - 20% (or even 30%, if a satisfactory international agreement can be achieved to follow Kyoto) lower than 1990; 20% of energy from renewable; 20% increase in energy efficiency
- Education - Reducing school drop-out rates below 10% at least 40% of 30-34-year-olds completing third level education (or equivalent)
- Poverty / social exclusion - at least 20 million fewer people in or at risk of poverty and social exclusion

The targets are giving an overall view of where the EU should be on key parameters by 2020. They are being translated into national targets so that each Member State can check its own progress towards these goals. Targets are common goals, to be pursued through a mix of national and EU actions. They are interrelated and mutually reinforcing:

- educational improvements help employability and reduce poverty
- more R&D/innovation in the economy, combined with more efficient resources, makes us more competitive and creates jobs
- investing in cleaner technologies combats climate change while creating new business/job opportunities.

These targets should be taken into consideration while thinking on the next programming period.

- In addition, for the next programming period the Government is considering to decentralize some of the Managing Authorities functions to increase capacity at regional level in terms of programme management. This concept would require reconsideration of the functions of the Regional Offices and establishment of Intermediate Bodies at regional level, not only related to payment verification and on site visits, but involving the regions during the Programming Period and Project selection and guidelines.

JESSICA

In the context of cohesion policy, the enhanced cooperation between the European Commission, the European Investment Bank Group and other international financial Institutions on financial engineering, has several dimensions:

- providing additional loan resources for business formation and development in the regions of the EU,
- contributing financial and managerial expertise from specialist institutions such as the EIB Group and other International Financial Institutions,
- creating strong incentives for successful implementation by beneficiaries by combining grants with loans,
- ensuring long-term sustainability through the revolving character of the European Regional Development Fund's (ERDF) contribution to financial engineering actions.

JESSICA, Joint European Support for Sustainable Investment in City Areas, is an initiative of the Commission in cooperation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB), in order to promote sustainable investment, and growth and jobs, in Europe's urban areas.

JESSICA funds could be targeted specifically at projects such as:

- Urban infrastructure, including transport, water/waste water, energy, etc.
- Heritage or cultural sites, tourism or other sustainable uses
- Redevelopment of brownfield sites, including site clearance and decontamination.
- Office space for SMEs, IT and/or R&D sectors
- University buildings, including medical, biotech and other specialised facilities
- Energy efficiency improvements.

The principal benefits of using JESSICA are:

- Recycling of funds – as long as JESSICA funds have been invested, by UDFs, in eligible project expenditure before the expiry date of the Structural Fund programming period (n+2, i.e. by the end of 2015) then any returns/receipts generated from that investment can be either retained by the UDFs or

returned to the Managing Authorities for reinvestment in new urban regeneration projects. For those Member States facing a prospect of reduced EU grant funding in the next programming period, JESSICA offers the opportunity to create a lasting legacy for the current funds.

- Leverage – a significant implied advantage of JESSICA is its potential ability to engage the private sector, thereby leveraging further investments and, perhaps more critically, competence in project implementation and management. Despite the fact that JESSICA allows grant receipts to be “transformed” into repayable investments, they are not repayable to the European Commission and should therefore not be regarded as public sector debt.
- Flexibility – JESSICA provides a flexible approach, both in terms of broader eligibility of expenditures and in the use of JESSICA funds by way of either equity, debt or guarantee investment.

Operations that do not fit into OPRD strategy

Operation 2.3. Access to Sustainable and Efficient Energy Resources

The original support of OPRD was focused on the construction of gas distribution pipeline sections as branches from the national gas transmission network to municipalities without granted gas distribution licences are not included in the list of identified territories for gas distribution (gas distribution regions). These municipalities are listed in **Table 20**.

A sound budget line for gas interconnection was envisaged under the OP (60mEUR). After amendments of OPRD introduced in April 2009, the resources of the operation were modified and the funds were focused on construction of inter-system gas connection between Bulgaria and Serbia and reversing of the existing gas pipeline Bulgaria-Turkey. The direct beneficiary of the measure is the Ministry of Economy, Energy and Tourism. The amendment followed the gas crisis from winter of 2009, when few main risks came to line – the threat on national gas supply systems due to undeveloped connections with neighbour countries, the dependence from external gas imports and lack of adequate infrastructure. The need to guarantee the supply and building of alternative routes also were among the main reasons, justifying the amendments.

During interviews and workshop, some concerns were shared regarding consistency of the measure with the strategy of OPRD.

The measure is in compliance with the European policy for diversification of energy sources and the National Energy Strategy. On the other hand, there are several projects planned for the coming years – international pipe projects Nabuko and South stream. Complementarity with these and other similar initiatives should be sought. Meanwhile, some impediments during implementation should be overcome – a feasibility study should be carried out before starting project implementation (costing around 5 mEUR) which is not available at the moment.

In November 2010, a call for proposal (2.3-01/2010) for the preparation, investigation and design of intersystem gas connection between Bulgaria and Serbia was launched. The total budget of the call is 6 MEUR and the beneficiary is Ministry of Economy, Energy and Tourism. The main objective of the call is to prepare and elaborate a feasibility study and carry out preparatory activities for construction of intersystem gas connection between Bulgaria and Serbia. The feasibility study should include at least 3 variances; a route (layout) for the construction of intersystem gas connection should be chosen in optimum economic, technical and geographical conditions. Elaboration of application documents for a major project as per art. 39 of EC Regulation 1083/2006 should also be included in the proposal. The duration of the feasibility study should not exceed 24 months.

Considering the conditions and the timeframe of the call (3 months), the implementation of the operation could be considered as high risky and incapable of achieving the operation’s result indicators, due to the following:

Table 20 - Municipalities benefiting from operation 2.3.

Municipality	Branch from/to
Silistra	Dobrich-Silistra
Nikopol	Levski-Nikopol
Bansko	Kresna-Bansko
Vidin	Montana-Vidin
Smolian	Asenovgrad-Smolian
Kardzali	Dimitrovgrad- Kardzali
Lom	Ruzinzi-Lom
Svishtov	Distribution branch - Svishtov
Karlovo	Rakovski-Karlovo
Sopot	Karlovo-Sopot
Razlog	Bansko-Razlog
Goze Delchev	Bansko-Goze Delchev

Source: OPRD

- So far, the main parameters and stages of the major project have not been explored and identified
- The duration of the feasibility study may cause delays in the start and pressure during the project implementation – 24 months for carrying out preliminary researches combined with the complex procedure of EC approval of major projects, as well as the time limits for contracting and disbursement (all OPRD funds should be contracted till end of 2013 and disbursed till the end of 2015)
- The results from the feasibility study are not known at this point and may reveal unfavourable circumstances for project implementation (e.g. difficulties in geographical and technical terms, etc.)
- There is also no evidence as regards the preparedness from Bulgarian and Serbian side for implementing the project
- No consideration has been given under OPRD as to what framework to be applied for the completion of the operation within this programming period.

Based on the above risks, the operation's execution might put the absorption of the funds at stake.

Operations postponed because of a delay in approved strategy or regulation

Operation 1.1. Health infrastructure

In August 2010 a **new Concept for restructuring** of the hospital care in Bulgaria for the period 2010-2015 was adopted by the government and defined new priorities in health support:

- Improving early diagnosis, quality and access to oncology treatment
- Improving availability of long term care for the population
- Ensuring sustainable financing of the health system and effective use of resources

To address these priorities, the Ministry of Health as direct beneficiary plans to support state owned hospitals (51 % and more state property) for priority improving early diagnosis. Municipalities would participate for supporting priority improving availability of long term care of population and ensuring sustainable financing of the health system and effective use of resources for medical facilities for hospital care and oncology dispensaries with 51 % and more municipal property.

Problems still exist in the implementation of these operations. Such measures need strong strategic backbone and clear national view. The effective implementation of such interventions could be ensured either through:

- Increase in funds for support thus ensuring sufficient resources and equal treatment for both state-owned and municipal hospitals, or
- Differentiating a separate sector-oriented priority or operational programme for the next programming period where all hospitals could receive equal support according to national concept and needs, irrespective of their ownership.

Operation 1.2 "Housing"

The operation was programmed to support renovation of the common areas of multi-family residential buildings; delivery of modern social housing of good quality for vulnerable, minority and lower income groups and other disadvantaged groups etc.; energy consumption audits and energy efficiency measures for all projects related to housing. Eligible beneficiaries are public authorities or non-profit corporate bodies, associations of multi-family residential building owners. In the previous OP version, housing of private buildings was experiencing some law impediments. The Law on Condominium Management (management of block of flats) has been amended in 2010, providing for some possibilities for the owners to decide on the start of a project with a lower majority (67%). However, having in mind the lack of similar experience and capacity from both sides – owners' associations and the MA itself, implementation would be difficult. After OPRD amendments, the operation is focused in two directions: buildings and premises for social groups (housing of disabled associations) and private houses. In line with the amendments in Commission Regulation (EC) No. 1080/2006 as of 19 May 2010 housing interventions for marginalised communities will take place within the framework of an integrated approach, encompassing activities in the fields of education, health, social affairs, employment and security as well as desegregation measures. In accordance with Directive 2002/91/EC under operation 1.2 any refurbishment or reconstruction of buildings will aim at improving the energy performance. The operation was announced to be opened in 2011. The indicative annual programme plans to open in June 2011 a grant scheme for building and premises for social and vulnerable groups (over 8 mEUR budget) and a grant scheme for energy efficiency of private dwellings (budget over 32 mEUR).

Operations cancelled or re-focused

Operation 2.2. ICT

The specific objective for the establishment of Information and Communication Network under Operation 2.2 is to provide access to broadband infrastructure in transition to information society. The initial beneficiaries were the State Agency for Information Technology and Communications (SAITC) for the government ICT network, and the municipalities – for the municipal ICT infrastructure projects. In the course of OPRD implementation SAITC was transformed into Executive Agency Electronic communications networks and information systems (ESMIS) under the Ministry of Transport, Information Technologies and Communications. The total indicative budget of the operation is 20 mEUR and subject to the Monitoring Committee's decision, it has been reallocated to the single beneficiary, ESMIS, for construction of broadband connectivity in areas with poor or no coverage. The measures related to development of public server parks to host public information systems and data, and support for municipal ICT infrastructure projects was cancelled. On one hand, this measure is justified by the fact that the most remote and highland areas of the country lack broadband or any network connectivity, and thus the construction of local broadband networks is hindered because it is not profitable for companies delivering broadband services. At the time of programming of OPRD and operation 2.2, the SWOT analysis identified low development of network access in poorly developed areas concerning ISDN penetration, and to Internet via cable, mobile Internet penetration and very low use of PC in households as a weakness. Almost four years after the initial programming process the situation is changed and the internet penetration in private households is widely spread. Internet connections – broadband or wireless are already part of everyday life. On the other hand, the usage of internet and e-services in public institutions is still limited, and there is no clear evidence or justification for reducing the scope of the supported activities and excluding the municipalities as beneficiary under Operation 2.2. This is even more valid for the municipalities in the regions that also require additional ICT infrastructure support.

The initially allocated budget for this type of operation was extremely limited and insufficient. Even after the decrease in scope of the operation and focusing it on a direct beneficiary, the resources are considered quite inadequate to achieve OPRD results in the area. Further, OP Administrative capacity (OPAC) has a separate priority focused on improvement of public services and e-government. The total budget allocated for the axis is 56 mEUR which is more than double the size of OPRD intervention. Comparing both allocations under the two programmes, a conclusion could be made that OPRD funds will not be sufficient to achieve the contemplated results and indicators and the impact in this aspect might prove insignificant. Further, OPAC measures are mainly focused on development of e-services and cannot fund the necessary ICT infrastructure as the OPAC is financed by the European Social Fund (ESF), and equipment and works are funded only up to 10% of a project (under ERDF). In order to ensure complementary management and sustainable development of the e-Governance system, including in the regions, it is necessary to provide funding for ICT infrastructure in addition to e-services.

In order to meet the objectives of the operation different options could be considered:

- Increase the budget of OPRD measure 2.2. to ensure financing for ICT infrastructure in municipalities. The funding could be used to cover the needs of information and communication technologies in parallel to maintaining the budget already allocated to state broadband infrastructure. This way the municipalities will be supported in the process of modernizing the local government administration (integration of results achieved at the level of OPAC), as well as to meet the requirements and ensure compliance with the e-Governance legislation. An approach where a number of municipalities associated by region apply for a project related to modernization of the information and communication infrastructure could be considered. This would allow optimization of costs, guarantee quality of implementation and availability of local technical specialists.
- Apply a different approach in the next programming period. A separate operational programme focused on development of information society could be considered (following the example of other CEE countries). The programme could contribute to the greater use of ICT in public administration and business, e-government services, access to high quality online services, etc., while ensuring greater availability of better ICT infrastructures and broadband internet access. Another option is allocating sufficient ICT funds in the Rural Development Programme which will be dedicated to rural municipalities' development and capable of achieving objectives related to broadband coverage to a greater extent.

In solving ICT needs it should be considered that the European Commission deems the implementation of ICT infrastructure to be a main growth factor. In the recently adopted Digital Agenda for Europe the Commission sets specific targets that should be met. Although Bulgaria showed progress in implementation of broadband infrastructure since 2007 the level of its coverage is at 13.9 % and that is among the lowest in

EU-27 . The ICT infrastructure is the major component for fulfilment of all the planned policies under the Digital Agenda. And in order to reach its stipulated goals the European Commission supports the activities of the member states in compliance with the Digital Agenda.

Investment in ICT has been responsible for 50% of Europe's productivity growth. In this regard the ICT infrastructure should be considered as an essential element of economic growth and should be planned and constructed as inseparable part of the overall infrastructure environment.

The general functioning of the base infrastructure at state and municipal level will require the joint efforts of the Managing authority, beneficiary (ESMIS) and different stakeholders as municipalities - for cost and quality effective implementation of the activities under operation 2.2 and in relation to expected further growing demand and development of ICT services. Future economic, public and social services will be implemented to a far greater extent electronically. These will encompass not only private but public services as well – such as, e-Government, both of central and local governments, and as well as repository services (like libraries), health services, e-payment etc.

Respectively, the growth of demand of ICT infrastructure services is exponential. The Digital Agenda stipulates that by 2013 all European citizens can have basic broadband access to internet, and that by 2020 everyone can have access to high-speed internet of 30 Mbps or above and 50% or more of European households should be supplied to ultra-fast internet of above 100 Mbps.

Achieving the increasing demand of ICT services and fulfilment of the Digital Agenda provisions require that construction of ICT infrastructure starts with comprehensive and contemporary activities under the current opportunities of OPRD, and with taking into consideration the expected future growth.

The implementation of urban and rural area plans requires that ICT infrastructure is included as a key element. It should be designed and constructed together with other basic infrastructure construction as roads, railways, water and sewerage, gas, etc. That will significantly reduce public cost, raise effectiveness, and reduce duplicated construction works carried out for different type of infrastructure but on the same sites.

Focus of the operations

Growth Poles approach and agglomeration areas

The first operation 1.1 grant scheme opened in 2007 was addressing all agglomeration municipalities involved in the growth poles and not focused on the major cities. The smaller municipalities are not the economic driver and the focus of the measures should be on the major cities. Impediments are coming from lack of certain description of growth poles and strategic policy decision or strategy, supporting development of such cities. At the present the legislation or statistical office does not provide a legal definition of "growth poles". OPRD has followed an approach providing for capital and the six biggest cities in the country to be growth poles.

Concerning the agglomeration areas, there are 36 agglomeration zone defined in OPRD, including 86 municipalities. For the OPRD 2007-2013, the agglomeration areas were defined based on a research performed by an Institute for Territorial Development. The main definition criterion used was population. The agglomerations are the demarcation line for the interventions of the OPRD and the RDP

Lack of an integrated approach

The analysis shows that there are too many operations and actors under OPRD and the Programme lacks real focus. The consistency between some of the activities is not clear, causing dispersion and lack of specific focus, which might lead to difficulties in estimating the overall impact. Small interventions with limited resources are being carried out with insignificant impact as regards limitation of regional differences. Some needs are not seen as a whole for the specific regions. An integrated approach is considered to be introduced during the next period (example: tourism measures which are carried out on central and municipal level, as well as in combination with soft measures). Taking into consideration that under conditions of a crisis, the local governments use the OPRD as the main source of funding for educational, road, cultural infrastructure upgrade, some focus and more integrated approach is necessary.

An effective approach could be the introduction of integrated plans for urban development; municipalities now having more sectoral oriented and strategic focused development plans. In order to focus on major priorities master plans, detailed plan for each zone and municipal development plans should be integrated,

Project selection approach - competitive approach and direct beneficiaries

An assessment of the competitive approach and the approach of the direct beneficiaries' allocation of grants was made. There are different approaches applied to similar beneficiaries for identical measures - for

example: competitive approach for projects of municipal schools renovation and direct approach for government schools. There are 264 municipalities which are beneficiaries under the OPRD, for certain measures only 86 municipalities are beneficiaries, for other measures – only small municipalities can benefit, for others – only part of them or a combination. Part of the municipalities is also eligible under the RDP.

Main directions to be followed for the next programming period

- The next OP should be more development focused and based on integrated plans, to address the regional needs.
- Development of the Growth Poles as centres of the agglomeration areas, where the greatest demand for infrastructure improvements exist.
- Sector priorities –urban transport, roads, gas supply, etc. need to be carefully considered; there are suggestions at the level of MC to exclude certain sectors from the OP, such as ICT, gas distribution and health support. ICT development objectives may not be achieved due to the insufficiency of available funds and the amendments in target beneficiaries and interventions. Achievement of gas connectivity objectives of the OP are put at high risk and implementation should be shifted in the next programming period under a separate sector programme.
- For ICT and health support there should be considered dedicated adequate funds under separate programmes. ICT measures should also be deemed as part of the integrated infrastructure
- JESSICA initiative is considered to be an important issue to be addressed. Urban Development Plans and Housing could be financed under JESSICA initiative.
- Competitive selection procedures model should be applied only where relevant.
- Better coordination between the different infrastructure OPs is needed.

Consequently, the structure of the OPs during the next programming period will not necessarily be a repetition of the 2007-2013 model, but should place particular emphasis on co-operation between the sectors, OPs and ministries and networking of the regions.

4.3 Implementation

4.3.1 Quality of indicator system

4.3.1.1 Background⁴

In order to facilitate the analysis the 44 priority level indicators were split down into 58 operation level indicators. Generally, the set of indicators in the OP and the calls comply with the general practice of indicators of similar programmes.

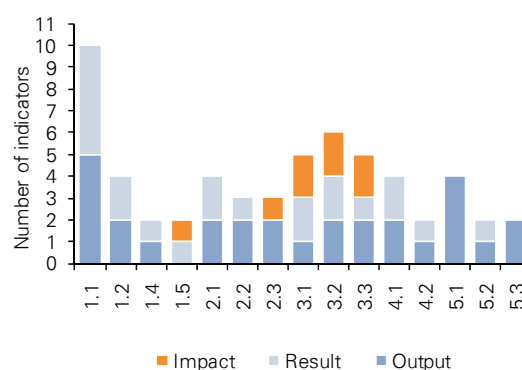
4.3.1.2 Analysis

4.3.1.2.1 Operation level

Existence of output, result and impact indicators

OPRD progress is being kept track of through 29 output, 21 result and 8 impact indicators. Output indicators are used in each of the operations (except for 1.5); result indicators are missing from 3 operations. Impact indicators are provided for 5 out of 16 [ref: **Figure 31**].

Figure 31 - Number of impact, result and output indicators by operation in OPRD



Source: OPRD and KPMG

Changes in indicators

As a result of OPRD revisions 9 indicators have been changed: 4 indicators were removed, one indicator was amended and 4 new indicators were added. For further explanation please refer to **Table 21**.

Redirection of financial resources under Operation 2.3 "Access to sustainable and effective energy resources" for the construction of an inter-system gas link Bulgaria-Serbia is reflected in the removal of the indicator "% of municipalities with gas distribution licences granted" and amendment of the indicator "Constructed high-pressure gas pipelines" to "Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria".

The re-allocation within Operation 4.1 "Small-scale local investments" for the rehabilitation/modernization of business zones and the organization of systems for waste collection to support the implementation of energy efficiency measures in educational institutions is reflected in the introduction of the indicators "Energy savings from refurbished buildings" and "Improved educational infrastructure" in one aid scheme under Operation 4.1.

The redirection of the funds under Operation 1.3 "Organization of economic activities" to support the de-institutionalization process of children at risk; the renovation and reconstruction of universities; the introduction of energy efficiency measures at educational institutions; the creation and promotion of innovative cultural events and the implementation of the JESSICA Initiative is reflected by the removal of the indicators: "New enterprises attracted at the renewed, rehabilitated, renovated industrial zones" and "Renewed/rehabilitated industrial zones" and the introduction of two new indicators: "Children benefiting from the deinstitutionalization process" and "Social homes/centres constructed/reconstructed as result of deinstitutionalization of children". Moreover, target values for energy savings from refurbished buildings were increased from 119,00 MWh/year to 189,000 MWh/year.

The re-allocation to support the integrated urban transport in the 7 big cities, from Operation 1.4 "Improvement of the physical environment and risk prevention" to Operation 1.5 "Sustainable urban transport systems" is not backed by any indicator changes.

The refocus of Operation 2.2 "ICT Network" to implement only one activity at national level on the territory of the country, "the establishment of broadband connection to and inside the urban peripheries and the less urbanized territories and rural areas" is not supported either by any indicator changes.

⁴ The Consultant carries out the assessment taking into account the revised OPRDq version October 2010.

The re-allocation to support integrated urban development, Priority Axis 3 “Sustainable tourism development” to Priority Axis 1 “Sustainable and integrated urban development” for financing approved educational infrastructure projects is not reflected by any indicator changes either. It is essential that the MA is well prepared to monitor indicators according to the introduced changes.

Table 21 - Changes in the indicators

PA	Indicator	Changes	Explanation
1	Children benefiting from the deinstitutionalization process	Indicator added	Aim of the revision is i.a. to support de-institutionalization process of children at risk
1	Social homes/centres constructed/reconstructed as result of deinstitutionalization of children	Indicator added	Aim of the revision is i.a. to support de-institutionalization process of children at risk
1	New enterprises attracted at the renewed, rehabilitated, renovated industrial zones	Indicator removed Two new indicators (3 and 4) are proposed	As a result of the changes in the OP operation 1.3 is removed The decision was the result of the new national policy, aiming to develop the industrial zones under PHARE; which will fully cover the current needs of industrial zone construction in the country.
1	Renewed/rehabilitated industrial zones	Indicator removed	See above
2	% of municipalities with gas distribution licences granted	Indicator removed	The aim of the revision is to increase the security of natural gas supplies to the country, especially during a crisis.
2	Constructed high-pressure gas pipelines	The new proposed indicator is "Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria"	See above
3	Number of nights spent outside developed areas	Indicator removed	Aim of the revision is to support integrated urban development
4	Energy savings from refurbished buildings	Indicator added in the call documentation under 4.1-03/2010	Aim of the revision is to support the implementation of energy efficiency measures
4	Improved educational infrastructure (sq.m)	Indicator added in the call documentation under 4.1-03/2010	See above

Source: MA and Annual Report, 2009

Table 22 - Revisions of the OPRD reflected in changes of indicators

Revision of OPRD	Changes reflected in indicators
Refocus of Operation 2.3 for the construction of an inter-system gas link Bulgaria-Serbia	✓
Re-allocation of the funds within Operation 4.1 to support the implementation of energy efficiency measures in educational institutions outside urban agglomeration areas.	✓
Redirection of the funds under Operation 1.3 to support the following: <ul style="list-style-type: none"> ▪ de-institutionalization of children at risk ▪ renovation and reconstruction of universities ▪ introduction of energy efficiency measures at educational institutions ▪ creation and promotion of innovative cultural events 	✓

Revision of OPRD	Changes reflected in indicators
<ul style="list-style-type: none"> implementation of the JESSICA Initiative 	
Redirection of EUR 50 million from Operation 1.4 to Operation 1.5	-
Refocus of Operation 2.2 for only one activity: establishment of broadband connection to and inside the urban peripheries and the less urbanized territories and rural areas.	-
Redirection from Priority Axis 3 to Priority Axis 1 for financing approved educational infrastructure projects.	✓

Source: Annual Report, 2009

Core indicators

The European Commission, DG Regio, has prepared two Working Documents in order to assist Member States in creating and implementing systems of indicators for Structural Instruments, and ensuring a level of common usage of "core indicators" across Member States. Core indicators are particularly important for accountability at EU level as information is aggregated to demonstrate what Cohesion Policy resources are being spent on and what they are achieving.

The Consultant has looked at the adoption of EU core indicators and has identified whether existing indicators are core indicators. In case of OPRD 9 core indicators are transcribed in the national indicator system. With the exception of one indicator (use of urban public transport) units of the core indicators are identical to those recommended by the Commission [ref: **Table 23**].

Table 23 - Core indicators in OPRD

Priority Axis	Core indicators in the SFC system	Corresponding core indicators in OPRD
PA1	Nr. 30. Reduction of greenhouse emissions (CO2 and equivalents kt)	Reduction of greenhouse emissions (CO2 and equivalents kt)
	Nr. 37. Number of benefiting students (Education)	Students benefiting from improved educational infrastructure'
	Nr. 22. Additional population served with improved urban transport. (number)	Use of urban public transport (% of population increase)
	Nr. 31. Number of projects (risk prevention) Nr. 39 Number of projects ensuring sustainability and improving the attractiveness of towns and cities	Projects improving the physical environment, attractiveness of the towns and risk prevention (number)
PA2	Nr. 30. Reduction of greenhouse emissions (CO2 and equivalents kt)	Reduction of greenhouse emissions (CO2 and equivalents kt)
	Nr. 20 Values for time savings in EUR/year stemming from new and reconstructed roads	Value for time savings in EUR/year stemming from reconstructed roads for passengers and freight
	Nr. 12 Number of additional population covered by broadband access	Additional population covered by broadband access
	Nr. 16 Km of reconstructed roads	Km of reconstructed roads
PA3	Nr. 34. Number of projects (Tourism)	Total number of projects for tourism development
PA4	-	-
PA5	-	-

Source: OPRD

Assessing the relevance of indicator values

Indicator relevance refers to the capacity of an individual indicator to be closely linked to the programme strategy and objectives and to reflect the purpose for which it is collected. The Consultant analyzed how the indicators fulfil the quality criteria in terms of relevance. Out of the 1 Programme level and 58 operation level indicators 64 indicators are very relevant while two indicators can be considered less relevant when collated with operation level objectives [ref: **Table 70** and **Table 71**].

Assessment of indicator values based on QQTP criteria

The Consultant analyzed the existence, accuracy and consistency of indicators at Programme, Priority Axis and grant schemes level. The Consultant assessed if the indicators are in accordance with the QQTP criteria (Quantity, Quality, Time, Target group, Place) based on a table containing all indicators of the Programme with baseline and target values, relevant milestone values and actual figures [ref: **Table 24**].

1-3 scores were given for each component of the QQTP criteria with the following results [ref: **Table 24**]:

- Quantity:** 8 indicator values cannot provide clear results in measurable units. 7 indicator values have results in measurable units; however they are not clear enough, while 43 indicator values give clear results in measurable units.
- Quality:** One indicator value is not clearly defined, 19 are defined, but could lead to misinterpretations, while 38 are clearly defined.
- Time:** A clear time frame has been set for 54 indicator values while the time frame of the measurement is not explicit enough in case of 4 indicators.
- Target group:** 3 indicators cannot be fit to specified target groups, for 4 indicators the defined target groups are not specific enough, while 51 define target groups specifically.
- Place:** 6 indicators cannot be determined according to geographical location; in case of 3 indicators the geographical location is not specific enough, while 49 are fully determined according to geographical location. [ref: **Table 64 Annex 8.5**]

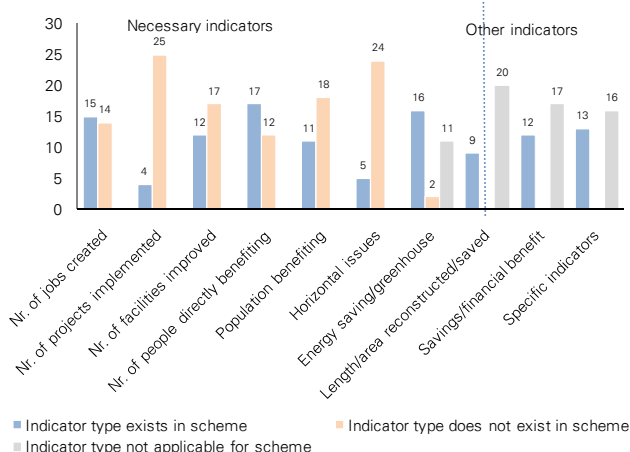
Most of the indicators are in **accordance with the criteria**. However, the indicators contain definitions only implicitly: there is no clear, explicit and specific explanation. Generally, the quality of indicators **decreases with the increase of hierarchy level**: output indicators are mostly clearly defined, while it is generally more difficult to define result and impact indicators. For a list of recommendations for improving indicators please refer to **Table 65, Annex 8.5**.

Table 24 - Result of QQTP analysis

Scores	Quantity	Quality	Time	Target group	Place
●	8	1	0	3	6
●●	7	19	4	4	3
●●●	43	38	54	51	49
Total	58	58	58	58	58

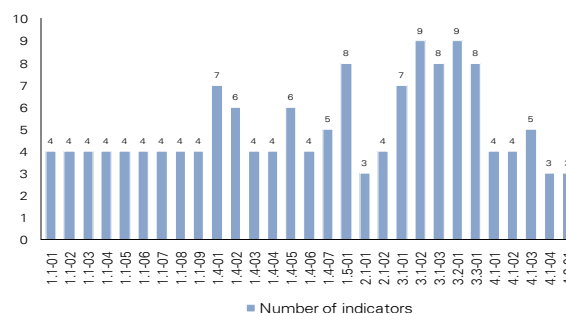
Source: KPMG

Figure 32 - Indicator types used at scheme level (Necessary/other indicators)



Source: KPMG

Figure 33 - Number of indicators in the grant schemes



Source: Grant schemes, KPMG

4.3.1.2.2 Scheme level

Existence of indicators

29 schemes have been issued.⁵ Based on this pool of indicators, 10 types of indicators have been defined to facilitate the assessment. **Figure 32** shows the appearance of indicator types at scheme level.

The indicator type „Nr. of jobs created“, „Nr. of facilities improved“ and „Nr. of people directly benefiting“ are the most commonly used indicator types in the schemes.

The main programme level impact indicator „Nr. of jobs created“ is only used in half of the schemes. Although a relevant indicator of the programme, it does not fully reflect the character of OPRD.

There are some operations with too many indicators (e.g. grant scheme 3.1-01, 3.1-03 3.2-01, 3.3-01) that might render collection of indicators difficult [ref: **Figure 33**].

Almost 1/3 of the schemes include all the indicators that are inevitable for measuring outputs and results. (Such indicator types are: ‘Nr. of projects’, ‘Nr. of facilities improved’, ‘Nr. of people directly benefiting’, ‘Population benefiting’.) [ref: **Figure 32**].

In case of 17 grant schemes there is at least one necessary indicator missing.

Table 25 - Existence of indicators

Nr of scheme	Nr. of jobs created	Nr. of projects implemented	Nr. of facilities improved	Nr. of people directly benefiting	Population benefiting	Horizontal issues	Energy saving/greenhouse	Length/area reconstructed/saved	Savings/financial benefit	Specific indicators
1.1-01/2007	✓	☒	☒	✓	✓	☒	✓	-	-	-
1.1-02/2008	✓	☒	☒	✓	✓	☒	✓	-	-	-
1.1-03/2008	✓	☒	☒	☒	✓	✓	✓	-	-	-
1.1-04/2008	✓	☒	☒	☒	✓	✓	✓	-	-	-
1.1-05/2008	✓	☒	☒	✓	✓	☒	✓	-	-	-
1.1-06/2009	✓	☒	☒	✓	✓	☒	✓	-	-	-
1.1-07/2009	☒	☒	☒	☒	☒	☒	✓	-	-	-
1.1-08/2010	✓	☒	☒	✓	✓	☒	✓	-	-	-
1.1-09/2010	✓	☒	☒	✓	☒	☒	✓	-	-	-
1.4-01/2007	☒	☒	☒	✓	☒	☒	✓	-	-	✓
1.4-02/2008	☒	☒	✓	✓	☒	✓	✓	-	✓	✓
1.4-03/2008	☒	☒	✓	✓	☒	☒	-	✓	✓	-
1.4-04/2009	☒	☒	✓	✓	☒	☒	-	✓	✓	-
1.4-05/2009	☒	☒	✓	✓	☒	✓	✓	-	✓	✓
1.4-06/2010	☒	☒	☒	✓	☒	☒	-	✓	-	-
1.4-07/2010	☒	✓	✓	✓	☒	☒	-	✓	✓	✓

⁵ TA indicators are not provided at scheme level; therefore figures on this slide do not include the assessment of PA5 indicators.

Nr of scheme	Nr. of jobs created	Nr. of projects implemented	Nr. of facilities improved	Nr. of people directly benefiting	Population benefiting	Horizontal issues	Energy saving/greenhouse	Length/area reconstructed/saved	Savings/financial benefit	Specific indicators
1.5-01/2010	✓	☒	✓	✓	☒	✓	✓	✓	-	✓
2.1-01/2007	☒	☒	☒	☒	☒	☒	☒	✓	-	✓
2.1-02/2007	✓	☒	☒	☒	☒	☒	☒	✓	-	✓
3.1-01/2008	✓	☒	✓	☒	☒	☒	-	-	-	✓
3.1-02/2009	✓	☒	✓	☒	☒	☒	-	-	-	✓
3.1-03/2010	✓	☒	✓	☒	☒	☒	-	-	-	✓
3.2-01/2010	☒	✓	✓	✓	☒	☒	-	-	-	✓
3.3-01/2008	☒	✓	✓	✓	☒	☒	-	-	-	✓
4.1-01/2007	✓	☒	☒	✓	✓	☒	✓	-	-	-
4.1-02/2008	☒	☒	✓	☒	✓	☒	✓	✓	-	-
4.1-03/2010	✓	☒	☒	☒	✓	☒	✓	-	-	-
4.1-04/2010	☒	☒	☒	☒	✓	☒	-	✓	-	-
4.2-01/2008	☒	✓	☒	☒	☒	☒	-	-	-	✓

Source: Grant schemes, KPMG Legend: ☒ - No indicator ✓ Indicator exists - Not applicable

Lack of some – consistently used – indicators renders aggregation at OP level difficult (e.g. if the grant schemes do not contain all necessary indicators, aggregation of the results will be difficult.) [ref: **Figure 32**].

Assessment of indicators

The Consultant assessed measurability and consistency of the indicators as these two features might contain most risks regarding the quality of indicators.

Measurability

In the course of assessing the measurability of indicators all indicators applied in the specific scheme were examined for measurability. Measurability was examined by using the QQTTP criteria results of the indicators. In case of 11 schemes all indicators can be measured easily. In case of 18 schemes most indicators can be measured without difficulties [ref: **Figure 35**].

Consistency

The Consultant examined how consistently the indicators were used during the different levels of programming, in other words, to what extent the indicators used in the schemes correspond to the indicators set in the OPRD. 14 schemes correspond to a great extent to OPRD indicators, while 13 schemes differ from those. [ref: Figure 36, **Table 66** and **Table 67**].

During the analysis of the indicators at project level the Consultant found that for similar measures as renovation of educational infrastructure under BG161PO001/1.1-01/20071.1.-01 and BG161PO001/4.1-01/2007 different types of indicators are used: students benefiting from improved educational infrastructure (reported the total number of students directly benefiting from the improved infrastructure under the first scheme) and population benefiting from small scale investments (under the second scheme). This might lead to inconsistency in the usage of indicators.

Beneficiary feedback

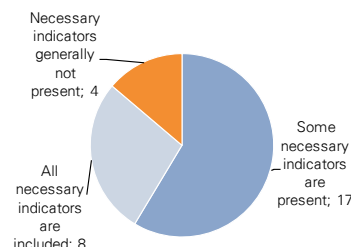
The majority of the beneficiaries did not experience any difficulty in capturing data for outputs and results, and disseminating it to the Managing Authority. The results of the questionnaire are the same for achieving the set output and result indicators.

Achievement of indicators

The output and result indicators set in the application form are considered easy to achieve or reasonably within reach by most of the beneficiaries. Only 6% of the beneficiaries find it not achievable or challenging to achieve [ref: **Figure 37**]. The main determining factors for not achieving the indicators include the term for implementation as well as the lack of information for measuring the indicators.

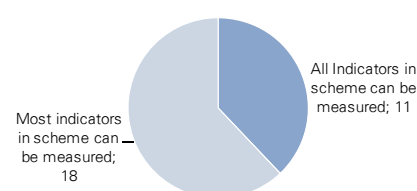
For more than 90% of the beneficiaries, project performance is solely driven by the attainment of the output and result indicators. The answers show that this does not pose a risk, as the attainment of these indicators fully or partly will satisfy the identified needs.

Figure 34 - Necessary indicators present in the schemes (29 schemes)



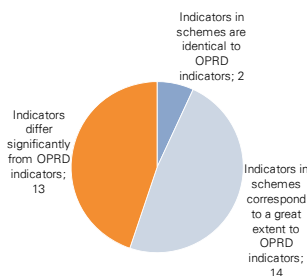
Source: KPMG

Figure 35 - Measurability (29 schemes)



Source: KPMG

Figure 36 - Consistency of Scheme level indicators to OPRD indicators (29 schemes)



Source: KPMG

Figure 37 - Do you believe that the target output and result indicators set out in your application form are still achievable?



Source: KPMG

4.3.1.2.3 Monitoring of progress

Status of indicator values

The information on achieved indicator values was estimated on the basis of completed projects. Therefore, for a large part of the indicators no achieved values are indicated.

Having assessed the 58 operation level indicators 26 – 14 output and 9 result and 3 impact – indicator values have been measured. [ref: **Table 13**]. In case of 1 indicator value, the result is not measurable yet. For about one third of the indicators, values are not available since related projects have not been completed yet. In case of 8 indicators, values were not achieved as implementation of the corresponding activities has not started yet. [ref: **Table 26**].

Table 26 - Status of indicator values

Legend	Explanation of status	Pcs
✓	Indicator values available	26
	Result/impact is not measurable yet	1
	No projects have been completed yet.	19
	Implementation of activities not started	8
	No information, not applicable	4
Total		58

Source: Annual Report 2009, MA and KPMG

Accuracy of reporting

The review of project level data has shown that there is lack of consistency of the reported indicators data. In some cases it is due to the different reporting methodology used by the beneficiaries, in other cases it is due to technical mistakes in the reporting, proving the necessity of double check and verification of the reported data. In some cases the methodology used by the beneficiaries for measuring the indicators, and in general the set target values are not appropriate in some cases. Some reporting issues are demonstrated in **Table 27**.

Table 27 - Accuracy issues in the indicator system

PA	Indicator	Issue of accuracy
2	Value for time-savings in Euro / year stemming from reconstructed roads for passengers and freight	The reported data for two similar projects is inconsistent: ref projects: BG161PO001-2.1.02-0024 Municipality Dobrich and BG161PO001-2.1.02-0037 Municipality of Bourgas.
2	Increase passengers and freight traffic on the rehabilitated roads (based on a year 2006)	The reported values for the above two projects are inconsistent. The value for the project BG161PO001-2.1.02-0037 Municipality of Bourgas is in numbers, instead of percentage.
3	Population benefiting from small scale investments	Some of the numbers reported for the completed projects for educational infrastructure are based on the population directly benefiting from the investments, at the same time for some of the projects the reported value is based on the total number of the population of the relevant municipality.

Source: MA and KPMG

4.3.2 Lead time

4.3.2.1 Background

The evaluation theme and the EQs covered can be separated into two sections, i.e. the assessment of the lead times in between the relevant stages of the application process, and the comparison of these lead times with the corresponding legislation.

The assessment was carried out for eight operations that have been launched. (For specific call numbers and title for each of these operations please refer to **Table 72**):

- 1.1 Social Infrastructure
- 1.4 Improvement of Physical Environment and Risk Prevention
- 2.1 Regional and Local Road Infrastructure
- 3.1 Enhancement of Tourism Attractions and Related Infrastructure
- 3.3 National Tourism Marketing
- 4.1 Small-scale Local Investments
- 4.2 Inter-regional Cooperation
- 5 Total Technical Assistance

For calculating the lead time, the Consultant did not only use the data from the contracted projects. Each project which possesses the relevant information for each of the intervals assessed (i.e. from registration to technical and financial check, registration to contracting) was included in the data set. This resulted in four different data sets used for lead time assessment, as per the four different intervals of assessment.

The lead time only includes the working days, so the weekends and the Bulgarian national holidays are excluded. In order to have more realistic picture of the total lead times (from registration to contracting), the projects from the waiting list have been excluded⁶ from the analysis.

In the analysis the Consultant had to take into consideration the different project selection procedures applied by MA. Two main project selection criteria can be defined: The rolling submission procedures for schemes for direct beneficiaries (1.1-1, 2.1-2, 4.1-1), and the set deadlines procedures for the schemes with a certain deadline (1.1-5, 1.1-7, 1.1-8, 1.1-9, 1.4-2, 1.4-3, 1.4-4, 1.4-5, 1.5-6, 3.1-2, 4.1-2, 4.1-3, 4.1-4, 4.2-1). Some schemes are for institutional beneficiaries, which are cannot be linked directly to the two main project selection criteria, so it is important to have also an overall analysis, where all schemes are included.

⁶ The waiting list effects the lead time only after approval, so it has only impact on the total lead time.

4.3.2.2 Analysis

4.3.2.2.1 Lead time⁷

From registration to technical and financial check

The average lead time from registration to the technical and financial check was 89 days. In the case of Operation 1.1 this process took significantly longer (125 days), while in Operation 3.3 shorter, 38 days, respectively.

The deviation of lead times of Operation 2.1 applications is the most spectacular: it varied from 13 to 271 days to reach the technical and financial check from the registration in the assessment period. The case of Operation 1.1 is also similar, with lead time ranging from 51 to 262 days.

Table 28 - Lead time from registration to technical and financial check (days)

Operation	Average	Min	Max	Deviance
1.1	125	51	262	42,3
1.4	70	1	126	29,8
2.1	93	13	271	48,3
3.1	51	36	99	22,2
3.3	38	27	43	8,0
4.1	74	32	124	17,2
4.2	71	71	80	1,0
5 (TA total)	38	1	141	32,6
Total	89	1	271	43,3

Source: KPMG (based on UMIS dataset, 31.12.2010)

Table 29 – Lead time from registration to technical and financial check, by project selection procedures

Rolling submission procedures					Set deadlines procedures				
Operations	Average	Min	Max	Deviance	Operations	Average	Min	Max	Deviance
1.1	140	65	208	28,4	1.1	84	51	262	48,3
1.4	-	-	-	-	1.4	72	25	126	29,0
2.1	100	27	168	50,1	2.1	-	-	-	-
3.1	-	-	-	-	3.1	49	36	87	21,5
3.3	-	-	-	-	3.3	-	-	-	-
4.1	75	32	108	18,5	4.1	73	46	124	14,9
4.2	-	-	-	-	4.2	71	71	80	1,0
5 (TA total)	-	-	-	-	5 (TA total)	-	-	-	-
Total	112	27	208	42,3	Total	71	25	262	29,3

Source: KPMG (based on UMIS dataset, 31.12.2010)

In **Table 29** the first part shows the rolling submission procedure, where no deadline has been set and the second part shows the procedures with a certain deadline. There are huge differences between the two project selection methods. At rolling selection procedure the average lead time is significantly higher (112 days), than the procedures with a certain deadline, where the average lead time is 71 days, which is low compared to the overall average lead time from registration to technical check (89 days). At the set deadline procedures the deviance has also decreased to 29.3 days. So in overall, the project selection with a set deadline lead to a significantly lower lead time (from registration to technical and financial check) and to a lower deviance.

⁷ The evaluation does not reflect the lead time of the Technical Assistance operations as these projects are not under the same legislation as the other operations. Highlighting the remarkable results of the TA applications would mislead the conclusions drawn from the lead time data.

From technical and financial check to approval

With an average of 13 days the process from technical and financial check to approval took the shortest time among the lead times in between the relevant stages of the application process. This average figure varies between 7 (Operation 3.3) to 19 (Operation 4.2) days to approve the checked applications.

In **Table 31** the first part shows the rolling submission procedure, and the second part shows the set deadlines procedures. There are no significant differences between the two project selection methods. At rolling selection procedure the average lead time is 13 days, and at procedures with a certain deadline the average lead time is 14 days.

Table 30 - Lead time from technical and financial check to approval (days)

Operation	Average	Min	Max	Deviance
1.1	10	2	17	5,3
1.4	11	1	18	4,3
2.1	16	2	33	11,8
3.1	14	10	33	3,2
3.3	7	5	10	2,5
4.1	15	8	26	5,7
4.2	19	19	19	0,0
5 (TA total)	16	1	39	15,4
Total	13	1	39	7,3

Source: KPMG (based on UMIS dataset, 31.12.2010)

Table 31 - Lead time from technical and financial check to approval, by project selection procedures

Rolling submission procedures				
Operations	Average	Min	Max	Deviance
1.1	10	4	17	6,3
1.4	-	-	-	-
2.1	18	4	33	12,7
3.1	-	-	-	-
3.3	-	-	-	-
4.1	16	8	26	5,4
4.2	-	-	-	-
5 (TA total)	-	-	-	-
Total	13	4	33	8,1

Set deadlines procedures				
Operations	Average	Min	Max	Deviance
1.1	11	11	12	0,5
1.4	11	8	18	4,2
2.1	-	-	-	-
3.1	14	10	15	2,1
3.3	-	-	-	-
4.1	14	11	25	5,9
4.2	19	19	19	0,0
5 (TA total)	-	-	-	-
Total	14	8	25	4,6

Source: KPMG (based on UMIS dataset, 31.12.2010)

Total lead time: from registration to contracting

A summary of the individual results of the lead times in between single statuses shows that the average total lead time was 118 days with OPRD applications.

Operation 3.1 leads the rank in terms of average lead time with a figure of 142 days.

Operation 3.3 has the shortest average time (except TA) that passed from the registration of application to contracting which took 61 days. The shortest individual lead time belongs to Operation 1.4, with only 1 day.

Table 32 - Total lead time for the application process (days)

Operation	Average	Min	Max	Deviance
1.1	139	81	283	42,8
1.4	120	1	211	53,4
2.1	120	30	481	62,8
3.1	142	97	149	16,1
3.3	61	51	81	15,0
4.1	111	62	548	64,4
4.2	125	110	428	62,9
5 (TA total)	58	2	182	41,8
Total	118	1	548	58,4

Source: KPMG (based on UMIS dataset, 31.12.2010)

Table 33 - Total lead time for the application process, by project selection procedures (days)

Rolling submission procedures					Set deadlines procedures				
Operations	Average	Min	Max	Deviance	Operations	Average	Min	Max	Deviance
1.1	150	81	212	96,9	1.1	118	83	283	42,2
1.4	-	-	-	-	1.4	124	63	211	51,5
2.1	102	53	481	76,9	2.1	-	-	-	-
3.1	-	-	-	-	3.1	148	148	149	0,4
3.3	-	-	-	-	3.3	-	-	-	-
4.1	113	62	548	86,7	4.1	107	89	120	11,7
4.2	-	-	-	-	4.2	125	110	428	62,9
5 (TA total)	-	-	-	-	5 (TA total)	-	-	-	-
Total	127	53	548	70,6	Total	120	63	428	46,7

Source: KPMG (based on UMIS dataset, 31.12.2010)

The length of the total lead times depends on the project selection methods. Schemes with a rolling submission have a longer total lead time (127 days), than the average. Projects with a fix deadline have a shorter total lead time (120).

The total lead time from registration of applications to contract signing took 118 days for OPRD projects.

Overleaf is presented the logics behind the lead time analysis.

In the course of the evaluation the Consultant analysed three different lead times:

- lead time from registration to technical and financial checks,
- lead time from technical and financial check to approval, and the
- total lead time (from registration to approval).

As written in the Background section of the MEQ, in order to have more realistic picture of the total lead times, the projects from the waiting lists have been excluded from the total lead time analysis. From the lead times from registration to technical and financial check and lead times from technical and financial checks to approval all the applicants on the waiting list have been included.

The difference between the rolling submission and the set deadline procedures in lead time from technical and financial check is 41 day, but this difference melts to "only" 7 days regarding the total lead time. It does not result that the lead time between technical and financial checks to contracting is longer at set deadlines procedures. There are several issues, which are results of the changes in the differences.

- Projects from the waiting list mostly come from the rolling submission procedures, and these projects also have a longer lead time. So when these projects are excluded from the total lead time, it leads to a decrease in the differences between the two project selection methods.
- Regarding the lead time from registration to technical and financial check, 919 projects were included in the analysis. Concerning the total lead time only 380 projects were included. Projects which have failed at the selection process have longer lead time, and the difference between the two project selection procedure is higher.
- The time period from approval to contracting have a certain level of influence as well.

As the **Table 34** shows the applications of Operation 1.1 and Operation 3.1 had to go through the longest process. At Operation 1.1 being the most popular Operation, a logical reason might be the high number of applications which caused heavy workload for the MA to process.

TA projects are processed very quickly, with even instances of applications (BG161PO001/5-01/2008/016 and BG161PO001/5-01/2008/017) where there are only two days spent between registration and contracting. However, this again reflects the special character of TA.

Placing the overall lead time result to an international context highlights the fact that the Bulgarian total lead time result is somewhere in between the relevant value of the Romanian Regional OP (292 days) days and the seven Hungarian Regional OPs' average of 63 days.

Table 34 - Summary table of lead times

Operation	Contracted projects	From registration to technical and financial check	From technical and financial check to approval	Total lead time: from registration to contracting
1.1	133	125	10	139
1.4	70	70	11	120
2.1	58	93	16	120
3.1	10	51	14	142
3.3	9	38	7	61
4.1	108	74	15	111
4.2	55	71	19	125
5 (TA total)	43	38	16	58
Total	486	89	13	118

Source: KPMG (based on UMIS dataset, 31.12.2010)

Table 35⁸ - Project duration (days)

Project duration

An average planned project duration within the OPRD was 439 days, varying between 24 (TA) and 1259 (TA) days. Except for the TA projects, the project duration varied between 166 (1.4), and 957 (1.4) days.

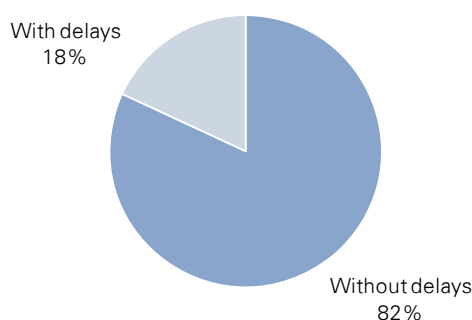
The high maximum values for project implementation period are due to the character of these interventions, i.e. infrastructure development projects.

With extreme results in the minimum and maximum range as well, TA related projects (evaluations, capacity building, audit, communication, etc.) are also required to cover a longer period of time, even the whole of the implementation period.

Operation	Average	Min	Max	Deviance
1.1	457	167	523	80,8
1.4	451	166	957	122,8
2.1	491	189	521	55,8
3.1	484	262	524	85,0
3.3	642	512	762	110,2
4.1	406	173	523	95,3
4.2	351	230	386	47,2
5 (TA total)	445	24	1 259	244,6
Total	439	24	1 259	119,9

Source: KPMG (based on UMIS dataset, 31.12.2010)

Figure 38 - Split of delayed contact signing



⁸ Please note that this table also contains the lead time of those projects which have been contracted to external operators however their budget has not been contracted to further entities. The max figure for TA reflects the duration between the approval of the project and the subsequent contracting which takes place under a different procedure.

Lead time of contract signing

Source: KPMG Beneficiary Survey, 2010

According to the beneficiary questionnaire there were no significant delays with contracting. The applicants' answers show that the contract signing was in delay only in 18 per cent of the applications.

Lead time of payment

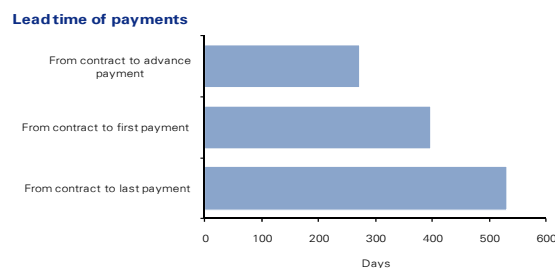
The beneficiaries answering the questionnaire reported an average of 273 days regarding the lead time from contracting to receive an advance payment. The average time from contacting to the first interim payment took 396 days. From contracting to last payment showed an average lead time of 531 days. Considering that the average project duration took 439 workdays the payment did not seem to be delayed.

In 2009, measures were taken to optimize the payment procedures in MA's Manual of Procedure, which considerably accelerated the payments under the programme for the period October-December 2009. By order No. RD-02-14-2028/13.11.2009 of the Head of MA of OPRD, the cases of concluding an annex to a signed grant contract were limited.

Procedures related to payments under grant contracts were simplified:

- the number of copies of documents required to accompany each payment request was reduced
- the expenditure verification procedure was improved by reducing correspondence with the beneficiaries
- the period for preparation and submission of a verification report was shortened
- the period of "layover" per payment request at the MA was shortened, etc.

Figure 39 - Lead time of payments



Source: KPMG Beneficiary Survey, 2010

4.3.3 *Horizontal issues*

4.3.3.1 **Background**

Council Regulation (EC) No 1083/2006 lays down that the Community, at all stages of Funds implementation has as objective to eliminate inequalities, to promote equality between men and women as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation while promoting environmental sustainability. Strict expectations regarding equal opportunities and sustainability are applied claiming that the pre-condition for receiving EU support is the obligation of project owners to enhance equality and environmental sustainability. In the application phase the project owner has to make commitments regarding both his organization and the project itself that he will achieve progress compared to the current situation.

The basic aim of transferring EU expectations into Bulgarian practice was to promote an approach ensuring that the project owner is already taking into consideration actions that (part resulting from the project) can be undertaken for equal opportunities and environmental sustainability.

After examination of the programming documents (OP, projects selection criteria from the applicant guides) horizontal issues considered at the stage of programming and at the currently assessed stage of implementation have been identified and summarized. This summary serves as basis for assessing consistency of horizontal issues throughout the hierarchical levels of programming. Consideration of horizontal issues has been followed through the Annual Reports and interviews with the MA.

4.3.3.1.1 *Horizontal issues in the OP*

OPRD follows up on horizontal issues according to the subsequent structure:

1 Equality and non-discrimination

Specific efforts towards equality and non-discrimination prescribed in OPRD are following:

- Urban development: interventions to be financed for neighbourhoods with dominant roma population; social infrastructure and public transport friendlier to disabled people
- Accessibility: access to better services and economic development possibilities for people living in isolation and in underdeveloped areas
- Gender equality proportion of OPRD Monitoring Committee's and its working groups', equal opportunities in the implementation of the activities
- Participation of disadvantaged groups' organisations
- Preventing discrimination in administrative procedures - access to financial resources
- Equal opportunities - project selection criteria:
 - Participation of the equal opportunity target groups in the course of project preparation
 - Promotion of physical and communication accessibility of disadvantaged people
 - Cooperation between institutions of different equal opportunity target groups
 - Possibilities for atypical employment
 - Appropriate human resource and expertise available to ensure prevalence of equal opportunities

2 Implementation partnership

The principle of partnership should be followed during both programming and implementation:

1. In the membership of OPRD Monitoring Committee and its working groups
2. Consultation with Regional Development Councils and their secretariats
3. Promotion of inter-municipal, public-private and other local and regional partnerships

3 Sustainable development

The strategic framework of OPRD is based on three main spheres of interventions, related to the main pillars of sustainable development policy:

4. **Economic sphere:** strengthening of economic competitiveness and enhancement of employment
5. **Social sphere:** interaction, establishment of cooperation networks and capacity
6. **Environmental sphere:** implementation of the "polluter pays", the "public has the right to know" and the "preventive control" principles

Sustainable development principles should be taken into consideration during elaboration of project selection criteria. (For more information on environmental issues, please refer to the sub-section 1. Sub-section of Evaluation Theme 20).

4 Other horizontal issues - Public Procurement, concessions and state aid

Based on the Public Procurement Law the MA has established a reliable system for public procurement procedures assuring application of free and fair competition, publicity, transparency and equal treatment of the candidates; moreover opportunities for environmental protection, unemployment and creating jobs for people with disabilities.

As for state aid, in order to guarantee transparency, any public support under OPRD has to comply with the procedural and material EC State aid rules.

4.3.3.2 Analysis

Horizontal issues are applied through indicators and the project selection criteria. For information on environment related horizontal issues please refer to the sub-section of Evaluation Theme 20.

4.3.3.2.1 Indicators

Programme level

There are no horizontal indicators at OPRD level.

Priority Axis level

Out of the 5 Priority Axes Priority Axis 1 contains 3 indicators in OPRD that relate to horizontal issues

- Percentage of population increase 'Use of urban public transport (including disabled)'
- Social homes/centres constructed/reconstructed as result of deinstitutionalization of children
- Children benefiting from deinstitutionalization process

Scheme level

Horizontal indicators are used in 5 out of 29 schemes. They are applied in accordance with the specific characteristics of the schemes. These indicators are:

- People benefiting from the renovations – by sex, persons with disabilities and minorities
- People with disabilities easier access
- Utilization of urban public transport (including people with disabilities) -% increase in population

The number/ratio of people with disabilities appears in each of them, while minorities and gender equality in two of them. [ref: **Table 36**]. For information on energy efficiency issues please relate to the sub-section of Evaluation Theme 20.

Table 36 - Horizontal indicators applied at Scheme level

Call Nr	Indicator	Minorities	People with disabilities	Gender equality
1.1-03	People benefiting from the renovations - by sex, persons with disabilities and minorities	✓	✓	✓
1.1-04		✓	✓	✓
1.4-02	People with disabilities easier access		✓	
1.4-05			✓	
1.5-01	Utilization of urban public transport (including people with disabilities) -% increase in population		✓	

Source: Grant schemes, KPMG

4.3.3.2.2 Project selection

Horizontal issues at the level of schemes can be traced through eligibility and award criteria, supportable activities, and indicators.

Eligibility criteria

The schemes launched in the second half of 2009 contain compliance of the project proposal with EC policies as admissibility criteria at scheme level. The project proposals have to comply with horizontal policies of the European Union such as gender equality, social inclusion, sustainable development and environmental protection.

In case of the scheme 1.5-01 the project proposal should also address the needs and problems of persons with disabilities.

Supportable activities

Table 37 shows the supportable activities that are related to horizontal issues. In general, supportable activities relate to sustainable development.

14 out of 29 grant schemes specifically support the improvement of access for people with disabilities for developments in educational institutions, municipal buildings, labour offices, the Social Assistance Agency, hospitals, bus stops, areas for public recreation, cultural monuments, touristic, natural, cultural and historical attractions.

Table 37 - Supportable activities related to horizontal issue

Grant scheme	Supportable activity – Improving access for people with disabilities
1.1-01.2007	Educational institutions
1.1-02.2008	State owned schools
1.1-03.2008	Social Assistance Agency
1.1-04.2008	Labour Office
1.1-05.2008	Cultural institutions
1.1-06.2009	Health institutions
1.1-07.2009	Universities
1.1-08.2010	Public hospitals /homes for medical care
1.4-02.	Municipal buildings
1.4-05.2009	Areas for public recreation
1.5-01.2010	Bus stops
3.1-01.2008	Cultural monuments
3.1-01.2009	Touristic attractions
3.1-03.2010	Natural, cultural and historical attractions

Source: Grant schemes, supportable activities

Award criteria

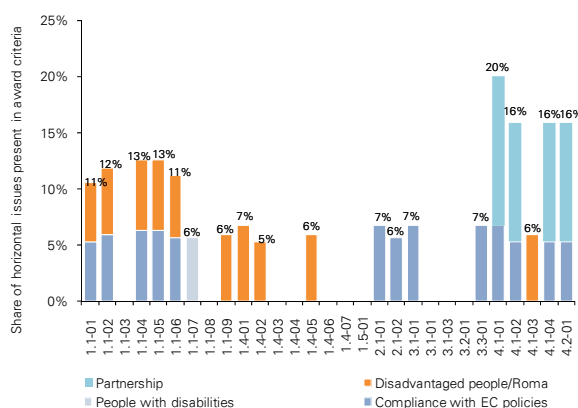
Horizontal issues are explicitly present in the award criteria of calls. **Figure 40** demonstrates the weight of horizontal issues in the award criteria in the grant schemes.

General horizontal issues

Out of the 29 grant schemes 12 possess the general award criterion **'Compliance with EC policies'** in the project selection criteria. Applicants may receive up to 5 points if the project fiche:

- **Achieves compliance with EC policies** (promoting equality and social inclusion, sustainable development and environmental protection, there shall be added value used innovative approaches)
- Contributes to realize the principle of ensuring **equality, prevention of discrimination and ensure social inclusion**;
- Contributes to realize the principle of **sustainable development**
- Contributes to improving conservation of the **environment**
- Helps create added value and provides **innovative approaches**, including sharing of best practices

Figure 40 - Scores for considering horizontal issues



Source: Grant schemes, award criteria, KPMG

Although not a typical horizontal issue, financial and institutional sustainability of project results is referred to in all grant schemes (except for grant scheme 1.1-07.2009). In this respect:

- There is a possibility of project benefits for target groups to continue existing after the end of funding;
- The applicant has indicated in detail the potential sources of funding after the end of the project and they are realistic and reliable.

Specific horizontal issues

The award criteria of grant scheme 1.5-01.2010 and 1.1-07.2009 rewards addressing the needs/ providing special equipment for **people with disabilities**. In case of 1.1-07.2009 applicants may receive up to 10 points when complying with this criterion; however within that category the weight of horizontal issues is not explicitly defined.

The criterion 'The project proposal addresses the **needs and problems of disadvantaged people, including roma**' is presented in **10** grant schemes with 5 or 0 points awarded (The fact that no points in between can be received renders the weight of this criterion even greater). According to the award criterion of call 1.4-02.2008 projects are to be supported that put real and demonstrated needs and problems of ethnic minorities, including roma as major focus of the project. Moreover, projects are rewarded which help to overcome social exclusion; and which can provide clear evidence of demand for the project results (ethnic minorities, including Roma want to use and maintain the results of the project).

4 grant schemes refer to the **'Involvement of partnerships'** with a maximum of 10 points rewarded, setting out the following:

- Partners are strategically selected and comply with the project activities;
- Partners are directly involved and actively participate in project activities. Their role is clearly defined;
- The partnership is based on collaboration between partners with more and less experience in the areas of impact of the project.

8 grant schemes do not contain any horizontal issue related award criterion. **Horizontal issue scores can amount up to 20% of the project selection criteria**, while their average share is 10% of the total scores.

4.3.3.2.3 Reporting on horizontal issues

The MA obliges their beneficiaries to use annual progress reports, specifically pointing out what part of the population is benefiting from implementing the projects. The total number of ethnic minorities benefiting from the project results reached 33,574, while 16,099 people with disabilities benefited from the implemented projects (as of end 2009) [ref: **Table 38**].

Table 38 - Expected results from the grant schemes related to horizontal issues

Number of people benefiting	1.1-01	1.1-02	1.1-03	1.1-04	1.1-05	4.1	Total
Roma/ethnic minorities	13,764	309	5,500	11,080	2,921	1,641	33,574
People with disabilities	3,997	41	4,500	4,640	2,921	17	16,099

Source: Annual Report 2009

4.3.3.2.4 Horizontal issues – Consistency of different levels of OPRD implementation

Table 39 summarizes the horizontal issues considered at the stage of programming and their compliance in the project selection system.

Table 39 - Consistency of horizontal issues across the levels of OPRD implementation

OPRD	Horizontal issue	OP			Call		
		Translated into project selection criteria	Objectives	Indicators	Eligibility criteria	Supportable activities	Award criteria
Equality and non-discrimination	Compliance with EC	✓	-	✓		✓	✓
	People with disabilities	✓	-	✓	✓	✓	✓
	Disadvantaged Roma	✓	-	-		✓	✓
Implementation Partnership	Quality of Partnership	✓	-	-	-	✓	-
Sustainable development	Sustainability	✓	-	✓	✓	✓	
Public procurement, State aid	-	✓	-		-		-

Source: OPRD, grant schemes, KPMG

The horizontal issues considered at the stage of programming - equality and non-discrimination, implementation partnership, sustainable development, public procurement, concessions and state aid are translated at the level of calls into compliance with EC policies, people with disabilities, disadvantaged people/Roma, quality of partnership and sustainability.

At scheme level the compliance with horizontal EC policies and supporting people with disabilities are applied through the eligibility criteria. 2 horizontal issues are explicitly mentioned under supportable activities: support of investments for people with disabilities and sustainable development.

Three horizontal issues – equality and non-discrimination, implementation partnership and sustainable development – are presented in the award criteria.

Equality and non-discrimination is translated into indicators: number/ratio of people with disabilities; minorities and gender equality.

As a whole, horizontal issues are significant in the project selection criteria, and generally incorporated into the applications. They have been considered appropriately and according to the character of the OPRD interventions both in the programming and in the implementation phase.

4.3.4 Capacity and capability

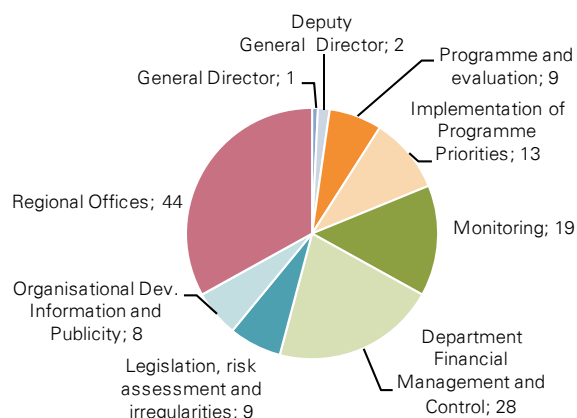
4.3.4.1 Background

As at 31 August 2010 the Managing Authority employs 133 people. Recently, 20 additional staff has been allocated to the MA, dedicated to work for the MA regional departments and central units dealing with JASPERS and JESSICA. Otherwise, the number of the total staff has not changed since 2009; there were only minor changes such as:

- Total number of staff of the Department 'Organisational Development, Information and Publicity' has been reduced by 1.
- Total number of staff in the Department 'Monitoring' has been increased by 1.

Most colleagues work at the Department Financial Management and Control (28) and at the Department 'Monitoring' (19).

Figure 41 - Total Nr. of MA staff as of 31.08.2010



Source: MA

Table 40 - Capability of MA

Function	As of 31.08.2010		
	Total staff	College / university degree	Specific training received
1. General management and programming	9	9	6
2. Implementation of Program Priorities	12	12	8
3. Financial management and payments	28	28	11
4. Monitoring, reporting & evaluation	23	23	12
5. Reporting on irregularities	1	1	0
6. Information and publicity	1	1	1
7. Organizational Development	6	6	2
8. Archive	1	1	0
9. Legal department, risk assessment	8	8	2
10. Regional departments	44	44	24
Total	133	133	66

Source: MA

The six regional departments employ altogether 44 professionals with an average of 7-8 people working in one regional office. All 133 employees of the MA have college/university degrees. 66 employees received training, related to Structural/Cohesion Funds. [ref: **Table 40**].

4.3.4.2 Analysis

The main conclusion of an analysis on the administrative capacity of the MA (completed in 2009) was that, irrespective of the presence of certain problems and deficits, the MA was **operating and performing its mission**.⁹

4.3.4.2.1 Capacity of the MA

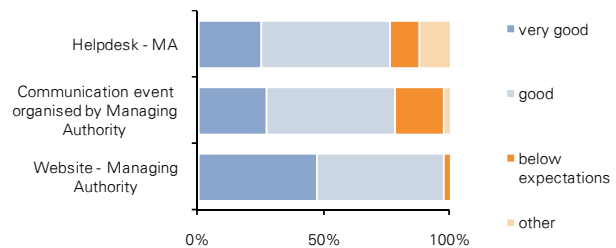
The analysis on the administrative capacity of the MA reports that the busiest period in connection to launching schemes, evaluating projects and contracting had finished, and the coming significant workload is related to monitoring and the financial implementation of the programme¹⁰. Due to the expected increase of workload (resulting from the increased number of contracts) in the monitoring and financial departments and regional offices it is necessary to use TA for involving additional technical expertise to examine the quality of the physical implementation at project level. The Consultant did not find any evidence for lack of capacity in the relevant reports, although the 100% **ex ante control of public procurement** could have created a large workload.

The ex ante control is compulsory for all public procurement procedures carried out by the beneficiaries of the OPRD, except for the procurement procedures under the Ordinance for small public procurement procedures. According to MA management, a more efficient practice would be performing ex-ante control only for high-risk projects which would speed up the implementation process. Production and dissemination of manuals and templates of contracts among beneficiaries could optimise the ex ante control. This could be achieved from TA funds (Ministry of EU funds). Moreover, **Operation 1.2 on housing** might also create a large workload for the MA. The establishment of an intermediary body could support this process.

While no lack of capacity is anticipated at present, **parallel implementation and programming** in 2013-2014 might overburden the system in terms of capacity.

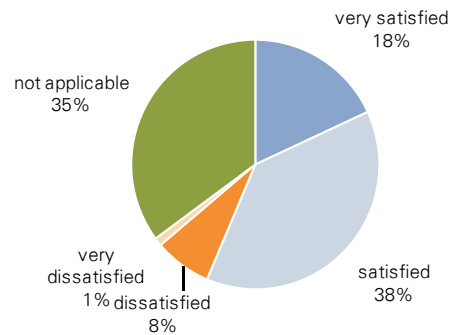
Practically there has been **no turnover of employees** in the MA which reveals a stable organisation. However, according to the management **retaining** personnel might be a major challenge, especially after the end of the crisis. The MA is considered to be a good employer. The 100% extra salary is a real motivation factor for the jobseekers, while MA personnel consider the extra salary part of the well-deserved remuneration. According to MA

Figure 42 - How would you rate the usefulness of the MA helpdesk in completing the application?



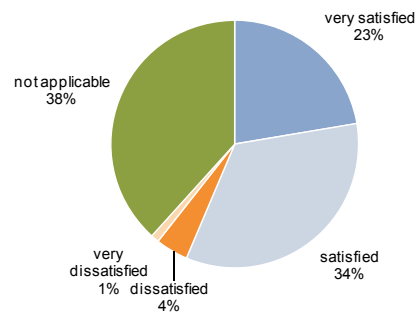
Source: KPMG Beneficiary Questionnaire

Figure 43 - How satisfied are you with the support of the MA in meeting administrative obligations in relation to implementation?



Source: KPMG Beneficiary Questionnaire

Figure 44 - How satisfied are you with the support of the MA in meeting administrative obligations in relation to project closure?



Source: KPMG Beneficiary Questionnaire

⁹ Annual Report, 2009

¹⁰ Annual Report 2009

management running a bonus scheme – which is already established – will motivate the staff for the extra responsibilities and will keep the experts in the MA.

With regard to the general satisfaction of the beneficiaries from the implementation of the Programme, the MA has achieved a very good progress in terms of communication – weekly meetings with representatives of municipalities; open days, daily discussions on projects' progress, and regular meetings with direct beneficiaries. According to MA management, processes have become faster, payments are speeded up. More than ¾ of the beneficiaries rated the **usefulness of the MA helpdesk** in completing the applications as good/very good, while only 20% found it below expectations [ref: **Figure 42**]. More than half of the beneficiaries are satisfied/very satisfied with the support of the MA during project implementation [ref: **Figure 43**], while 90% of them rated the support during project closure as satisfying/very satisfying.

Regional departments

According to the survey conducted with the regional departments - with the exception of the South West Region – the offices find the administrative capacity sufficient regarding their present functions. Common opinion is that the functions of the regional departments require the expertise of at least one engineer and legal expert. With the increase of the workload during the next three years of the programming period, there will be a need for further strengthening the administrative capacity in terms of number and expertise.

According to the survey some of the regional departments need to strengthen the capacity of their financial team because of increased workload related to the increased payment verifications in the three years of the implementation.

Most of the regional departments also share the need for setting clear carrier development perspectives and motivation for the staff.

As a consequence of Council of Minister Decree 121 the administrative evaluation and eligibility was to be performed by the designated Evaluation Committee. The main functions that were taken away from the regional departments were registration of applications and administrative and eligibility evaluation of the applications. The general opinion of the RO is that it is appropriate.

In general the opinion of the Regional Offices is that they have sufficient capacity to perform the verifications if they are preliminary planned and not many in terms of numbers.

4.3.4.2.2 Capability of the MA

The analysis on the administrative capacity of the MA helped to design a two-year training programme for the employees of MA. The training programme aims to achieve a long-term strengthening of MA's capacity for effectively, efficiently and timely implementation of OPRD for the period 2010-2013, as well as for the programming of the next programming period. The programme has a total value of 2 500 000 BGN, a duration of 2 years and targeted to include the entire MA staff. The total number of training topics is 42. Each employee shall attend an average of 27 days of training for a period of 24 months, 20 days in the country and 7 days for a study visit to the MA of a Member State of the EU with experience in the management of financing from the Structural Funds.¹¹

As concerns the regional departments, training needs assessment is performed for each expert. According to management there is a case for improvement regarding technical capabilities of the regional departments for the on-the-spot checks. A competition for pool of technical experts is planned to be launched under PA 5 until the end of 2010 to cope with this issue. According to the survey with the regional departments training needs arise mainly in the area of procurement, financial control and monitoring procedures, use of UMIS, legal requirements related to construction works, etc. The departments consider that there should be training for both newly appointed and experienced staff. General opinion is the necessity of at least one engineer and legal expert in one regional department. During the survey some of the regional offices complained about the available technical equipment.

¹¹ Annual Report, 2009

4.3.5 Efficiency

4.3.5.1 Background

Efficiency is one of the key Structural Funds evaluation issues and shows how economically the various programme inputs are being converted into outputs and results, as well as the wider question of how efficiently programme implementation arrangements are operating.

The major objective of the efficiency analysis is to provide information about the unit cost per product and to assess whether the Managing Authority is efficiently managing the OPRD in terms of management cost compared to the achieved results. Efficiency is often difficult to assess accurately because of difficulties to allocate the exact amount of funding sources for each indicator achieved regarding the relevant intervention and because not all outputs can be quantified

In order to evaluate the efficiency the Consultant has reviewed the following documents:

- Indicator values (at project and priority axis level) provided by the MA
- Final technical reports of the beneficiaries
- NSRF indicator values
- Other countries indicators in the area of regional development.
- Capacity data of the MA

4.3.5.2 Analysis

4.3.5.2.1 Unit cost per product

In order to calculate the efficiency for cost per product, the best approach is to have a benchmark or target value for cost per product to be achieved. When evaluating the efficiency, the achieved cost per product could be compared to the set targets and to similar values from other Operational Programmes and other countries if it is applicable and comparable.

As per 31 December 2010, the Managing Authority has reported progress under the following outputs, results and impact indicators:

Priority axis 1 – Completed projects under: BG161PO001/1.1-01/2007 scheme and BG161P001/1.4-03/2008

Progress is reported under the following indicators:

- Energy savings from refurbished buildings – The indicator was not used for calculation of efficiency as the reported progress was for only two completed projects (reported in mWh), and for another – in %.
- Students benefiting from improved educational infrastructure – The indicator is a basis for calculation of efficiency. Please refer to **Table 41** below.
- Population benefiting from refurbished buildings (except educational and healthcare institutions) – The reported indicator includes the students benefiting from improved educational infrastructure and it is more appropriate to calculate the efficiency per student instead per capita as the completed projects include mainly for educational infrastructure.
- Education facilities improved – The indicator is considered not appropriate for calculation of efficiency.
- Culture facilities improved – As there are different cultural facilities improved with different specifics the indicator is considered not appropriate to calculate efficiency.
- Projects improving the physical environment, attractiveness of the towns and risk prevention - The indicator is considered not appropriate to calculate efficiency.

Priority axis 2 - BG161PO001/2.1-02/2007

- Reduction greenhouse emissions (CO2 and equivalents, kt) – There is reported value only for one project.
- Value for time savings in Euro / year stemming from reconstructed roads for passengers and freight – There are reported values under three projects. As the calculation methodology used by the beneficiaries is not available, the Consultant did not use the information for calculation of efficiency.

- Increase passengers and freight traffic on the rehabilitated roads (based on a year 2006)
- Km of reconstructed roads – The indicator is a basis for calculation of efficiency. Please see **Table 41**.
- Number of projects (road, ICT, gas) - The indicator is considered not appropriate to calculate efficiency.

Priority axis 4 - BG161PO001/4.1-01/2007; BG161PO001/4.1-02/2008; BG161PO001/4.2-01/2008 and BG161PO001/4.2-01/2008

Progress was reported under the following indicators:

- Innovative practices transferred and adopted based on interregional cooperation – The indicator is considered not appropriate to calculate efficiency.
- Population benefiting from small scale investments – Although the indicator could be a basis for calculation of efficiency .the presented project level data has shown that the beneficiaries are reporting values using different methodology. Some municipalities are reporting the total number of population of the municipality and at the same time some of the municipalities are reporting the population directly benefiting from the relevant infrastructure. This results in reporting of misleading results for the indicator progress. (Project level indicator values for BG 161/4.2-01/2008).
- Small scale investment projects implemented - The indicator is considered not appropriate to calculate efficiency.
- Interregional cooperation projects (number) – no efficiency is calculated as the number of projects is not appropriate indicator for calculation of efficiency.

As a result of the reallocation within Operation 4.1 and introduction of energy efficiency measures, progress was reported under indicator “Energy saved from refurbished buildings”. The values were reported for 26 projects, however due to the lack of unified methodology for calculation and reporting the data related to energy savings may not be reliable.

Priority axis 5 - BG161PO001/5.3-01/2008

No efficiency is calculated as there is no appropriate indicator.

Reported values are provided for the following indicators:

- Level of general public awareness about the OPRD;
- Technical support, consultancies, etc.;
- Number of trained people from MA (incl. regional departments) and beneficiaries;
- Number of Monitoring committee meetings;
- Information and publicity activities undertaken according to Communication Plan (number);
- Evaluations undertaken.

Table 41 - Progress and calculation of the efficiency:

	Name of the indicator	Total Paid (BGN)	Value achieved	Achieved Efficiency	Comment
1	BG161PO001/1.1-01/2007 Support for the provision of suitable and cost-effective educational, social and cultural infrastructure contributing to the sustainable development of urban areas				
	Students benefiting from improved educational infrastructure	19,378,495	8,724	2,221 BGN per student	The efficiency is calculated based on the total amount spent for improvement of educational infrastructure.
2	BG161PO001/2.1-02/2007 Support for rehabilitation and reconstruction of the second class and third class roads				
	km of reconstructed roads	57,557,490	113.54	506,936 BGN per kilometer	

Source: KPMG

Under the OPRD there are no set basic targets in relation to unit costs per product, therefore the evaluation of efficiency could be performed by calculating the unit cost per achieved mid-term value of the relevant indicators (for the completed projects) under the relevant Priority Axis by using the total amount paid under the given Priority. The received results could be compared to the 2015 target indicator values with the assumption that the targets will be achieved by absorption of the allocated funds under the relevant Priority Axis. This approach, however, would provide information for the effectiveness rather than the real efficiency achieved under the programme.

4.3.5.2.2 Comparing the efficiency results with similar values or targets:

- Students benefiting from improved educational infrastructure – It would be interesting to compare the result of 2,221 BGN per student with the annual subsidy per student paid under the national budget. For 2010 the budget subsidy per student is 1,175 BGN (for municipalities above 70,000 people) and 1,261 BGN (under 70,000 people and density above 65 people 1 km²) and 1,342 BGN (for municipalities under 70,000 people and density under 65 people per 1km²) according the 2010 Budget Act.
- Km of reconstructed roads:

Under Operation 2.1. Regional and Local Road infrastructure the available budget at the beginning of the programme is: 626,364,243 BGN and the set target for 2015 is 1,300km reconstructed, that is setting a target of average 481,819 BGN per km rehabilitated road. The efficiency achieved as per 31 December 2010 is 506,936 BGN, which is very close to the targeted value. It is interesting to discuss the achieved price at project level, as it varies between 101,220 BGN and 898,582 BGN per km reconstructed road. The total project costs include the supervision of the construction works and other types of activities related to the road rehabilitation.

Of course, the reconstruction of the roads is different for every single project, but it would be practical to set efficiency targets for different types of rehabilitations dividing the project to major groups, taking into account the type of reconstruction works, geography of the roads and other specifics.

4.3.5.2.3 Efficiency in terms of management of OPRD

The efficiency in terms of programme management is only objective if reference values are available to compare the achieved results. The values to be calculated could be based on the annual costs for human resources (including training) divided by the total amount contracted per annum. Or it could be calculated as percentage of the annual budget to be allocated. The efficiency could also be calculated for the different Departments taking into account the major outputs that the relevant Department is expected to provide.

For the purposes of the mid-term evaluation the Consultant considers that it would not be useful to calculate efficiency in terms of OPRD management, as there is no set mid-term target under the programme. In addition, the result would not be objective as the first three years of programme implementation are usually not so intensive in terms of contracting.

For future reference values it would be useful to set programme target value for the percentage of human resources costs for the total programme period as part of the total committed and disbursed budget. .

4.3.5.2.4 Findings

- The OPRD does not set unit cost per product values to be achieved and the assessment of the efficiency could not be performed as per the intended methodology.
- The costs of a km of road rehabilitated was 5% more on average than planned, which is likely to result in less km of roads rehabilitated than originally intended, but in general is very close to the set target;
- The calculation of efficiency could not be performed at the level of the opened schemes because in most of the cases the indicators are listed with no set target value to be achieved under the specific scheme. There are certain indicators that are formulated specifically for the grant schemes opened and were not initially included in the OPRD. For these indicators the MA did not report progress achieved.
- When developing the schemes in the general case the MA is setting the target indicator value for 2015 (in case a targeted value is set). In most of the schemes the indicator is mentioned without setting value for the relevant grant scheme.

4.3.6 Impact of global crisis on OPRD

4.3.6.1 Background

4.3.6.1.1 Changes in the social and economic situation in the country regarding the objectives and strategies of the operational programmes

During time of programming OPRD (2004 – 2006), statistical data showed relatively low regional disparities compared to other EU countries. There were some different dynamics in the regional development with a distinguished higher growth rate for the South Western Planning Region (where the capital is situated), but the rest of the regions have experienced relatively smaller disparities. The capital of Sofia is the major growth accelerator for the South Western Planning Region, while the rest of the regions demonstrated relatively equal growth rate, which is about 1% below the national average. Nevertheless, the growth rates remained insufficient for overcoming the considerable lagging behind of the country in respect of GDP per capita compared to the EU average, which places Bulgarian regions on one of the last positions among the other EU regions.

There were intra-regional disparities manifested in the economic development of the regions in Bulgaria. All planning regions showed up significant build-up of municipalities with low economic development. Such intra-regional disparities were typical also in respect of the rest of the economic indicators, such as productivity rate, sectoral structure, efficiency etc.

After the EU accession on 1 January 2007, Bulgaria continued its economic development. The country's GDP grew in real terms by 6.2% in 2007 and 6% in 2008 compared to an average annual growth of 5.6% in the period 2000-2006. The GDP reached 2 096 mEUR in 2010.

The slowing decline in the economy in the first quarter of 2010 by production approach of GDP is due to the slowing decline in three economic sectors (agriculture, industry, services) and by expenditure of GDP – it is due to the continuing growth in the export of goods. The worsened economic indicators and the declines in sectors' performance have influenced the economic development of regions and therefore some of the regional disparities were not changed but even deepened.

The shrinking current account deficit trend continues in 2010. For the first five months it amounts to 708.9 mEUR or 2% of GDP¹², and is over three times lower than the deficit a year ago. Preliminary data on the inflow of foreign direct investment (FDI) are not encouraging - only 358.5 mEUR or 2.27 % of GDP for the first nine months of the year. The reduced FDI inflows are resulting from the global financial and economic crisis. Overall unemployment rate in Bulgaria is around the level of EU27. From March to May it shows a descending trend. Once the registered unemployment in February (Employment Agency) reached a peak of 10.26 percent, in April it went below 10% - exact rate 9.95 percent (compared to 7.08 % a year ago). Further though small reduction in unemployment is expected, mainly due to seasonal factors in the summer months, rates will remain at relatively high levels compared to pre-crisis periods and will possibly increase again in the autumn.

4.3.6.1.2 The effects of the Global crisis on the inter-regional and intra-regional disparities

The issue of regional differences, cohesion policy and ways of financing a rapid-pace economic development are an ever-present issue for Bulgaria. One of the six Bulgarian NUTS II level regions was pronounced the poorest region in the EU (North western). However, regions are not as similar to each another as one may think at first, differences arising in terms of GDP/capita, economic turnover, unemployment rate, absorption degree of regional development funds, percentage of the rural population etc.

Regionally, no major changes took place during the period under consideration. In Bulgaria as a whole there are no clear-cut interregional disparities, but there are considerable intra-regional disproportions as well as such along the urban/rural direction.

- The overbuilding in the regions (mainly resorts and big cities) has been limited – construction companies are experiencing difficulties, the unemployment rate was increased (many part-time workers were released as a result of the crisis).

¹² At gross domestic product for 2009 – Euro 33876.3 million (preliminary NSI data as of 03/11/2010) and BNB estimates for 2010 – Euro 34,825 million.

The decline in value added in construction acceleratingly deepened to 13.1 %. In the first quarter of 2010 the decline in the services sector, although higher than that in the industry sector continued to slow down - to 1.2 %. The largest negative contribution to this decline comes from the industries "transport, storage and communications" and from "real estate operations." Construction has also demonstrated an uptrend since the beginning of the year related to a delay in the decline in monthly production on an annual basis, very rapidly seen in civil engineering construction. Lower decrease in value added in this sector was registered for the second quarter of 2010 than that in the first quarter of 2009. Growth might be expected, though very weak, only in the third quarter, due to the influence of the dynamics in the civil engineering construction. In terms of regional effect, decline in construction does not have clearly distinguished disparities, but the North Eastern and South Eastern regions could be mentioned, as the construction invasion has been limited in Black Sea resorts. Other regions affected are the South Western, because Sofia was the centre of the construction boom, now limited mainly in the area of construction in green. Reviewing the disparities, these slowdowns in construction, actually had an opposite effect on the differences. Due to decrease in major construction centres as the capital, sea and winter resorts, the other regions managed to "melt" some of the difference levels to the more developed ones.

The regional section of the labour market shows that despite the observed improvement of the indicators, the interregional disparities on the levels of employment, unemployment and economic activity are preserved, while they continue to be considerable at lower levels. The North-western region continued to stand out with the most unfavourable characteristic features of the labour market. The South-western region, respectively, continued to have the best indicators not only in comparison to the national average but to the rest of the regions, as well.

- FDIs in some regions has been decreasing constantly (especially in resort areas – Black Sea and ski resorts), which led to decrease in local incomes and business development in the regions.

The limited flow of FDIs in the country and in some regions in particular – South Eastern and North Eastern, resulted in limitation of opening of new jobs and flow of fresh investments, directly reflecting the business development indexes of the region. At the same time, the expression in numbers does not show a significant difference in the overall regional performance. This slowdown could be used to develop a clear vision and follow articulated and well-targeted policies to attract investments in industry, to continue revival of the economy and growth in exports.

- The smaller municipalities have limited access to financing due to the crisis and budget deficit.

OPRD remains the main financial source for investment activities in regional development. On the other hand, some small municipalities do not have enough experience in project implementation (lack of capacity). Therefore they are not so competitive compared to agglomeration areas and bigger local authorities in terms of implementation of SF projects and have limited possibilities to absorb money under a specific programme and the development in the regions are impeded. All Bulgarian municipalities have submitted at least one project proposal but most of them have more than one project proposal submitted and/or contracted. The euphoria for many activities disappeared which is giving the opportunity to concentrate to major projects and important projects.

Table 42 - Number of municipal projects under all OPs

	Total contracts signed under all OPs	Total amount of contract under all OPs (BGN)	Total amount of contracts under all OPs (EUR)	No of all beneficiaries under all Ops	No of municipalities in the region	No of contracts with municipalities under all OPs	Total amount of the contracts with municipalities under all OPs (BGN)	Total amount of the contracts with municipalities under all Ops (EUR)
North Western	403	BGL 425 500 334.00	€217 554 866.22	263	41	151	BGL 306 635 217.68	€156 780 097.29
Vidin	55	BGL 32 000 264.00	€16 361 475.18	37	7	22	BGL 8 840 957.28	€4 520 309.68
Montana	72	BGL 47 933 771.00	€24 508 147.95	46	8	27	BGL 30 563 994.59	€15 627 122.29
Vratza	97	BGL 178 698 173.00	€91 366 925.04	69	10	31	BGL 168 339 330.07	€86 070 532.75
Pleven	100	BGL 54 121 863.00	€27 672 069.15	67	10	35	BGL 29 706 227.33	€15 188 552.85

	Total contracts signed under all OPs	Total amount of contract under all OPs (BGN)	Total amount of contracts under all OPs (EUR)	No of all beneficiaries under all Ops	No of municipalities in the region	No of contracts with municipalities under all OPs	Total amount of the contracts with municipalities under all OPs (BGN)	Total amount of the contracts with municipalities under all Ops (EUR)
Lovech	79	BGL 112 746 263.00	€57 646 248.91	44	6	36	BGL 69 184 708.41	€35 373 579.71
North Central	405	BGL 488 593 329.00	€249 813 802.32	260	32	141	BGL 347 056 977.20	€177 447 414.75
Veliko Turnovo	124	BGL 150 456 289.00	€76 927 079.04	72	10	51	BGL 104 163 690.92	€53 258 049.48
Gabrovo	72	BGL 173 408 534.00	€88 662 375.56	50	4	22	BGL 145 033 509.02	€74 154 455.66
Ruse	107	BGL 81 371 002.00	€41 604 332.69	78	7	23	BGL 26 876 856.40	€13 741 918.47
Razgrad	50	BGL 50 452 907.00	€25 796 161.73	31	7	25	BGL 47 223 758.30	€24 145 124.22
Silistra	52	BGL 32 904 597.00	€16 823 853.30	29	4	20	BGL 23 759 162.56	€12 147 866.92
North Eastern	356	BGL 379 776 188.00	€194 176 481.60	227	34	141	BGL 274 239 198.04	€140 216 275.46
Varna	156	BGL 152 461 418.00	€77 952 285.22	107	11	47	BGL 113 765 164.08	€58 167 204.76
Dobrich	57	BGL 47 619 374.00	€24 347 399.31	29	8	34	BGL 42 057 581.08	€21 503 699.75
Shumen	82	BGL 75 787 338.00	€38 749 450.62	55	10	35	BGL 54 048 197.16	€27 634 404.40
Turgovish te	61	BGL 103 908 058.00	€53 127 346.45	36	5	25	BGL 64 368 255.72	€32 910 966.56
South Western	963	BGL 1 535 933 508.00	€785 310 332.70	765	41	147	BGL 234 280 337.16	€119 785 634.31
Sofia city	608	BGL 1 276 908 007.00	€652 872 697.01	522	1	11	BGL 25 273 364.37	€12 922 066.01
Sofia district	106	BGL 71 193 019.00	€36 400 412.61	79	18	40	BGL 53 451 025.85	€27 329 075.56
Blagoev rad	129	BGL 92 865 117.00	€47 481 180.37	84	11	52	BGL 81 924 960.19	€41 887 567.01
Pernik	54	BGL 58 059 126.00	€29 685 159.75	41	4	15	BGL 47 425 477.63	€24 248 261.67
Kustendil	66	BGL 36 908 239.00	€18 870 882.95	39	7	29	BGL 26 205 509.12	€13 398 664.06
South central	538	BGL 506 351 755.00	€258 893 541.36	359	49	201	BGL 229 223 731.72	€117 200 233.01
Plovdiv	215	BGL 173 719 792.00	€88 821 519.25	156	16	64	BGL 98 932 176.37	€50 583 218.57
Haskovo	78	BGL 129 422 378.00	€66 172 611.12	56	8	27	BGL 24 166 597.50	€12 356 185.10
Pazardjik	106	BGL 82 930 763.00	€42 401 825.82	65	9	44	BGL 50 825 526.52	€25 986 679.07
Smolian	69	BGL 70 620 447.00	€36 107 661.20	38	10	38	BGL 33 099 453.03	€16 923 481.61
Kurdjali	70	BGL 49 658 375.00	€25 389 923.97	44	6	28	BGL 22 199 978.30	€11 350 668.67

	Total contracts signed under all OPs	Total amount of contract under all OPs (BGN)	Total amount of contracts under all OPs (EUR)	No of all beneficiaries under all Ops	No of municipalities in the region	No of contracts with municipalities under all OPs	Total amount of the contracts with municipalities under all OPs (BGN)	Total amount of the contracts with municipalities under all Ops (EUR)
South Eastern	316	BGL 510 978 796.00	€261 259 309.86	231	29	95	BGL 430 333 023.26	€220 025 781.00
Burgas	113	BGL 293 092 554.00	€149 855 843.30	79	12	35	BGL 269 582 230.27	€137 835 205.65
Sliven	56	BGL 80 807 552.00	€41 316 245.28	46	3	12	BGL 71 198 630.08	€36 403 281.51
Yambol	60	BGL 64 223 690.00	€32 837 051.28	36	5	24	BGL 53 553 929.34	€27 381 689.28
Stara Zagora	87	BGL 72 855 000.00	€37 250 170.00	70	9	24	BGL 35 998 233.57	€18 405 604.56

Source: UMIS, valid to 15th December 2010

The figures in the table above unambiguously show that regions with less developed municipalities/municipalities with smaller share in annual budget allocations have contracted higher amount of Structural Funds resources. Biggest share is contracted in South Eastern region (more than 430 mln. BGN), followed by North Central region (347 mln BGN) and North Western (306 mln BGN). The last one is the poorest region in terms of incomes. The most prosperous regions in terms of GDP – South Central and South Western regions are absorbing least resources. Of course, the figures cannot be considered exhaustive as the contracts for Rural Development Programme are not in the UMIS database.

4.3.6.1.3 The effect of the global economic crisis on the results, outputs and impact of OPRD

The European financing, by means of the Structural and Cohesion Funds represents a significant part of the financial resources at the disposal of the local public authorities in their attempt to stimulate economic growth and, hence, to reduce regional disparities. As much as 85% of the global amount to be spent for regional development in Bulgaria in the period 2007-2013 comes from ERDF, while 15% are amounts from the local public budgets.

It is clear that the economic crisis is putting enormous pressure on the public budgets, and, implicitly, on the ability of the public administration to support the co-financing of regional economic development. Recently, an obligatory co-financing from the beneficiaries under OPRD was introduced, amounting at 15% of the total eligible costs. In this context, the local public authorities are focusing their attention on elaborating alternative solutions, possibly aimed at supporting the smarter approach, strategic planning or public-private sector development, so that the co-financing is ensured to a higher extent from private sources.

Positively the OPRD has strong infrastructure measures that are balancing the negative effect of the crisis over the construction business, only the indicator for employment being affected at global level. The change in the external environment reflects mainly the level of the schemes (as new or different measures) not the major objectives of the programme.

The high percentage of contracting of OPRD led to full consumption of resources for some measures. A long list exists of waiting projects especially under operations for educational infrastructure, municipal roads, etc. The Managing Authority declares its intentions to apply for reshuffle of funds from other OPs that are lagging behind in their implementation performance. This is possible due to amendments in EC Regulation 1083/2006 dating since September 2010. The revision of operational programmes is possible at the initiative of the Member State or the Commission in agreement with the Member State concerned, operational programmes may be re-examined and, if necessary, the remainder of the programme revised, in one or more of the following cases:

- following significant socio-economic changes;
- in order to take greater or different account of major changes in Community, national or regional priorities;
- in the light of the evaluation; or

- following implementation difficulties. (Art. 33)

After the amendments introduced as regards the procedure for revision of operational programmes, analyses shall be provided on the reasons for the revision, including any implementation difficulties, and the expected impact of the revision, including that on the strategy of the operational programme. The results of such evaluations or analyses shall be sent to the Monitoring Committee for the Operational Programme and to the European Commission. This could be used as a basis for taking a national decision for reallocations of funds from one OP to another if such need arises and implementation difficulties are revealed.

The opinion of the Beneficiaries for the impact of the global economic crisis on the project implementation

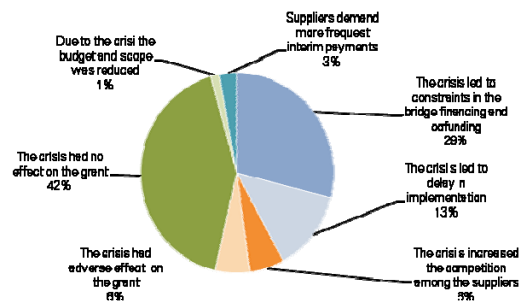
The majority of the beneficiaries (42 %) believe that the crisis had no effect on the scope of their grant. Another third (29 %) believe that the crisis led to constraints in the allocation of bridge financing and co-funding. In order to bridge this gap some of these beneficiaries applied for credits from FLAG. Further 13 % of the respondents experienced considerable delays in the implementation of the grants due to lack of sufficient funding and could not complete their projects within the contracted period. [ref: **Figure 45**]

4.3.6.1.4 Findings:

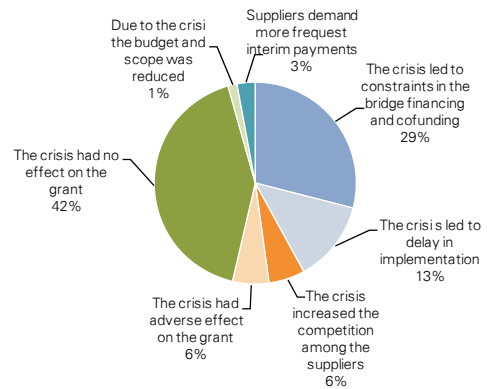
- A more focused approach and more strategic thinking in investment ideas (concentration on major and strategic projects) has been introduced as a result of the crisis
- New opportunities for smarter approach and development/financial instruments were introduced (Jessica initiative, FLAG Fund).
- Local governments use OPRD as the main source of investment in regional development.
- Lack of financing is stimulating the private sector to cooperate with the public sector and to look for public-private partnership.
- OPRD infrastructure measures act like a balance for the negative effect of the crisis over the construction sector;
- The increased competition among companies drives prices down services/supplies.
- The achievement of the indicators affected by the crisis is relevant only for employment indicators at national level – the new job openings under certain OPRD projects can be used as a minor compensation of the national increase in unemployment rate;
- Some of the inter-regional disparities and intra-regional disparities are increased due to the crisis.

Figure 45 - Effects of the economic crises

How the economic crisis affected the implementation of the grant?



How the economic crisis affected the implementation of the grant?



Source: KPMG

4.3.7 Impact of the OPRD

4.3.7.1 Background

The analysis covers the topics of the assessment of the potential impacts of OPRD and the assessment of the results of the re-allocation of financial resources within the OPRD (among OPRD interventions).

4.3.7.2 Analysis

4.3.7.2.1 Impact of the OPRD

As currently there are only 81 projects completed, it is very early to assess the impacts of the OPRD.

According to EU methodological guidelines, it is recommended to assess impacts when such a beneficiary group and a control group can be selected that contains statistically significant number of participants. In addition, at least 6 months to 1 year should pass after project implementation, before real impacts are realised.

The interventions of the OPRD are different from the perspective of impacts:

- infrastructure projects usually require more time to produce measurable impacts (such as number of students benefitting from improved infrastructure, reduced transport times on rehabilitated roads, etc).
- coordination and TA projects are only assessable in 2-3 years after completion.

Despite the outstanding progress results, MA management is doubtful about the impacts of the programme along the original intentions, claiming that small interventions are being carried out with no or very small impact as regards limitation of regional differences. However, the assessment has shown there are many OPRD interventions focusing on closing the development gap between regions on the level of objectives (e.g. PA1 – acting as a motor to development) though schemes, calls and ultimately projects on the ground are not about minimising regional disparities but rather removing obstacles of further development (with the exception of Tourism, Integrated urban development plans, JESSICA and Urban transport).

Programme level impact indicator

As a result of the investments planned under OPRD by 2013 at Programme level the following impact on macro-economic development is to be measured: [ref: **Error! Reference source not found.**].

Table 43 - Impact indicator of the OPRD

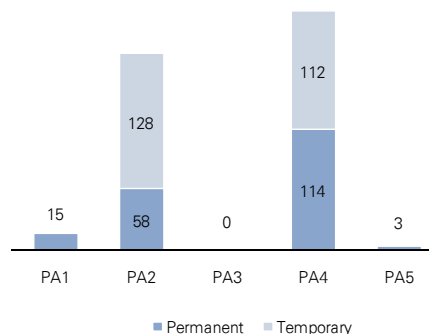
Type	Indicator	Unit	Quantitative value			Measure ment frequency	Source of information
			Baseline value	Interi m value (2009)	Target value (2013)		
Impact	Jobs created	Number	The MA shall monitor the implementation of the indicator on programme level during the programming period (based on individual projects, final reports on completed projects – summarized on programme level)				

Source: Annual Report, 2009

At the time being, the Consultant has received the following reported values for the number of jobs created [ref:

Until the cut-off date 430 jobs (out of which 190 permanent and 240 temporary) have been created. Most (226) jobs were created under Priority Axis 4, while 186 workplaces were established as a consequence of projects implemented under PA2. Although no target values exist for the number of jobs to be created, so far, the impact of OPRD in stimulating the creation of jobs is negligible.

Figure 46 - Achieved values for the Programme level indicator jobs created as of 31.12.2010



Priority Axis/Operation level impact indicators

At Priority Axis level there are 3 impact indicators. They are provided for 5 out of 16 operations. [ref: **Table 44**].

Source: MA

Table 44 - Impact indicators at operation level

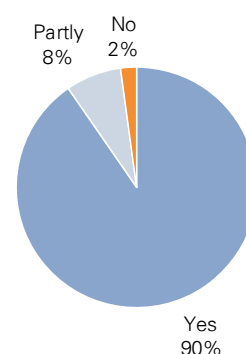
PA	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Achievement (31.12.2010)
PA1	Reduction of greenhouse emissions (CO2 and equivalents, kt)	kt	n.a.	21	0.721
PA2			n.a.	4	20%
PA3	3.1 Net annual revenues from international tourism	mEUR	914	1050	0
			Bed occupancy rate	35%	39%
	3.2 Net annual revenues from international tourism	mEUR	914	1 050	0
			Bed occupancy rate	35%	39%
	3.3 Net annual revenues from international tourism	mEUR	914	1 050	0
			Bed occupancy rate	35%	39%

Source: OPRD, KPMG

Figure 47 - In the light of the current status of your project implementation, do you expect your project to achieve the intended impacts?

At the time being, only two impact indicators from 3 completed project has been measured so far. In some cases no indicator values are achieved, as most of the projects have not been completed yet. According to the beneficiary surveys the main determining factor for not achieving the indicators might be – among others - the lack of information for measuring the indicators.

Nevertheless, 90% of the surveyed beneficiaries expect their project to achieve the intended impacts. [ref: **Figure 47**].



4.3.7.2.2 Impact of re-allocations

Figure 48 describes the financial re-allocation of the OPRD up till the cut-off date.

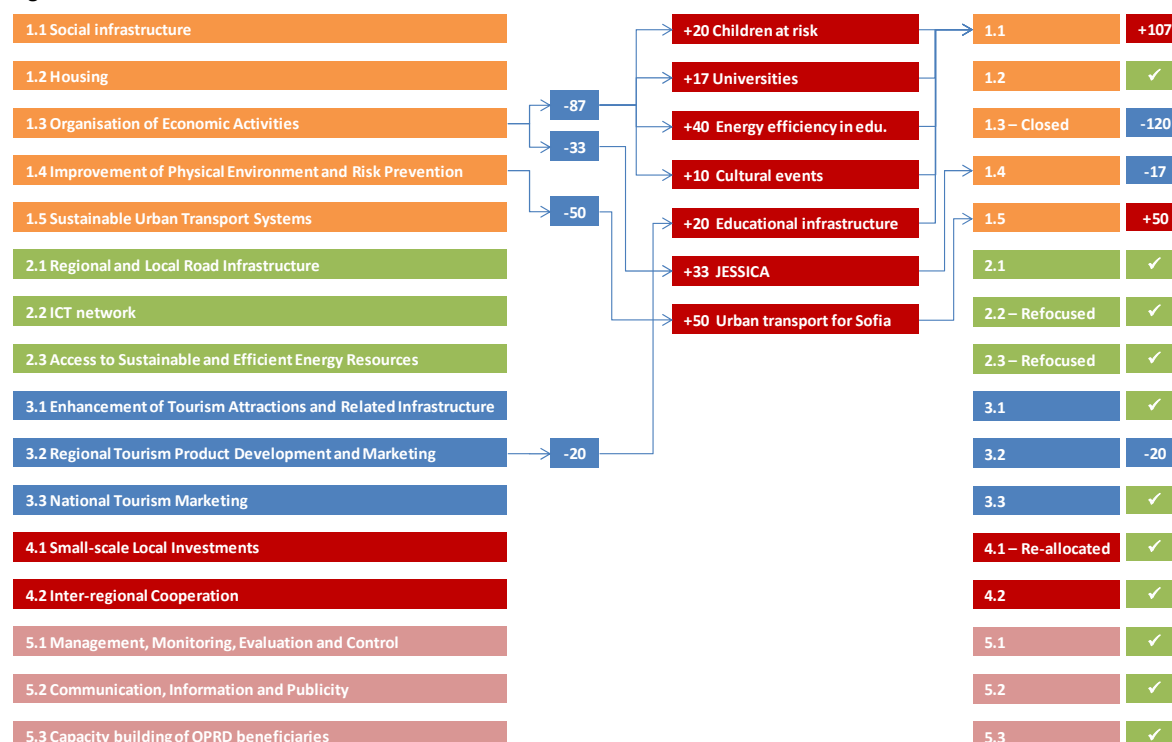
The OPRD has been a promoter of counteracting the effects of the global financial downturn especially in

- Providing financial resources for municipalities
- Creating market opportunities for the local construction industry (among those most affected by the crisis)

Source: Beneficiary Questionnaire

Financial reorganisations of the OP were justified and underpinned in all cases. The intention to overcome lack of demand or weak targeting is justified by popularity and progress figures.

Figure 48 - Reallocation of funds



Source: KPMG, OPRD, MRDPW documentation

With regard to the effect of the changes which have been introduced in terms of financial and organizational plan of the program, the Consultant considers the following:

The amendments of OPRD did not bring any major changes in terms of financial allocations under the Programme. The ranking in terms of financial split among Priority Axes is preserved as the original one. Priority Axis 1 still holds the biggest share and local infrastructure operations are concentrating most of the

funds. These interventions are also one of the responds to the crisis – construction works are sub-contracted mainly under local and social infrastructure measures.

In terms of financial and organizational plan, no major amendments were introduced due to OPRD re-allocations. Up to the cut-off date, almost half of the resources are contracted (**Table 7** - Budget allocations for 2007-13 vs. 2007-10). The re-distribution of funds is not influencing the financial and organization plan of the Programme [EQ50].

4.3.8 Management, monitoring and control system

4.3.8.1 Background

As per Council of Ministers' Decree 965/12 December 2005 General Directorate Programming of Regional Development is determined as the Managing Authority of the OPRD. The Management and control system was designed by the Managing Authority in line with the requirements outlined in Commission Regulation 1828/2006. The structure of the managing, monitoring and control system is presented in detail in the Manual for management and implementation of OP Regional Development.

On regional level the MA ensures the implementation of the OP through its six regional units. The units are situated in each of the NUTS II regions of the country and do not act as Intermediary Bodies. The units support the MA in the management, monitoring and control of the implementation of the OPRD. They also participate in the activities related to information and publicity and programming of the OP. The regional units are responsible for the onsite verifications of the operations implemented by the beneficiaries and ex ante control of the tenders.

Further on, the Manual also sets out the framework of the key processes and procedures pertaining to the management and control of the OP, including:

- Internal control and audit trail;
- Financial management, control and reporting;
- Application and contracting;
- Irregularities; Information and publicity, etc.

4.3.8.1.1 Monitoring system and procedures

The monitoring is conducted through a two tier system, involving:

- Monitoring on program level which is performed by the OP Monitoring Committee. This represents high level oversight of the overall progress demonstrated by the program, the achievement of the priorities of the OPRD, approval of the criteria for project selection, implementation of the Communication Plan and the EU horizontal policies.
- Monitoring on operation level is performed by the Managing Authority through its regional units. On this level the monitoring is generally focused on the achievement of output indicators and verification of eligibility and physical progress of the operations' activities.

The Managing Authority has not implemented separate monitoring procedures designed to reflect the geographical distribution of the projects as the schemes opened under the OP to date are not restricted by regions. Further on, the MA has adopted a unified approach for monitoring and verification of the progress of the individual projects, involving technical reports prepared by the beneficiaries and onsite verifications performed by the Regional Offices of the MA. The MA exercises rigorous control through performing onsite verification for each submitted request for reimbursement of funds submitted by the beneficiary. The MA might consider reducing the number of onsite verifications and relying more on the risk analysis performed for each project.

The MA performs ex-ante control of all tender documentation for public procurement procedures to be conducted as part of the grants. It appears that the mandatory ex-ante control of these activities and the verification of every request for reimbursement have led to delays in payments and hence the implementation of the projects. In order to alleviate this, the MA has taken steps to simplify the procedure for verification and make it more flexible.

In order to improve the effective functioning of the management system the MA designed several measures aimed at shortening the communication channels with the beneficiaries and ultimately accelerate the application approval and reimbursement payment processes which are among the main reasons for delay.

4.3.8.2 Analysis

The Consultant has examined the design of the management, monitoring and control systems as it is outlined in the OPRD Manual in order to establish whether it facilitates the effective and efficient implementation of the program. The Consultant also analyzed the amendments which the MA introduced in the framework of the system and the effect they had on the dynamics of the implementation of the program. In addition, the Consultant has utilized the conclusions derived from the analysis of lead time from registration of applications to contracting of beneficiaries.

The Consultant also reviewed the findings presented in the previous reviews and systems audits of the systems and has conducted interviews with representatives of the MA in order to confirm the understanding of the system designed acquired during the desk review.

The Consultant has conducted an online survey of the OPRD beneficiaries and has interviewed the program direct beneficiaries in order to collect and analyze their perception of the efficiency and effectiveness of the management and control systems.

As a result of the analyses listed above the Consultant has identified several findings in the following areas:

4.3.8.2.1 *Control activities performed by the Managing Authority*

The OPRD Implementation Manual for management and implementation of OPRD does not outline a clear procedure for **tracking the implementation of the decisions of the OP Monitoring Committee**. Thus, it is difficult to establish the correlation between the decisions approved on the actions reported on the following Monitoring Committee meeting.

The Consultant has examined the checklists for payment reimbursement adopted by the MA. It appears, that **the reimbursements of funds**, especially for intermediary payments **is not tied to the progress reported by beneficiaries** on the indicators set in their approved application forms. Further on, the grant contract does not contain imperative clauses tying the reimbursement of funds to the respective beneficiary to the achievement of the set performance indicator values at project level, where relevant. The beneficiary is only obliged to submit a final technical report.

One of the main issues outlined during the interviews conducted with the direct beneficiaries was the **delays** which the MA demonstrates while performing the **ex ante control of public procurement**. Summary of the interviews are presented in **Annex 8.1**. This might be one of the factors contributing to the delays in payment under contracted operations. In this respect the MA might consider simplifying the checklists ex-ante control of procurement procedures and number of sign-off required in order to accelerate the process. In the contract with the beneficiary, the MA has not established a formal deadline by which it has to approve or reject the tender documentation provided by the beneficiaries for review. This hinders the predictability of the grants' implementation and the beneficiaries planning process.

It should be noted that during **the onsite verification** the Regional Offices review the physical progress of the respective project; however, **they do not review the interim achievement of the set performance indicators**, where applicable.

The Regional Offices are responsible for the verification of the expenditure statement submitted by the beneficiary along with the claim for reimbursement of funds and requests further clarifications from the beneficiaries, as required. Subsequently, the claim is submitted to the MA and an identical verification is performed once more. It is not clear if there is an **excessive overlapping (duplicating) between the controls carried out at regional and central level** as regards the interim and final payment claims, as well as the regular technical reports. The MA might consider delegating the performance of this verification entirely to the Regional Offices which will further accelerate the reimbursement approval process.

4.3.8.2.2 *Management information system (UMIS)*

The MA utilizes a management information system designed to keep track of the performance of the OP. However, the UMIS does not support a function which allows the MA to monitor the progress of indicator values. This affects the reporting of the progress by indicator values and the aggregation at the level of the Operational Program.

4.3.9 Scheduling of calls

4.3.9.1 Background

After examination of the OPRD, the data of the Lothar table and of the table of call chronology, all schemes that had been launched by 31.12.2010 have been identified and summarized in a table called "Chronology chart". This chart serves as basis for a clear and comprehensive review of the timing of OPRD schemes.

4.3.9.2 Analysis

Having analysed the scheduling of calls, the whole period of 2007-10 should be divided into two separate phases:

- the first from 2007 to the first half of 2008; and
- the second from the second half of 2008 to 2010.

In the **first period (2007 to first half of 2008)** a small number of calls has been open in a short, intensive period. It is more typical that longer (i.e. more than one or even two years) open periods were given for the applicants. Launching the calls started quite slowly: five calls were open during the first year of the OPRD, all of them were long-term schemes (i.e. open longer than one year). During 2008 another 11, in 2009 other five calls have been launched. In 2010 eight new calls were opened until 31 August. The majority of the calls were open in 2010.

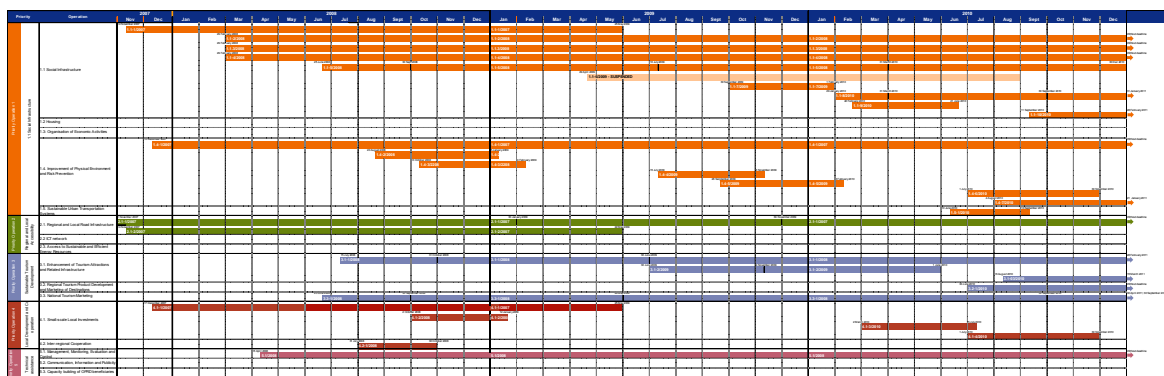
It is remarkable that in the case of some schemes the call remained still open although the budget has been already entirely contracted.

In the **second period (second half of 2008 to 2010)** the initial scheduling methods have changed: it became more typical to launch shorter calls with fixed deadline, not open deadline schemes.

4.3.9.2.1 Chronology of calls

Figure 49 shows the high level chronologic chart of the launching and closing of OPRD calls. A larger (A3 size) image is attached to this report as **Annex 8.7 (Figure 55)**.

Figure 49 - Chronology chart: Scheduling of OPRD calls in 2007-10



Source: MRDPW

4.3.9.2.2 Delayed launches, modifications of the Annual Work Programmes

Under several operations no calls have been posted until 31 August 2010 in spite of the preliminary planning (e.g. 1.2, 2.2, 2.3). Seven of the 30 calls that have been launched by 31 August 2010 were fully compliant with the preliminary schedule planning, 11 grant schemes were not compliant with the plan at all [ref: **Table 45**]. Following the real launch dates and the planned dates it is visible that the scheme type (with/without fixed deadline) did not explicitly affected the delay.

Table 45 - Cross-check of planned and real schedule of calls

PA	Op.	Grant scheme	Scheduled announcement date	Scheduled completion date	Real announcement date	Real completion date	Compliance with the plan
1	1.1	1.1-1 Support for the provision of appropriate and cost-effective educational, social and cultural infrastructure, contributing to the development of sustainable urban areas			11/2007	Closed 25/05/2009	✘
		1.1-2 Support for the provision of appropriate and effective public education infrastructure, contributing to the development of sustainable urban areas	02/08	Without deadline	29/02/2008	Open	✓✓
		1.1-3 Support for provision of adequate and effective social infrastructure	02/08	Without deadline	29/02/2008	Open	✓✓
		1.1-4 Support for provision of adequate and efficient infrastructure to the Labour Offices	02/08	Without deadline	29/02/2008	Open	✓✓
		1.1-5 Support for the provision of appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas	05/08; 06/2008	30/09/2008 10/07/2009 31/03/2010 30/12/2010	25/06/2008		✓
		1.1-6 Support for the renovation and modernization of public health establishments in urban agglomerations	11/08, 12/08, 31/03/2009, 29/04/2009	30/06/200, 30/11/2009, 31/03/2010; 31/07/2009, 30/11/2009, 30/06/2010	29/04/2009	Suspended	✘
		1.1-7 Support for provision of appropriate and cost effective infrastructure of universities in urban agglomerations	05/08, 07/08, 11/08, 31/03/2009, 30/06/2009, 31/08/2009	30/06/2009, 30/09/2009, 01/02/2010, 30/11/2009	30/09/2009	01/02/2010	✘
		1.1-8 Support for reconstruction, renovation and equipping of public health establishments in urban agglomerations	29/01/2010	component 1 - 31/03/2010 30/09/2010; component 2 - 31/01/2011	29/01/2010	Open	✓✓
		1.1-9 Support for implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations	31/08/2009	20/05/2010	22/02/2010	21/06/2010	✘

PA	Op.	Grant scheme	Scheduled announcement date	Scheduled completion date	Real announcement date	Real completion date	Compliance with the plan
		1.1-10 Support for the creation and promotion of innovative cultural events	01/09/2009, 01/12/2009, 06/10/2010, 08/11/2010	18/12/2009, 01/04/2010, 06/12/2010, 07/01/2011	11/09/2010	28/02/2011	✓
		1.4-1 Support for limiting and preventing risks and damage in fires in the urban agglomeration areas			15/12/2007	Without deadline	✗
		1.4-2 Support for improving the urban environment	04/08, 06/08, 08/08	05/01/2009	20/08/2008	Closed 05/01/2009	✓
		1.4-3 Support for building and strengthening of small scale infrastructure to prevent landslides in urban agglomerations	08/08, 09/08, 10/08,	09/02/2009	13/10/2008	Closed 09/02/2009	✓
	1.4	1.4-4 Support for small scale infrastructure to prevent landslides in urban agglomerations	22/07/2009	06/11/2009	15/07/2009	Closed 06/11/2009	✓
		1.4-5 Support for integrated and sustainable development by improving the urban environment		08/01/2010	26/09/2009	08/02/2010	✗
		1.4-6 Support for small-scale measures to prevent flooding in urban agglomerations	01/07/2010	01/11/2010	01/07/2010	30/11/2010	✓
		1.4-7 Support for integrated plans for urban regeneration and development	08/08, 11/08, 12/08, 30/09/2009, 30/11/2009, 30/07/2010	04/01/2010, 31/03/2010, 01/11/2010	04/08/2010	21/01/2011	✗
	1.5	1.5-1 Support for integrated urban transport in the municipality of Burgas	10/06/2010	10/09/2010	10/06/2010	10/09/2010	✓✓
2	2.1	2.1-1 Support for rehabilitation and reconstruction of the second and third class roads		30/01/2009 30/11/2009 30/07/2010 30/12/2010 30/06/2011	01/11/2007	30/01/2009 30/11/2009 Open	✗

PA	Op.	Grant scheme	Scheduled announcement date	Scheduled completion date	Real announcement date	Real completion date	Compliance with the plan
		2.1-2 Support for sustainable and integrated local development through rehabilitation and reconstruction of municipal roads		Without deadline	11/2007	Closed 22/05/2009	✘
3	3.1	3.1-1 Support for the cultural monuments of national and global significance contributing to sustainable tourism development	06/08, 07/08	31/10/2008 30/06/2009 31/05/2010 31/08/2010 30/12/2010	15/07/2008	31/10/2008 30/06/2009 Open	✓
		3.1-2 Support for Development of tourist attractions	05/08, 06/08, 10/08, 11/08, 12/08, 31/03/2009, 30/06/2009	04/09/2009, 01/06/2010, 31/08/2009, 04/09/2009	30/06/2009	04/11/2009, 01/06/2010	✓
		3.1-3 Support for development of natural, cultural and historical attractions	28/12/2009, 30/07/2010, 16/08/2010	30/04/2010, 30/11/2010, 14/01/2011	16/08/2010	15/03/2011	✓
	3.2	3.2-1 Support for organization of events with regional and national scope and impact	09/08, 30/04/2009, 31/07/2009, 30/09/2009, 03/05/2010, 30/06/2010	31/07/2009, 30/10/2009, 04/01/2010, 30/08/2010, 01/11/2010	30/06/2010	Open	✓
	3.3	3.3-1 Support for effective national marketing of the tourism product and improvement of information service	04/08, 06/08	30/09/2008 29/05/2009 30/09/2010 30/04/2011 и 30/09/2011	25/06/2008	Open	✓
4	4.1	4.1-1 Support for the provision of appropriate and cost-effective educational infrastructure, contributing to local sustainable development		Without deadline	17/12/2007	Closed 25/05/2009	✘
		4.1-2 Support for building and strengthening of small scale infrastructure to prevent landslides	08/08, 09/08, 10/08	12/01/2009	02/10/2008	Closed 12/01/2009	✓
		4.1-3 Support for implementation of energy efficiency measures in municipal educational infrastructure of 178 small municipalities	31/08/2009, 02/03/2010	04/06/2010, 05/07/2010	02/03/2010	05/07/2010	✓

PA	Op.	Grant scheme	Scheduled announcement date	Scheduled completion date	Real announcement date	Real completion date	Compliance with the plan
		4.1-4 Support for small-scale measures to prevent floods in 178 small municipalities	01/07/2010	01/11/2010	01/07/2010	30/11/2010	✓
	4.2	4.2-1 Support for interregional cooperation and exchange of best practices	05/08, 06/08, 07/08	30/10/2008	31/07/2008	Closed 30/10/2008	✓
5	5.1	Technical assistance for development, management, monitoring, evaluation, information, control and strengthening the administrative capacity to implement the OP "Regional Development" 2007-2013 "	02/08	Without deadline	15/04/2008	Open	✗

✓✓: Fully compliant with the planned schedule

✓: Partly compliant with the planned schedule

✗: Not compliant with the planned schedule

Source: MRDPV

Based on the statistics for the launch of the grant schemes during the last year, there are 12 schemes that were announced or are still not launched with more than 2 months delay [ref. **Table 46**]. In addition the continuously followed Indicative Annual Work Programme was changed four times for year 2010, including changes in the forecasted dates of announcement of certain calls. The delays have various natures as change of the political environment and prioritization of projects, reallocation of funds to different actions, change in legislation and delay in the preparation of the documentation. Although the MA has improved their performance, the Consultant considers that establishing deadlines and assigning certain staff for preparation of the scheme documentation is good control procedure that would improve the work of the MA and will allow better track record. The recommendation is also applicable for the preparation of the Technical Assistance projects that are still experiencing delays in launching the public procurement procedures.

Table 46 - Chronology of recent calls delaying more than 2 months

No.	Op.	Grant scheme	Planned date for announcing the scheme	Actual date of announcing the scheme	Delay
1	1.1	1.1-9 Support for implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations	31/08/2009	22/02/2010	5 months
2	1.1	Support for reconstruction / renovation and equipment of municipal hospitals in urban areas	29/05/2009, 30/09/2010	02/2010	18 months
3	1.1	Support for the deinstitutionalization of social institutions offering services for children at risk	30/09/2009, 01/12/2009, 29/12/2010, 05/01/2011		15 months

No.	Op.	Grant scheme	Planned date for announcing the scheme	Actual date of announcing the scheme	Delay
4	1.1	1.1-10 Support for the creation and promotion of innovative cultural events	01/09/2009, 01/12/2009, 06/10/2010, 08/11/2010	9/11/2010	14 months
5	1.4	1.4-2 Support for improving the urban environment	04/08, 06/08, 08/08	20/08/2008	4 months
6	1.4	1.4-7 Support for integrated plans for urban regeneration and development	08/08, 11/08, 12/08, 30/09/2009, 30/11/2009, 30/07/2010	04/08/2010	24 months
7	2.2	Support the development of critical, secure, safe and reliable public infrastructure	07/08, 11/08, 12/08, 30/09/2009, 01/09/2010		28 months
8	2.3	Support for the construction of sections of gas distribution pipelines and construction of plants using renewable energy sources, and links to delivery systems RES	11/08, 12/08		24 months
9	3.1	3.1-3 Support for development of natural, cultural and historical attractions	28/12/2009, 30/07/2010, 16/08/2010	16/08/2010	8 months
10	3.2	3.2-1 Support for organizing events with regional and national scope and impact	09/08, 30/04/2009, 31/07/2009, 30/09/2009, 03/05/2010, 30/06/2010	30/06/2010	22 months
11	4.1	Support for reconstruction / renovation and equipment of medical and health facilities	29/05/2009, 31/08/2010, 30/09/2010, 30/11/2010		18 months
12	4.1	4.1-3 Support for implementation of energy efficiency measures in municipal educational infrastructure of 178 small municipalities	31/08/2009, 02/03/2010	02/03/2010	6 months

Source: MRPDW and KPMG

4.3.9.2.3 Amendments of schemes

Within the OPRD 13 out of 29 open schemes have been amended, three of which even twice:

- 1.1-05/2008 with the special beneficiary Ministry of Culture;
- 2.1-01/2007 with the special beneficiary Road Infrastructure Agency
- 3.3-01/2008 with the special beneficiary State Agency for Tourism (now in the Ministry of Economy, Energy and Tourism).

The amendment decisions refer most commonly to the following reasons for amendment:

- Increase in advance payment (up to 35%)
- Extending the deadline for submission of applications
- Correction of technical mistakes related to the templates, eligible costs, etc
- Issuing new instructions to applicants
- Reflecting changes due to new instructions by the Certifying authority
- New legal status of the beneficiary (Tourism agency)
- Increase of available funding: 2.1-01/2007 and 1.4-05/2008

The major changes have been introduced to the application package under 1.1-08/2010 with the special beneficiary of Ministry of Health due to the new national concept of hospitals' restructuring.

4.3.10 *Project selection*

4.3.10.1 **Background**

The task was to analyse the effectiveness of the OPRD project selection system by examining the consistency of the call objectives with the selection criteria used in the case of each grant schemes.

The call objectives and the evaluation criteria have been identified and summarized in **Table 73** [ref: **Annex 8.78**]. This table serves as basis for the assessment of consistency of these two elements.

4.3.10.2 **Analysis**

4.3.10.2.1 *General rejection rate*

The assessment of the 1427 registered applications within the OPRD has shown that the main reason of the rejection of projects was the non-compliance during the technical and financial check phase [ref: **Table 47**]. The general fall-out rate at technical and financial check stage came to 42 per cent (of all rejected projects) while the average rejection rate at administrative check and eligibility check remained at 30 and 28 per cent regarding to all OPRD applications. It suggests the administrative and eligibility criteria were understandable, feasible and not too strict for the applicants.

4.3.10.2.2 *Reasons of rejection*

1427 project applications have been registered by 31 December 2010 within OPRD. 434 of those were rejected during the selection process.

The overall rejection rate of registered applications remained under 30% in OPRD schemes. 13% of registered applications failed during the technical and financial check, 9% in the administrative, 8% in the eligibility check. The internal split of rejected applications shows a figure of 42% in the case of technical and financial check, 30% by administrative check and 28% by eligibility check.

The rate of each non-selected project can be seen in the **Table 47**. Some outstanding results regarding the fallout rate are the followings:

- **1.1-01** was the most popular OPRD scheme. The overall rejection rate was 26% of the 276 registered applications. 51 % of the failed project applications were deselected during the technical and financial selection. Other 26 and 23% were rejected during the administrative and eligibility check.
- **1.1-06**: All the five applications were rejected during the admin check so the rejection rate is 100%.
- **4.1.-01**: 37% of the 156 registered applications was rejected during the selection phases. 96% failed in the technical and financial check, other 22% during the administrative and eligibility check.
- **5.3**: Four of the 48 applications were rejected through the selection procedure, three in the administrative check and one in the eligibility check, none of them during the technical and financial check.
- In the case of calls **1.1-03, 1.1-04, 1.4-01, 1.4-08, 1.5-01, 3.3-01** none of the received applications were rejected during the selection procedure.

In the schemes **1.1-09, 1.4-04** and **3.1-01** all the rejected applications were deselected during the administrative check. In the case of **1.1-02** and **1.1-05** the rejected applications failed during the technical and financial check.

Table 47 - Fallout rate for the OPRD calls

Operation code	Call code	Registered	Total rejected	Total under evaluation	Approved	Rejected pattern			Total (passed + under evaluation) projects			Failure rate (basis: all registered) at				Failure rate (basis: those at status) at			Internal split of failure		
						Admin check	Eligibility check	Technical and financial check	Admin check	Eligibility check	Technical and financial check	Admin check	Eligibility check	Technical and financial check	Overall rejection rate	Admin check	Eligibility check	Technical and financial check	Admin check	Eligibility check	Technical and financial check
						pcs	pcs	pcs	pcs	pcs	pcs	pcs	pcs	pcs	pcs	%	%	%	%	%	%
1.1	BG161PO001/1.1-01/2007	275	73	0	202	19	17	37	256	239	202	7%	6%	13%	27%	7%	7%	18%	26%	23%	51%
	BG161PO001/1.1-02/2008	12	4	0	8	0	0	4	12	12	8	0%	0%	33%	33%	0%	0%	50%	0%	0%	100%
	BG161PO001/1.1-03/2008	2	0	0	2	0	0	0	2	2	2	0%	0%	0%	0%	0%	0%	0%	-	-	-
	BG161PO001/1.1-04/2008	9	0	0	9	0	0	0	9	9	9	0%	0%	0%	0%	0%	0%	0%	-	-	-
	BG161PO001/1.1-05/2008	18	3	0	15	0	0	3	18	18	15	0%	0%	17%	17%	0%	0%	20%	0%	0%	100%
	BG161PO001/1.1-06/2009	5	5	0	0	5	0	0	0	0	0	100%	0%	0%	100%	-	-	-	100%	0%	0%
	BG161PO001/1.1-07/2009	24	9	0	15	4	1	4	20	19	15	17%	4%	17%	38%	20%	5%	27%	44%	11%	44%
	BG161PO001/1.1-08/2010	16	0	16	0	0	0	0	16	16	16	0%	0%	0%	0%	0%	0%	0%	-	-	-
1.4	BG161PO001/1.4-01/2007	1	0	0	1	0	0	0	1	1	1	0%	0%	0%	0%	0%	0%	0%	-	-	-
	BG161PO001/1.4-02/2008	82	63	0	19	32	26	5	50	24	19	39%	32%	6%	77%	64%	108%	26%	51%	41%	8%
	BG161PO001/1.4-03/2008	26	9	0	17	7	1	1	19	18	17	27%	4%	4%	35%	37%	6%	6%	78%	11%	11%
	BG161PO001/1.4-04/2009	16	5	0	11	5	0	0	11	11	11	31%	0%	0%	31%	45%	0%	0%	100%	0%	0%
	BG161PO001/1.4-05/2009	64	41	0	23	2	12	27	62	50	23	3%	19%	42%	64%	3%	24%	117%	5%	29%	66%
	BG161PO001/1.4-06/2010	50	0	50	0	0	0	0	50	50	50	0%	0%	0%	0%	0%	0%	0%	-	-	-
	BG161PO001/1.4-08/2010	1	0	0	1	0	0	0	1	1	1	0%	0%	0%	0%	0%	0%	0%	-	-	-
	BG161PO001/1.5-01/2010	1	0	0	1	0	0	0	1	1	1	0%	0%	0%	0%	0%	0%	0%	-	-	-
2.1	BG161PO001/2.1-01/2007	31	1	0	30	0	1	0	31	30	30	0%	3%	0%	3%	0%	3%	0%	0%	100%	0%
	BG161PO001/2.1-02/2007	73	14	0	59	2	3	9	71	68	59	3%	4%	12%	19%	3%	4%	15%	14%	21%	64%
3.1	BG161PO001/3.1-01/2008	11	2	7	2	2	0	0	9	9	9	18%	0%	0%	18%	22%	0%	0%	100%	0%	0%
	BG161PO001/3.1-02/2009	107	44	0	63	5	34	5	102	68	63	5%	32%	5%	41%	5%	50%	8%	11%	77%	11%
3.3	BG161PO001/3.3-01/2008	9	0	0	9	0	0	0	9	9	9	0%	0%	0%	0%	0%	0%	0%	-	-	-
4.1	BG161PO001/4.1-01/2007	156	57	0	99	1	1	55	155	154	99	1%	1%	35%	37%	1%	1%	56%	2%	2%	96%
	BG161PO001/4.1-02/2008	25	9	0	16	3	6	0	22	16	16	12%	24%	0%	36%	14%	38%	0%	33%	67%	0%
	BG161PO001/4.1-03/2010	98	26	0	72	16	1	9	82	81	72	16%	1%	9%	27%	20%	1%	13%	62%	4%	35%
4.2	BG161PO001/4.2-01/2008	83	0	83	0	0	0	0	83	83	83	0%	0%	0%	0%	0%	0%	0%	-	-	-
5	BG161PO001/5.3-01/2008	127	64	0	63	22	19	23	105	86	63	17%	15%	18%	50%	21%	22%	37%	34%	30%	36%
	BG161PO001/5.3-01/2008	47	4	0	43	3	1	0	44	43	43	6%	2%	0%	9%	7%	2%	0%	75%	25%	0%
Total		1,420	437	156	827	132	123	182	1,288	1,165	983	9%	9%	13%	31%	10%	11%	19%	30%	28%	42%

Source: KPMG (based on UMIS dataset, 31.12.2010)

4.3.10.2.3 Findings on project selection system

In the followings the Consultant analyses the effectiveness of the project selection system by examining the consistency of the call objectives with the selection criteria by grant schemes.

1.1-1 Educational, social and cultural infrastructure

The objectives of the OPRD 1.1-1 grant scheme are the followings:

- General objective: to provide appropriate and cost-effective educational, social and cultural infrastructure, contributing to the sustainable development of urban habitats
- Specific objectives:
 - To improve, renovate and modernize the educational, social and cultural infrastructure in urbanized areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The general consistency of the objectives and the eligibility criteria is one the best among the grant schemes. The project selection criteria could be more specified to be in line with the specific objective No. 1.

1.1-2 Public education infrastructure

The objectives of the OPRD 1.1-2 grant scheme are the followings:

- General objective: to provide adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats
- Specific objectives:
 - To improve, renovate and modernize the public education infrastructure in urbanized areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The general consistency of the objectives and the eligibility criteria is good. The specific objective No. 1 could have been more emphasised in the project selection criteria.

1.1-3 Social infrastructure

The objectives of the OPRD 1.1-3 grant scheme are the followings:

- General objective: to ensure appropriate and effective public social infrastructure, contributing to the development of sustainable urban areas
- Specific objectives:
 - To improve, renovate and modernize public social infrastructure in urban areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The small number of project selection criteria builds a correct basis for the possibility of realisation of the call's objectives.

1.1-4 Infrastructure of labour offices

The objectives of the OPRD 1.1-4 grant scheme are the followings:

- General objective: to ensure adequate and effective infrastructure for the labour offices contributing to the development of sustainable urban habitats
- Specific objectives:
 - To improve, renovate and modernize the infrastructure of the "Labour Office" Directorates to the Employment Agency in urbanized areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The consistency of the objectives and the eligibility criteria are generally good. The criteria are adequate to the objectives.

1.1-5 Public cultural infrastructure

The objectives of the OPRD 1.1-5 grant scheme are the followings:

- General objective: to ensure appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas
- Specific objectives:
 - To improve, renovate and modernize public cultural infrastructure in urban areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The general consistency of the objectives and the eligibility criteria is good which enables the MA to be able to select the right projects.

1.1-6 Public health establishments

The objectives of the OPRD 1.1-6 grant scheme are the followings:

- General objective: to ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban habitats
- Specific objectives:
 - To improve, renovate and modernize public health infrastructure in urbanized areas
 - To ensure social inclusion and equal access of disadvantaged groups, including the Roma

The evaluation criteria are well targeted; they serve an adequate basis for selecting the projects supporting the objectives.

1.1-7 Infrastructure of universities

The objectives of the OPRD 1.1-7 grant scheme are the followings:

- General objective: to improve conditions for the provision of educational services in state universities, contributing to the development of sustainable urban areas
- Specific objectives:
 - Introduction of energy efficiency measures in the educational infrastructure of the higher education institutions
 - Ensuring equal access of disadvantaged groups to educational services offered in state universities
 - Modernization of information services in state universities' libraries

The consistency of the objectives and the eligibility criteria are generally good. The criteria are adequate to the objectives.

1.1-8 Public health establishments

The objectives of the OPRD 1.1-8 grant scheme are the followings:

- General objective: To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban areas
- Specific objectives:
 - To improve, renovate and modernize public health infrastructure in urban areas
 - To ensure social inclusion and equal access of disadvantaged groups

The general consistency of the objectives and the eligibility criteria is good. The specific objective No. 2 (horizontal issues) could have been more emphasised in the project selection criteria.

1.1-9 Energy efficiency in municipal owned educational institutions

The objectives of the OPRD 1.1-9 grant scheme are the followings:

- General objective: To provide municipal educational infrastructure with a high level of energy efficiency, contributing to the development of sustainable urban areas
- Specific objectives:
 - To increase the energy efficiency of municipal educational infrastructure in urban centres
 - To ensure the use of renewable energy in municipal educational infrastructure

The general consistency of the objectives and the eligibility criteria is one the best among the grant schemes. The specific objectives are considerably backed by the project selection criteria.

1.4-1 Prevention of fire risk and damages

The objectives of the OPRD 1.4-1 grant scheme are the followings:

- General objective: Limitation and maximum prevention of risks and damage to life and property from the fires of the population in urban agglomeration areas by providing a modern fire equipment
- Specific objectives:
 - To ensure fire safety and security of all citizens and their property from fires in urban agglomeration areas
 - Limitation of the expansion and rapid eradication of fires in urban agglomeration areas by improving, upgrading and modernization of existing machinery by fire vehicles Metropolitan, Regional Directorates and District Fire Safety and Protection of Population to the Ministry of Interior
 - Protect the environment and reducing emissions of greenhouse gases emitted by fire cars

The consistency is generally vague. There are some criteria that not support the call objectives (e.g. award criteria 2.2.2). The project selection criteria could be more specified to be in line with the specific objectives.

1.4-2 Improving urban environment

The objectives of the OPRD 1.4-2 grant scheme are the followings:

- General objective: to improve the physical and living environment of urban centres and agglomerations as a prerequisite for ensuring sustainable and green urban environment
- Specific objectives:
 - To improve the physical aspect of Urban agglomeration areas
 - To create conditions for the integration of disadvantaged groups through improving the physical and living environment, including improving access to administrative and social services
 - To enhance safety and security of the urban environment

The eligibility criteria are detailed and consistent with the call objectives.

1.4-3 Small case infrastructure for prevention against landslide

The objectives of the OPRD 1.4-3 grant scheme are the followings:

- General objective: Maximum limitation and prevention of the risks and damages to life and property in urban agglomeration areas through the establishment and strengthening of small-scale infrastructure facilities for the prevention of landslide processes
- Specific objectives:
 - Protect life and property in urban agglomeration areas by supporting activities to strengthen and reinforce the landslides
 - Restrict expansion/manifestation of landslide processes through development of automated monitoring systems

The award criteria of the call 1.4-3 are either general than specific. However, the consistency could be ensured with the use of these selection criteria.

1.4-4 Small case infrastructure for prevention against landslide

The objectives of the OPRD 1.4-4 grant scheme are the followings:

- General objective: Limitation and prevention of the risks and the damages to life and property in urban agglomeration areas through building and strengthening small-scale infrastructure facilities for the prevention of landslide processes
- Specific objectives:
 - Provide protection to life and property in urban agglomeration areas by supporting activities to strengthen and reinforce landslides
 - Limit growth / manifestation of landslide processes through the development of automated monitoring systems

Similar to the call 1.4-3 the award criteria are either general than specific. Nevertheless, the consistency could be ensured with the use of these selection criteria.

1.4-5 Improving urban environment

The objectives of the OPRD 1.4-5 grant scheme are the followings:

- General objective: To improve the physical and living environment of urban agglomeration as a prerequisite for ensuring sustainable and environmentally friendly urban environment with better quality of life and new opportunities for economic and social development
- Specific objectives:
 - To improve the physical aspect of the urban environment in the agglomeration areas
 - To create conditions for the integration of disadvantaged groups by improving physical and living environment, including through improved access to administrative and social services
 - To increase the safety and security of the urban environment

The general consistency of the objectives and the eligibility criteria is good; the criteria are general but applicable.

1.4-6 Small-scale measures to prevent flooding

The objectives of the OPRD 1.4-6 grant scheme are the followings:

- General objective: To improve the quality of life and the environmental conditions by preventing risks of flooding in urban centres and agglomerations as part of a comprehensive strategy for social and environmental regeneration
- Specific objectives:
 - To protect the villages in the municipalities of the agglomeration areas from flooding to reduce potential adverse effects to human health and environment
 - To prevent erosion processes in rivers riverbed crossing in villages or in urban agglomeration areas
 - To prevent processes of erosion and abrasion on the beach in settlements municipalities in the agglomeration areas

The specific objectives are considerably supported by the project selection criteria. The general consistency of the objectives and the eligibility criteria is good.

1.4-7 Integrated plans for urban regeneration and development

The objectives of the OPRD 1.4-7 grant scheme are the followings:

- General objective: Elaboration of integrated urban development plan aimed at sustainable and permanent address of the high concentration of economic, environmental and social problems in 36 city centres of agglomeration areas
- Specific objectives:
 - To establish zones of influence within the 36 town centres agglomeration areas, including a system of interrelated activities seek continuous improvement of the economic, material, social and environmental situation of the urban area and the city as a whole
 - To develop integrated plans for urban regeneration and development of respective areas to promote the long-term vision for development of the city through the implementation of projects in urban areas and / or subsystems in unsatisfactory condition, negative trends in and / or unrealized potential in attracting, coordinated management diverse investment and supported by EU Structural Funds
 - To achieve a synergy between existing or in process of update strategic planning documents for sustainable integrated regional and local development of sectoral policies, programs and documents structural schemes, of the zones of influence

Other type of project selection criteria belongs to the call 1.4-7 (and 1.5-1) than to the other schemes. The detailed checklist could serve as a strong basis in ensuring the consistency; however, the majority of the criteria are too general.

1.5-1 Integrated urban transport in Burgas

The objectives of the OPRD 1.5-1 grant scheme are the followings:

- General objective: Development of sustainable and integrated urban transport system in the city Burgas, contributing to improving living and environmental conditions
- Specific objectives:
 - Create more effective and rapid urban transport with less consumption energy;
 - Building a more accessible secondary infrastructure of public transport networks and introduction of environmentally friendly modes of public transport;
 - Increasing the attractiveness of public urban transport;
 - The introduction of effective automated system for traffic management and control of transport processes;
 - Ensuring social inclusion and equal access of disadvantaged groups' position.

Similar to the call 1.4-7 an other type of project selection criteria belongs to the call than to the other schemes. The detailed checklist could serve as a strong basis in ensuring the consistency; however, the majority of the criteria are too general.

2.1-1 Rehabilitation and reconstruction of the second class and third class roads

The general objective of the OPRD 2-.1-1 grant scheme is the followings:

- Improving accessibility to major traffic destinations within the planning regions through reconstruction and rehabilitation of secondary and third class roads

The objectives are generally well reflected in the project selection criteria. The consistency with the call's objective is assured in two-fold way in the selection criteria. The criteria are objective and are set up in a detailed way.

2.1-2 Rehabilitation and reconstruction of municipal roads

The objectives of the OPRD 2.1-2 grant scheme are the followings:

- General objective: Promotion of accessibility, connectivity and convergence within regions by improving and maintenance of regional and local roads
- Specific objectives:
 - Improve accessibility, functional and socio-economic relations settlements with regional / municipal centre as well as within the relevant agglomeration areas
 - Improving accessibility to areas of concentration of production / business activities, building projects of social and business infrastructure of municipal significance, tourist attractions and areas with potential for tourism development
 - Sustainable improvement of the operational condition of municipal roads

The general consistency of the objectives and the eligibility criteria is good; the criteria are general but applicable.

3.1-1 Cultural monuments contributing to tourism development

The objectives of the OPRD 3.1-1 grant scheme are the followings:

- General objective: To support the development of the cultural monuments of national and global importance managed by the Ministry of Culture, which contribute to the development of the sustainable cultural tourism, diversification of the tourism supply and increase of the benefits from tourism
- Specific objectives:
 - To develop a competitive tourist attractions based on monuments of culture of national and global importance
 - To develop the less developed tourist locations within the country with cultural and historic heritage and significant tourism potential
 - To support the conservation and protection of the national and global cultural heritage

The general consistency of the objectives and the eligibility criteria is good.

3.1-2 Development of nature, cultural and historical attractions

The objectives of the OPRD 3.1-2 grant scheme are the followings:

- General objective: To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product reduce the spatial concentration and uniform distribution of the benefits of tourism
- Specific objectives:
 - To develop competitive natural, cultural and historical attractions and / or groups of attractions with potential to attract significant numbers of visitors
 - To support the less developed tourist locations within the country having significant tourism potential

The general consistency of the objectives and the eligibility criteria is slightly weak, the criteria are too general and do not reflect the call objectives in a satisfactory level.

3.1-3 Development of nature, cultural and historical attractions

The objectives of the OPRD 3.1-3 grant scheme are the followings:

- General objective: To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product, decrease of the spatial concentration and more even distribution of the benefits from the tourism activity
- Specific objectives:
 - To develop competitive natural, cultural and historical attractions and / or groups attractions that have a potential to attract a significant number of visitors
 - To support tourism sites with significant tourism potential

The general consistency of the objectives and the eligibility criteria is satisfactory.

3.2-1 Organizing events with regional and national scope and impact

The objectives of the OPRD 3.2-1 grant scheme are the followings:

- General objective: Organization of events with regional and national coverage and impact contributing to the development of sustainable cultural tourism, diversifying tourism supply and enhancing the benefits of the tourism
- Specific objective:
 - To increase the number of visitors and duration of their stay, improve seasonal and spatial distribution of tourism in different regions and territories based on integrated management and marketing of destinations and using various tools, techniques and systems, providing tourist information and effective marketing

The objectives are generally well reflected in the project selection criteria. The criteria are objective and are set up in a detailed way.

3.3-1 National marketing of tourist product and Information services

The objectives of the OPRD 3.3-1 grant scheme are the followings:

- General objective: to support the development of competitive tourist attractions, which contribute to the diversification of the tourism product reduce the spatial concentration and uniform distribution of the benefits of tourism
- Specific objectives:
 - To develop competitive natural, cultural and historical attractions and / or groups of attractions with potential to attract significant numbers of visitors
 - To support the less developed tourist locations within the country having significant tourism potential

The project selection criteria show a good level of consistency with the call objectives. Although, specific objective No. 2 does not seem to be ensured on a strong basis through the project selection criteria.

4.1-1 Support for educational infrastructure

The objectives of the OPRD 4.1-1 grant scheme are the followings:

- General objective: To provide grants to ensure appropriate and cost-effective educational infrastructure, contributing to local sustainable development
- Specific objectives:
 - To improve, renovate and modernize the educational infrastructure in the territory of 178 municipalities
 - To ensure social inclusion and equal access for disadvantaged groups, minorities, including Roma

The scheme aims similar objectives as the 1.1-1 but on a local level and limited to education infrastructure. The call objectives and project selection criteria are in line with each other but more emphasis could be put on criteria that help the fulfilment of the scheme's specific objective No.1.

4.1-2 Small-scale infrastructure for prevention against landslide

The objectives of the OPRD 4.1-2 grant scheme are the followings:

- General objective: To limit and prevent risks and damages for the life and the property of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for prevention of landslide processes
- Specific objectives:
 - To ensure protection to people and property through activities for strengthening and strengthening of landslides
 - To limit the expansion/manifestation of the landslide processes by development of automated monitoring systems

The scheme aims similar objectives as the 1.4-3 but on a local level. The eligibility criteria are general but consistent with the call objectives.

4.1-3 Energy efficiency in municipal owned educational institutions

The objectives of the OPRD 4.1-3 grant scheme are the followings:

- General objective: To provide municipal educational infrastructure with a high level of energy efficiency, contributing to sustainable local development
- Specific objectives:
 - To improve the energy efficiency of municipal education infrastructure in 178 small municipalities
 - To ensure the use of RES in the municipal educational infrastructure.

The project selection criteria show a good level of consistency with the call objectives.

4.1-4 Small-scale measures to prevent floods in 178 small municipalities

The objectives of the OPRD 4.1-4 grant scheme are the followings:

- General objective: Limitation and maximum prevention of risks and damage the lives of the population in the 178 "small" municipalities through the establishment and strengthening of small-scale infrastructure facilities for the prevention of floods
- Specific objectives:
 - To protect from flood the settlements in 178 small municipalities, with the aim of reducing potential adverse effects on human health and the environment
 - To limit the risks of floods in the settlements in the 178small municipalities by promoting sustainable measures against floods

The scheme aims similar objectives as the 1.4-6 but on a local level. The objectives are generally well reflected in the project selection criteria.

4.2-1 Interregional cooperation and exchange of best practice

The objectives of the OPRD 4.2-1 grant scheme are the followings:

- General objective: to support the exchange of know-how and best practices through inter-regional co-operation within the European territory
- Specific objectives:
 - To establish contacts and develop partnerships for cooperation with the aim of the dissemination and exchange of information, knowledge, skills and best practices
 - To establish new and/or innovative approaches and solutions in specific areas in which the process of regional development requires new and extended know-how and best practices

The evaluation criteria are well targeted; they serve an adequate basis for selecting the projects that are supporting the call objectives.

5.3 Technical assistance

The objectives of the OPRD 5.3 grant scheme are the followings:

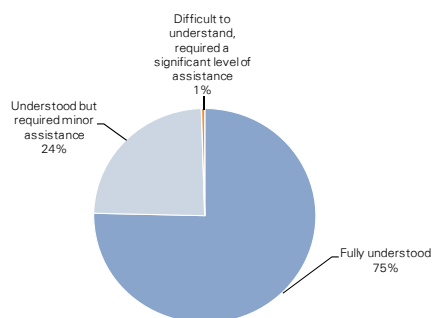
- General objective: To support activities ensuring proper and effective programming, management, implementation, monitoring, evaluation, information and control of OPRD, strengthening administrative capacity of MA and the beneficiaries for the successful implementation and ensuring a high degree of absorption of Structural Funds.
- Specific objectives:
 - Supporting OPRD Managing Authority, its regional offices and other officials of the Ministry of Regional Development and Public Works for the effective implementation of the activities related to programming, management, implementation, monitoring, evaluation and control under the provisions and requirements of EU regulations on the Structural Funds
 - Supporting OPRD Managing Authority in the implementation of measures and actions on Communication Plan for information and publicity, providing information and informing the public of the funding opportunities of the program, criteria, rules and procedures for the participation of potential beneficiaries
 - Strengthening the capacity of the beneficiaries for successful participation in OPRD implementation and utilization of financial resources in SF

4.3.10.2.4 Beneficiary feedback

According to the beneficiary questionnaire 75 per cent of the applicants have fully understood the general information of the calls. This rate showed a downward trend regarding the eligibility criteria and the criteria for technical and financial evaluation where only 59 and 42 per cent of the beneficiaries have fully understood these conditions. 5% of the beneficiaries required significant level of assistance from the MA because of non-understanding the eligibility criteria. Furthermore, other 8% of the beneficiaries needed significant level of assistance because of non-understanding the criteria of technical and financial evaluation. 30 per cent of the beneficiaries found the selection procedure fully appropriate in selecting the right projects to meet the stated objectives of the call. Another 65 per cent assessed that aspect as „relatively appropriate“. This positive judgement is a positive attestation for the project selection procedure [ref: **Figure 50**].

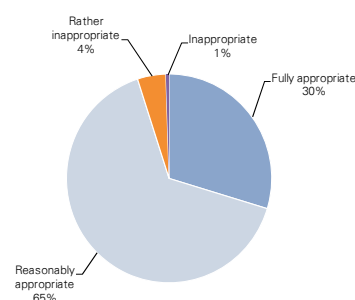
Figure 50 - Beneficiary feedback on project selection

Understanding of guidelines with respect to general information



Source: Beneficiary questionnaire, 2010

Appropriateness of the selection criteria in selecting the right projects to meet the stated objectives of the call

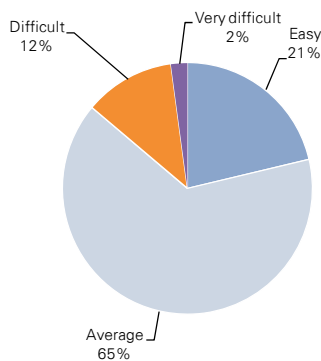


Source: Beneficiary questionnaire, 2010

The majority of the beneficiaries found the overall requirements of the calls easy (12%) or average (65%). The administrative requirements did not cause difficulties for one third of the beneficiaries at all, other 62 per cent of them judged the criteria as „average“. The clearest requirements were the eligibility ones: 39 per cent rated as „easy“, 54 per cent as „average“. Results regarding compliance with project selection requirements are similar to the results of overall requirements: For 12 per cent of the beneficiaries the project selection requirements were difficult, for the remaining applicants it turned out to be easy (21%) or average (65%) [ref: **Figure 51**].

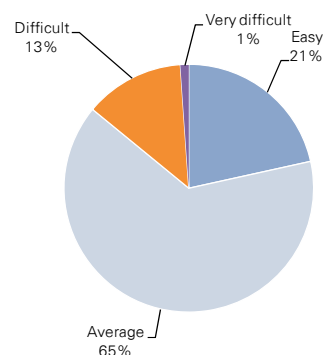
Figure 51 - Beneficiary rating on the ease of difficulty of application

Ease or difficulty in understanding the overall requirements



Source: Beneficiary questionnaire, 2010

Ease or difficulty in complying with project selection requirements



Source: Beneficiary questionnaire, 2010

4.3.10.2.5 Summary of findings

- The project selection criteria of the calls are generally with higher level objectives
- There are only 5 calls out of the 29 under analysis, where the consistency of objectives is weak.
- The newly introduced interventions are in line with the higher level objectives.
- The majority of the applicants fail at the technical and financial check, the failure rate is much lower with administrative and eligibility checks
- Eligibility criteria have less filtering effect than the award criteria.
- The general perception of beneficiaries on the project selection mechanism is favourable.
- Beneficiaries also feel that they receive adequate support from the management and implementation system during the project selection process.

4.3.11 *Partnership*

4.3.11.1 **Background**

Partnership is considered to be one of the key principles of Structural Funds programming and implementation. In conformity with article 11 of Council Regulation (EC) 1083/2006 partnership covers not only the arrangements during programming period, but all stages of programme implementation, including monitoring and evaluation of the OP.

4.3.11.1.1 *Partnership in programming stage*

During **programming stage**, partnership was ensured through the following mechanisms:

- **OPRD was developed in broad consultation process**, including working group. The working group had wide participation and representation of **over 40 stakeholders** representing various institutions both at national and regional levels, i.e. Managing Authorities, line ministries, state agencies, Regional Development Councils, Association of Municipalities, regional development agencies, business and the employers' associations, syndicates, NGOs and other relevant parties.
- The Managing Authority has participated in a **broad consultation process** and discussions held by means of four forum meetings organized by the Agency for Economic Analysis and Forecasts for achieving consensus on the operational programmes. A wide range of participants from over 80 institutions (i.e. local, regional and national bodies, NGOs, academic entities, scientists and even political parties) attended these meetings, which have produced a set of useful suggestions and recommendations.
- In accordance with the provisions of the Regional Development Act, in the period February – March 2006, **the OP was presented and agreed with the members of the six Regional Development Councils.**

4.3.11.1.2 *Partnership in implementation stage*

During the course of **implementation**, the OPRD envisaged that partnership would be provided through:

- Membership of **OPRD Monitoring Committee** established on the principle of partnership in order to promote greater involvement and shared responsibility of all parties involved in the process of local and regional development.
- Use of the **Regional Development Councils** and their secretariats to consult and facilitate OPRD implementation and project selection, which promotes greater transparency and programme ownership.
- Inter-municipal, public-private and other local and regional partnerships will be promoted by **providing incentives for their application** through the eligibility and selection project criteria.

4.3.11.2 **Analysis**

The issues of partnership were explored from the prospect of partnership between various types of partners – European Commission (EC), central, regional and local authorities, including horizontal partnership between beneficiaries, environmental partners, NGOs, bodies responsible for promotion of gender equality, economic and social partners.

4.3.11.2.1 *Approach*

The Consultant carried out a document review and performed a number of meetings and interviews with different stakeholders. The on-line questionnaire addressed to the municipalities as the main beneficiaries of OPRD has also included specific questions related to partnership.

The document review covered:

- OPRD - Skills for partnership and cooperation with other stakeholders; Partnership implementation; addressing the lack of partnership skills; OPRD 2007-2013 Partnership process)
- Minutes of Monitoring Committee sessions
- MC Internal Rules
- Rules for selection of NGOs' representatives to the MC
- Monthly reports issued by MA

- OPRD Manual – Chapter 5 ‘Programming’; Chapter 11 ‘Tendering and Contracting’; Chapter 15 ‘Annual and Final Report of OPRD Implementation’;
- Guidelines for Applicants under the open schemes.

Meetings and interviews were held with MA representatives, as well as with representatives of direct beneficiaries. The interviews with the direct beneficiaries specifically addressed the partnership between the MA and the beneficiaries in the process of OPRD implementation. Discussions covered particular issues as regards the partnership during calls preparation, project preparation and assistance from the MA in the course of implementation.

A summary of the direct beneficiaries’ interviews is presented as **Annex 8.129** and a Summary of the on-line survey results is included in **Annex 8.11**

Similar questions were raised in the on-line survey the results of which also supported the Consultant in its conclusions.

4.3.11.2.2 Findings

Based on the review and the analysis, the Consultant has identified that **the Monitoring Committee is well structured and performing in accordance with its role and functions** as laid down in Art.65 of Reg. 1083/2006 and the CoM 182/2006. In particular:

- The Indicative Annual Work Programme and the project selection criteria, and their subsequent amendments are consulted with and approved by the MC. Particularly, **project selection criteria have been consulted with the Monitoring Committee and approved** at its first session in November 2007, i.e. at the start of the programme, after a preliminary coordination procedure. Subsequent approval for other calls’ project selection criteria has been achieved at the next MC session together with the adoption of Rules for selection of NGOs’ representatives to the MC.
- The **MC is periodically (twice a year) reviewing the OPRD progress and the results of implementation**, including on-going evaluations (evaluation of the first 14 grant schemes).
- The MC has taken an **active role in the proposed amendments** to the OPRD.
- At the MC the most active participation in the monitoring process is attributed to the National Association of Municipalities (representing the bulk of OPRD beneficiaries) and the trade union representatives, as well as the EC representatives who act in an advisory capacity. It appears that the **representatives of the sector ministries, including direct beneficiaries, would rather follow a passive approach**.

Inter-municipal, local and regional partnerships have been promoted in only a small number of interventions. The assessment of the horizontal linkages between beneficiaries in the process of project development and implementation reveals also some inconsistencies related to the involvement of partners participation possibilities. This may indicate that the design of schemes does not aim at achieving integrated results at the level of operation, as well as may reveal **inconsistency in the MA’s approach toward promotion of local and regional partnership**. Basically the reasons for this might be the MA’s unwillingness to burden the evaluation process, as well as for better facilitation of the monitoring and control procedures from the part of the MA. In particular:

- In cases **where the direct beneficiaries are involved, no partnership is allowed** (at the stage of applying for a grant).
- Approximately one-third of the calls (27%) include the possibility of partners’ participation. One grant scheme (4.1-01/2007) for educational infrastructure improvement envisages the possibility of partnership and another one (4.1-03/2010) which is analogous in terms of targeted intervention, objectives and eligible activities, does not allow partnering with other organizations. Schemes related to prevention of floods allow partnership which is relevant and appropriate as regards the integrated approach of common problems solution, whereas the three schemes designed to prevention of landslides do not allow partnering between (neighbouring) municipalities.

Public-private partnership is missing at this phase of OPRD implementation. Public - private relationships have been established in a few measures related to involvement of NGOs (PA 1 and PA 4).

Partnership with environmental responsible bodies (particularly, the Ministry of Environment and Waters) in relation to providing consistency and relevance of environmental indicators in the course of OPRD

implementation **has not been properly established and utilised**, as provided for in the EU policies for sustainable development through the integration of environmental protection and improvement requirements.

In general, **direct beneficiaries are satisfied with the process of partnering with the MA**. However, there should be a further strengthening of partnership between MA and direct beneficiaries in the course of preparation of project proposals as obviously there are problems in some of the schemes progress (cancellations, delays, non-compliance with preliminary set deadlines). Further to direct beneficiaries' issue with the limited availability of allowed project management costs (up to 2 per cent from the eligible project costs) the MA has introduced a higher (7 per cent) amount of such costs in the recently opened schemes for direct beneficiaries (e.g. 1.5-01/2010).

The major part of **the municipalities considers the partnering process satisfactory**.

The scope of assistance provided to beneficiaries is not sufficiently supportive in terms of specific trainings (e.g. public procurement, reporting and financial management).

The recently organised open days and the active usage of other **means of communication**, such as weekly meetings with representatives of municipalities, daily discussions on projects' progress, regular meetings with direct beneficiaries, as well as publishing draft calls for comments would indicate that the MA considers the partnership principle a critical matter that needs to be permanently addressed in order to meet the necessities under the Structural Funds.

4.3.12 Information and publicity

4.3.12.1 Background

The Consultant carried out an analysis of the Communication Plan.

4.3.12.1.1 Communication Plan for Information and Publicity

According to Regulation (EC) No 1083/2006 each MA has to prepare a Communication Plan (CP) for the respective OP. The plan should contain strategy, defined target groups, information measures, indicative budget, responsible administrative bodies and guidelines for publicity, role of the OP and that of the EU as well as measures for evaluation, monitoring and control of the plan's implementation.

Objectives, target groups and communication tools

Table 48 - Objectives, target groups and communication channels/methods of the CP for Information and Publicity (I&P)

Main objectives	Specific objectives	Target groups	Communication channels	Communication Methods
<ul style="list-style-type: none"> Draw the public's attention Increase its knowledge of EFRD and OPRD for the period 2007-2013, explaining the possibility provided by OPRD Stimulate to apply with projects, and Ensure transparency in the implementation process of the Programme 	<ul style="list-style-type: none"> Drawing public attention and raising awareness of the society about the scope, goals and results of OPRD and the EU support. Drawing the interest of potential beneficiaries of OPRD, informing them about financial possibilities provided by EFRD through OPRD and make clear 	Internal target groups	<ul style="list-style-type: none"> Official correspondence E-mails Personal contacts Informal communication 	<ul style="list-style-type: none"> Media campaigns <ul style="list-style-type: none"> Press conference Press release Press briefing Regular seminar Media monitoring Print materials Internet related information <ul style="list-style-type: none"> Internet/e-mails Website Web forum For reflecting EU support <ul style="list-style-type: none"> Promotional video Major launching event Branding & Visibility
		<ul style="list-style-type: none"> MA of OPRD 		
		<ul style="list-style-type: none"> Regional departments of the MA 		
		<ul style="list-style-type: none"> State employees 		
		<ul style="list-style-type: none"> MRDPW employees 		
		<ul style="list-style-type: none"> Monitoring Committee 		
		External target groups	<ul style="list-style-type: none"> Press releases, web site, e-mails, media, manuals 	
		<ul style="list-style-type: none"> General public and socio economic partners 		
		<ul style="list-style-type: none"> Central, regional and local authorities and other internal audiences 		
		<ul style="list-style-type: none"> Potential beneficiaries 	<ul style="list-style-type: none"> Manuals, e-mails, web site, media 	
Mediators target groups	<ul style="list-style-type: none"> Media, web site, e- 			
<ul style="list-style-type: none"> Media, journalists 				

	<p>eligibility criteria.</p> <ul style="list-style-type: none"> ▪ Informing beneficiaries about their responsibilities in the process of OPRD implementation including these concerning information and publicity measures regarding the projects. 	<ul style="list-style-type: none"> ▪ Trade and professional organizations, economic and social partners ▪ NGOs ▪ Representatives at local and regional level, politicians, PR departments in state institutions beneficiaries under OPRD. 	<p>mails, manuals</p> <ul style="list-style-type: none"> ▪ Press releases, media, web site ▪ Media, web site, e-mails, manuals ▪ Media, web site, e-mails, manuals 	<ul style="list-style-type: none"> ▪ For popularizing results ▪ Annual Report Event on achievements ▪ Beneficiary responsibilities ▪ Info point ▪ NGOs network ▪ Publication of beneficiaries ▪ I&P measures
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Source: Communication Plan for Information and Publicity of OPRD

Communication strategy

According to the CP the information and publicity strategy of OPRD should:

- disseminate main goals, priorities, operations, and eligibility criterion of OPRD
- ensure equal access to information for all who might be interested
- provide information for municipalities about the possibilities of OPRD
- “go local” in order to inform the citizens about OPRD opportunities and expected results
- organize informational campaign for all target groups using media
- provide information to those who are unable to have access to it, using widespread channels like internet
- organize info days
- make explanations to the general public avoiding specific language and heavy style
- organize informational campaigns, trainings and seminars, aiming to attract the local and regional authorities

Monitoring and evaluation

The effectiveness and efficiency of all I&P activities will be evaluated by achieved target values. [ref: **Table 49**].

Table 49 - Indicators for I&P activities

Type of Indicator	Indicator	Unit	Baseline value	Target Value	Information source
Result	Level of general public awareness	%	15%	40%	Survey
	Number of the OPRD web site visits	Number	0	300,000	Online WEB counter
	Number of citizens who saw the promotional video and billboards	Thousands	0	2,000	Survey
	Broadcasts in TV and radio stations	Number	0	100	Media survey
	Publications in newspapers/magazines	Number	0	300	Media survey
	Rate of the seminar’s participants who increased their knowledge, measured by baseline and final survey	%	0	80%	Survey
Output	Promotional videos created	Number	0	3	MA
	Guidelines, manuals, brochures printed for the use of potential beneficiaries	Number	2,100	30,000	MA
	Press releases, brochures printed for the media use	Number	0	2,000	MA
	Information published on the Internet	Number	0	200	MA
	Informational events (press conferences, press briefings, working meetings, seminars etc.)	Number	6	60	MA

Source: Communication Plan for Information and Publicity of OPRD

Coordination and responsibilities

According to the CP the communication activities are coordinated by five bodies [ref: **Table 74 , Annex 8.10**]:

- **MA of OPRD**, Organizational Development, I&P Unit
 - Coordinates I&P activities at central and regional level
 - Implements CP
- **Spokesperson**
 - Provides information to the wide public about implementation
- **Six info desks in the Regional Departments of the MA** in the centres of planning regions
 - Provides information to beneficiaries at regional and local level
- **Monitoring Committee**
 - Monitors I&P implementation
- **Secretariats of the Regional Development Councils (RDC)**
 - Provides assistance to beneficiaries
 - Helps regional departments of MA in organizing I&P activities and manages media relations

Annual Report on I&P activities

The annual reports and the final report on implementation include the examples of I&P activities and regulations related to I&P measures.

4.3.12.2 Analysis

4.3.12.2.1 Budget

The financial resources for implementation of the CP add up to a total of **10 mEUR** including national co-financing. **Table 50** shows the indicative financial budget by years.

Table 50 - Indicative financial budget by years – mEUR

Year	2007	2008	2009	2010	2011	2012	2013	Total
Budget	0	1.6	1.7	1.2	1.9	1.8	1.8	10.0

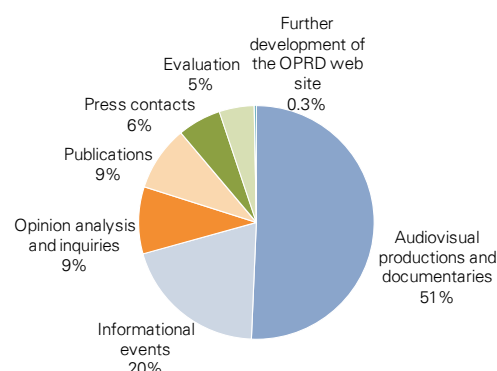
Source: *Communication Plan of OPRD*

Website related budget is about 0.3% of the financial resources provided for the implementation of the Communication Plan. This seems to be somewhat low as 86% of the beneficiaries have first learnt about the schemes on the OPRD website, while the impact of TV/Radio and Press is negligible (1%) in attracting the applicants [ref: **Figure 54**]

Nevertheless, the role of the media should not be underestimated, as information and publicity serves not only for attracting applicants, but also raising public awareness and disseminating the results which are achieved thanks to the EU membership.

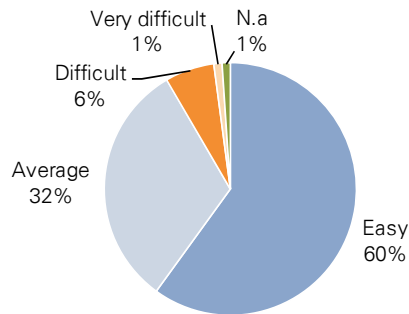
Altogether, **60%** of the beneficiaries considered **receiving information initially as easy**; 32 % rated it as average, only 7% experienced some kind of difficulties [ref: **Figure 53**].

Figure 52 - Financial resources for the implementation of the Communication Plan (Total, 10 mEUR)



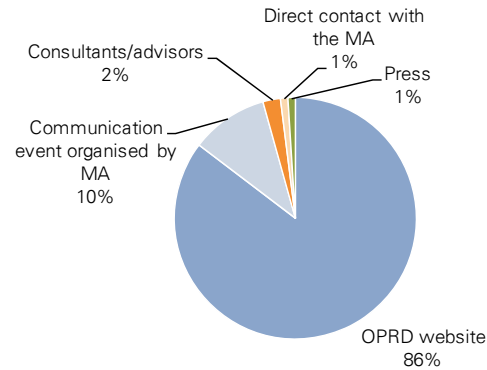
Source: *OPRD Communication Plan*

Figure 53 - Considering your overall experience, how would you rate the difficulty in getting information initially?



Source: KPMG Beneficiary Questionnaire

Figure 54 - How did you first learn about the concrete scheme you applied for?



Source: KPMG Beneficiary Questionnaire

4.3.12.2.2 Progress of I&P activities

Until 31.12.2010 5 communication projects have been contracted under Priority Axis 5 with a contracted grant of **11,353,040 BGN**. While the project 'Providing information and publicity about the policy for integrated urban development in the EU' has been suspended, the other 4 projects are under implementation. [ref: **Table 51**].

Table 51 - Technical Assistance Communication projects

Project title	Contracted grant (BGN)	Total project value (BGN)	Date of planned project start	Date of planned project end	Status As of 31 Dec 2010
Communication, information and publicity of the OPRD	4,437,400	4,527,400	2008.09.16	2012.09.16	Under implementation
Providing information and publicity about the policy for integrated urban development in the EU	2,179,500	2,235,600	2009.05.12	2011.05.12	Suspended
Logistical and technical provision for conferences, awareness campaigns, meetings and other events concerning the implementation of OPRD	2,555,140	2,680,400	2009.05.12	2011.05.12	Under implementation
Providing media and transparency of the implementation of OPRD	2,058,250	2,058,250	2009.08.27	2010.08.27	Under implementation
Establishing and development and the positive image of the Operational Programme 'Regional Development "2007-2013	122,750	122,750	2010.06.16	2012.06.16	Under implementation
Total	11,353,040	11,624,400			

Source: KPMG (based on UMIS dataset, 31.12.2010)

4.3.12.2.3 *Monitoring of I&P activities*

Not all indicators which have been defined in the Communication Plan are monitored in the Annual Reports. The indicator „Informational events held“ (press conferences, press briefings, working meetings, seminars etc.) has already exceeded the target value set for 2015 (60 activities) with 95 events (at cut-off) held.

4.3.12.2.4 *Findings*

- There are clear roles and responsibilities regarding implementation of communication activities.
- Most of the Beneficiaries considered it as easy to receive information on the OPRD website. The general view about the MA website is that it is user-friendly and contains / is updated with all necessary information
- Regarding recent developments, the new sections on the website enhance publicity, transparency and accessibility of the programme implementation process. Also, publishing of UMIS data is a positive improvement towards enhancing transparency
- The allocation on website related budget (0.3%) seems to be relatively low compared to its importance.
- Not all indicators which have been defined in the Communication Plan are monitored in the Annual Reports.

4.3.13 *Additionality*

4.3.13.1 **Background**

The additionality is understood as a broad concept related to the effects and implications of additional public funds on the real economy, based on academic literature on the matter. Additionality is one of the key principles of the EU Cohesion Policy and its formal definition is given in Art. 15 of Chapter IV of the Regulation (EC) 1083/2006, which refers to the principles guiding EU assistance through the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). It is argued in fact that without the additionality principle the cohesion policy would be a redistributive policy rather than a "structural" one.

Additionality of funds in the EU context implies that government transfers from the European central authority to national or regional authorities are complement to locally raised funds, thus generating new projects which potentially stimulate economic development. However, often budget constraints are binding.

Governments recently acquiring EU membership witnessed a relative change in their profile of public expenditure. This, matched by budgetary constraints imposed by the Stability and Growth Pact and global financial crisis, may imply the possibility that the SF may have substitution rather than additional effects. Usually in such a situation, EU funds could be used to substitute national own expenditure, thus reducing the total amount of investments. Such an example could be the reduced public expenditures in education and capital that are cut in situations of high debt or when the deficit increases¹³.

4.3.13.2 **Analysis**

Contribution of Structural Funds

OPRD was programmed as a contribution and in compliance with a number of European and national policies and strategies. The Structural Funds support is crucial for regional development. The assessment of SF contribution can be divided in to the following sections:

- Availability of national (budget) resources to cover interventions close to or similar to OPRD ones;
- Other OPs that could cover some of the interventions currently programmed in OPRD.

Budgetary restrictions, both in the form of endogenous and exogenous constraints, will affect the overall impact of additionality on the real economy. Examples of exogenous constraints include the Stability and Growth Pact for the EU, and other set of rules, limits and conditions imposed by international organizations and treaties. Endogenous constraints are mainly at the national level, and refer to the issue of the financing of public expenditure, in terms of taxation and deficits. The greatest concern in this case is related to countries running large public account deficits, since additional funds may imply a trade-off between the decision of decreasing the deficit or spending the new funds available. Care must be taken in considering explicitly the role of co-financing mechanisms in shaping this trade-off. Lower levels of public debt are associated with the largest amount of investments.

The global economic crisis marked the budget availability at national and regional level. According to information given by the National Association of Municipalities in Bulgaria, the significant decrease in own revenues as a result of the crisis, unchanged municipal revenue base, deepening of the negative trends of 2010 to reduce the unified standards for mandated government activities leads to a strong reduction ability of municipalities to finance the provision of their public services. The compensation subsidies in 2010 were fixed at 218 mBGN and in draft Budget 2011, the amount is planned to reach 240 mBGN. The Budget envisages total amount of 27.7 mBGN for capital investments and 42€5 mBGN for (re)construction of municipal roads (65% of all roads in the country).

During workshop brainstorming and after reviewing the minutes from MA's interviews, the conclusion is driven that under the conditions of a crisis, the local governments use the OPRD as the main source of funding for educational, road, cultural infrastructure upgrade, as this is their main concern.

Concerning other OPs that would possibly cover some of the interventions currently programmed in OPRD, analysis was performed concerning the complementarity between OPs. Some amendments on OPRD already address the change in national strategic approach:

¹³ As per definitions and analysis performed in Southern and Eastern Regional Operational Programme – Mid Term Evaluation Report, August 2003

- Operation 1.3. "Organization of economic activities" was cancelled and funds were transferred to other OPRD schemes. The amendment was due to changed national policy for support of industrial companies. A decision was taken to be created a public-owned company that to define and support business zones and industrial zones in the country. In addition, similar operation is envisaged in OP "Competitiveness" – 40 mEUR are envisaged supporting creation and assistance to new or existing business incubators. The schemes is planned to be launched till the end of 2010.
- Coherence and additionality between OPRD and RDP is described in details in MEQ4. Most of the operations of OPRD are supporting municipalities that are considered to be "rural" (RDP use the definition provided by National Statistical Institute for "rural municipality" – a municipality where there is no settlement with population more than 30 000 inhabitants). There is a possibility the measures for small municipalities currently supported under PA4 of OPRD (178 at total) to be reconsidered and supported under RDP.
- operation 4.1. related to waste disposal was closed and its resources were reallocated to new schemes assisting energy efficiency measures in educational institutions. In this case, OP "Environment" remains the only ERDF programme financing support for infrastructure as sewage, waste-water treatment plants and water supply networks in the country. The OPRD is limited to (a) smaller scale drainage improvements; and (b) flood and land-slide protection infrastructure and interventions with regard to waste water, solid waste and waste management are dealt with under OP "Environment".
- Operations aimed at support of health infrastructure –The continuous problems in implementation of these measures show that such measures need strong strategic backbone and clear national view.
- Concentration of SMEs interventions in the agglomeration areas under OP "Competitiveness" will contribute and add value to competitiveness and employment.

In terms of transnational exchange and transfer of good practices, up to cut-off date – 31.12.2010 – there are 59 contracts signed at a total amount of 10 541 700 BGN. Only nine of them are finished successfully, another 17% (or 10 projects) are cancelled and two are temporarily postponed. The number and data is quite insufficient in order to outline transfer of good practices.

Findings

- Under the conditions of a crisis, the local governments use the OPRD as the main source of funding for educational, road, cultural infrastructure upgrade, as this is their main concern.
- Additional effect is assessed as neutral and the economic advantages offered by an increased public spending are not fully exploited.
- Support for development of business infrastructure (industrial zones support) was transferred to be financed under national or different from OPRD funds.
- Support for waste disposals remained entirely in the scope of OP "Environment".
- Health infrastructure support needs clear strategic view and action plan at national level for development of the sector; anyway no additionality could be traced in this aid measure.
- Due to insufficient data it is difficult to estimate the impacts on institutions and systems including the transnational exchange and transfer of good practice in OPRD

4.4 Environment impact assessment

4.4.1 *Assessment of the impact of OPRD on the environment*

4.4.1.1 Background

The European SEA Directive 2001/42/EC (Strategic Environment Assessment) ensures environment impact assessment of the plans and programmes during the process of elaboration and before their approval. The SEA Directive has been transposed in Chapter 6 of the EIA, Section I General Provision and Section II "Environment assessment of plans and programmes" of the Environment Protection Law, by setting the requirement for Environment Assessment procedure (EA) for strategic plans and programmes.

The Environment Assessment Opinion (EAO) № 4-3/2007 for OPRD was issued on 15.05.2007 by the Ministry of Environment and Waters. According to the EAO the Managing Authority should prepare Report on the monitoring and control of the implementation of the OPRD every three years of the programme implementation, not later than 15 April following the reporting period.

During the inception phase it was agreed with the Managing Authority that under Activity 4 the Consultant is required to prepare the above mention Report, covering the period 2007-2010. The cut-off date of the Report will be 31 December 2010.

4.4.1.2 Analysis

The Final Report on the Environment Impact Assessment evaluated the status of the programme implementation and the data provided by the MA as per the cut-off date 31 December 2010.

The following tasks were carried out during the analysis:

- Document Review:
 - OPRD, including amendments of the programme and Annual Reports.
 - Internal detailed procedures of the Evaluation Committees for evaluation of project proposals under OPRD
 - Rules and procedures of the Monitoring Committee and Minutes of the Monitoring Committees
 - Strategic Environment Assessment of OPRD 2007 r.
 - Guidelines for Applicants for Direct Beneficiaries including requirements for Midterm Investment programmes and project fiches.
 - Guidelines for Applicants for competitive project selections
 - Final technical reports for completed projects
 - Annual indicative programmes
 - Analysis of the reflection of the SEA results and the recommendations of the SEO № 4-3/2007 r. in OPRD
- Analysis of the planned and implemented measures for prevention and reduction of the possible adverse effects of the programme implementation according EAO 4-3/2007 for all launched schemes and completed projects.
- Analysis of the monitoring and control indicators according the EAO 4-3/2007 . for the completed projects and the existing requirements for data collection under the schemes already launched (Guidelines for applicants)
- Analysis of the monitoring and control indicators according the EAO № 4-3/2007 r. for the completed projects and the existing requirements for data collection under the Annual Indicative Programmes
- EIA of the OPRD implementation for the period 2007-31.12.2010 . and justification of possible corrective
- Assessment of the OPRD amendments with reference to the possible environment impact assessment of the new projects and in comparison to the cancelled projects
- Preparation of summary, findings and recommendation.

5 CONCLUSIONS

5.1.1 Progress

- [1] The OPRD is one of the best performing and most popular development programme [ref: **Sub-section 3.3**] among the Bulgarian Operational Programmes for the 2007-2013 period. The steady increase of contracted grants volume (from 43% at 31 August 2010 to 54% at end-2010) also makes it very likely that all budget allocations can be turned into approved grants by the end of 2011. This is a great achievement for any Operational Programme, bearing also in mind that Bulgaria is in its first round of programming.
- [2] The OPRD is likely to run out of funds [ref: **Sub-section 3.1.2**] by end-2011 and this issue carries two important messages. First, it appears that the programme has faced a greater demand than originally anticipated which should provide lessons for the next programming period. Second, lack of opportunities for funding municipal developments in the period of 2012-13 might have backfiring effects: potential beneficiaries might consider this period of no available fund a shortcoming, rather than a success of planning.
- [3] The OP is structured in such a manner that annual allocations tend to rise over the period 2007-13. [ref: **Sub-section 3.1.2**]. In all cases this has resulted in end-loaded programmes in terms of beneficiary access to Structural Funds grants. The evaluation has shown this scheduling to be intentional, partly because of the planners' desire to reassure beneficiaries that there would always be access to grants. However, the consequence of the end-loaded character of OPs is that a large volume of interventions is likely to be processed in the later years of the NSRF's duration. This may cause piling up of payments during the years 2012-15. This in turn may put severe stress on domestic co-financing capacity during a period of still uncertain economic stability from the present perspective.
- [4] At the evaluation cut-off date, 31 December 2010, the volume of payments carried out amounted to 12% of the total allocation. This volume is low when considered in proportion to the time elapsed. In fact, the pace of payment has constituted a major risk in terms of ensuring full absorption. The paid grant amount is likely to reach the budget allocation by 2015, taking the optimistic scenario [ref: **Sub-sections 2.1.2 & 3.1.3**]. The recent measures of the MA have successfully accelerated absorption through the introduction of simplified and accelerated payment procedures.

5.2 Relevance

Previous evaluations

- [5] The most important recommendations of previous evaluations were taken into consideration and addressed [ref: **Sub-section 4.2.1.2**].

SWOT analysis

- [6] The OPRD was programmed at a time when general socio-economic situation was characterised by growth and small regional disparities. In that period, the SWOT analysis was consistent with the priorities, and represented a solid background for OPRD strategy. Later, some changes in government plans (budget restrictions) and alterations of several sector policies (health strategy; industrial zones, gas connections) resulted in amendments of OPRD measures. There have been other major changes in the external environment, particularly the global economic crisis which had some positive and fortunately not so many negative consequences on OPRD. In order for the original SWOT analysis to be compliant with the current and future (up to 2015) socio-economic environment, as well as for its and the OPRD strategy's relevance to be maintained, a few minor amendments and modifications are required [ref: **Sub-section 4.2.2.2**].

Continuous relevance

- [7] There are several significant external factors that have emerged some time after the formulation of the OPRD strategy, which have major effect on the continuous relevance of programme rational and strategy. These factors are mixed in nature, containing factors with either positive or negative impact. [ref: **Sub-section 4.2.3.1.1**] Some of these factors are political in nature (for example, national and municipal elections in 2006, 2008 and 2009) entailing changes of the government priorities, which generally appears to have had a positive impact on OPRD. However, there are negative impacts as well, such as lack of consistency in policy implementation (healthcare), practical problems in applying the Public Procurement Act, and changes in sector strategies. Taking healthcare as an example of negative impact, the continuing uncertainty in health strategy impeded the implementation of large scale schemes and caused delays in programme implementation. At the same time, some changes in sector strategies (national industrial zones support) have had a positive impact, allowing OPRD to reallocate some of its financial resources to more exigent measures. [ref: **Sub-section 4.2.3.1.1**]
- [8] It is a significant step towards a more focused and more demand-driven regional policy that integrated urban development plans are being elaborated with OPRD support. These plans can later act as cornerstones of the preparation of the next programming document on regional development [ref: **Sub-section 4.2.3.1.1**].
- [9] Some needs identified during the programming period are still relevant (e.g. existing disparities in development of districts and municipalities within one region; low quality of road infrastructure, one-sided tourism image of the country); others emerged as a result of new factors reflected in new operations (e.g. energy efficiency measures for schools). The new operations and amendments in OPRD correspond to the new targets which resulted from the new factors. The rest of the targets identified during the programming period continue to be relevant [ref: **Sub-section 4.2.3.1.1**].

Consistency of objectives

- [10] The objective hierarchy of OPRD is rather general in nature. Taking the highest level objective concentrating on the improvement of the quality of life sets out a target, which is, in fact promoted by any kind of domestic intervention. As a result, it would be difficult to find any sub-level objective which does not comply with it. Hence, OPRD tends to support the removal of obstacles in the ways of future development rather than being an active promoter of development [ref: **Sub-section 4.2.4.2**]. There are also exceptions, for active interventions, such as JESSICA, tourism development, urban transport development and deinstitutionalisation of children institutions. Although technically there have been no major discrepancies disclosed among the different levels of objectives, there are issues that require attention. Priority level objectives tend to be more focused than the interventions on the ground (calls, projects) indicate. The intention of Priority 1 objective "act as motors to more competitive regions" [ref: **Sub-section 4.2.4.2.1**] seem not to be reflected in the operations and schemes of Priority 1. For instance, the calls on prevention of natural disasters (fire prevention, landslides and flood prevention) do not form an integral part of the intervention logic of OPRD. The high level objectives of OPRD are still fundamentally valid and relevant, and compatible with the rationale and strategy of the programme [ref: **Sub-section 4.2.4.2**].
- [11] In general, OPRD and the Rural Development Programme (RDP) are complementary. This is largely due to the established mechanism for avoiding overlapping and double financing. Further according to a recent update, a process of linking RDP project reporting to the UMIS reporting system has commenced in order to allow control over overlaps, which coincides with the Consultant's previously formulated recommendation [ref: **Sub-section 4.2.4.2.3**].
- [12] The effectiveness of interventions – and, ultimately, OPRD as a whole – would be served by the continuous assessment of the consistency as regards the different level objectives of the interventions. Such continuous assessment would also yield relevant information for the planning and design of future interventions [ref: **Sub-section 4.2.4**].

Programming

- [13] In planning for the next programming period it is necessary to identify the municipalities that will act as engines for the country's development in the coming years. The "growth poles" approach should also be analyzed against its definition and the way it was implemented so far. Targeting the development of the agglomeration areas, envisaging integrated activities in the urban centres and using an integrated approach for planning of areas should be considered [ref: **Sub-section 4.2.5**].

- [14] Strong emphasis should be given to means of achieving growth and competitiveness, especially regarding regional interventions, both in regions where priority is given to "competitiveness" and in regions where priority is given to "cohesion" [ref: **Sub-section 4.2.5**].
- [15] During the definition of the budget allocation of the next OPRD, consideration should be given to the regional split of budget allocation (i.e. a regional quota system). It is important that the next programming period should take advantage of the accumulated experience and know-how from the present programming period [ref: **Sub-section 4.2.5**].
- [16] The following practices should be considered: implementation of global grants, direct award (no need to compete), no division of beneficiaries by ownership, strong regional offices which run the projects at regional level, preparation of good mature projects and adequate monitoring. The main benefits of these changes would be the simplification of procedures and requirements; greater flexibility and proactive approach as regards to n+3/n+2 rule requirements. Establishment of active Intermediate Bodies with extended programme management and administrative functions should also be considered [ref: **Sub-section 4.2.5**].
- [17] There is no rationale in using different approaches to identical measures (e.g. schools renovation) for direct beneficiaries and municipalities. There are some interventions which do not require competitive models in order to achieve their objectives [ref: **Sub-section 4.2.5**].
- [18] In terms of sector interventions, it is clear that a change has to be considered with housing, gas and ICT programmes. For ICT, in order to meet the original aim of the establishment of e-Government and wider broadband coverage a much larger budget than the one currently allocated to such measures would be required. Gas connection measures are considered high risky in terms of the unavailability of clear parameters and framework for the actual implementation of the project. [ref: **Sub-section 4.2.5**].
- [19] The initial numbering of the operations has not always been followed in the course of OPRD amendments. As Operation 1.3 has been cancelled, Operations 1.4 and 1.5 were renumbered to Operation 1.3. and 1.4 in the October 2010 version of the OPRD. Such actions might cause inconvenience in understanding the continuity of the programme [ref: **Sub-section 4.3.1.2.1**].

5.3 Implementation

Indicator system

- [20] The indicator system is generally compliant with the systems used in other similar OPs. The structure of the indicators and the general quality of indicators (as assessed against the general QOTTP criteria, accuracy and measurability) is adequate [ref: **Sub-section 4.3.1.2.1**].
- [21] The number of indicators is too high in the Consultant's view, which conclusion is also supported by the feedback of both the beneficiaries and the management of the MA. The complexity of the indicator system does not support the easy measurement of progress [ref: **Sub-section 4.3.1.2.2**].
- [22] As a general phenomenon in OP indicator systems, the quality of indicators decreases with the increase of hierarchy level: output indicators are mostly clearly defined, while result and impact indicators are more difficult to define [ref: **Sub-section 4.3.1.2.2**].
- [23] It is anticipated that monitoring of progress based on the current set of indicators might be difficult. First, lack of some – consistently used – indicators renders aggregation at OP level difficult. It is necessary that some indicators are linked to all, or the majority of interventions so that they can be cumulated on Priority or OP level. Such indicator types might be: 'Nr. of projects', 'Nr. of facilities improved', 'Nr. of people directly benefiting' and 'Population benefiting' [ref: **Sub-section 4.3.1.2.2**]. Second, many of the indicators are only meaningful after project completion. The later fact adversely affects the up-to-date monitoring of progress.
- [24] Given the fact that – except for the development of educational infrastructure and Technical assistance – indicator based progress is lagging behind the interim target values for 2009 it is unlikely that the preset target values will be achieved especially after the years of the financial downturn. [ref: Sub-section **3.6**].
- [25] The impact indicator of the OPRD "jobs created" does not properly reflect the character of OPRD. OPRD is not a programme directly promoting employment or competitiveness, therefore this impact indicator does not fulfil its role of reflecting the progress of the OPRD towards the attainment of its objectives in one figure [ref: **Sub-section 4.3.1.2.2**].

- [26] The DG Regio requirement for core indicators has been taken into account in developing indicators and the OPRD indicator system reflects this requirement [ref: **Sub-section 4.3.1.2.1**].

Lead time

- [27] The average total lead time was 118 working days with OPRD applications – which is close to the international benchmark. This figure is in between the respective figure for Romania (where the process is longer) and Hungary (where the process takes significantly less time) [ref: **Sub-section 4.3.2.2.1**].
- [28] Lead time figures have gone through a decrease (from 127 working days to 120 working days on average for the total lead time) as a result of the change of approach to fixed deadlines for grant schemes.

Horizontal issues

- [29] Horizontal issues have been considered appropriately and according to the character of the OPRD interventions both in the programming and in the implementation phase. However, there are no horizontal objectives or horizontal indicators at programme level. At lower levels of programming and at project level, horizontal issues are only promoted through the supportable activities, award criteria and indicators of the grant schemes [ref: **Sub-section 4.3.3.2**].
- [30] The relative weight of horizontal issues among award criteria is high. Consideration of horizontal issues can amount up to 20% of the scores achievable for project selection, while their average share is 10% of the total scores [ref: **Sub-section 4.3.3.2**].
- [31] As for programming the schemes launched in the second half of 2009 contain horizontal criteria as admissibility criteria at scheme level. However, there is no relevant practice identified to monitor horizontal issues either in the programming or in the implementation phase. The Annual Report contains expected result indicators for some but not for all schemes [ref: **Sub-section 4.3.3.2.3**].

Capacity and capability

- [32] International experience shows that policy making, management of the programme and routine administration generally require different approaches and separate organisations. Typically, policy making and management of the programme is the task of the MA, while implementation and routine administration is carried out by one or more Intermediary Bodies. Initially, the regional offices fulfilled functions similar to the IB-s, however they were deprived of some of their functions, and currently most of the MA functions are carried out centrally. Having management and administration in one organisation carries the risk of emerging conflicts in the long run [ref: **Sub-section 4.3.4.2.1**].
- [33] The current level of MA capacity has been adequate so far to carry out its tasks. However, in the final period of OPRD implementation, i.e. 2012-2015, it is anticipated that implementation of the current period and programming of the next period will run in parallel, which is likely to place a significant burden on the MA in terms of capacity. The increasing number of contracts in implementation necessitates using external technical expertise under TA to assess the quality of physical implementation during the on-the-spot checks [ref: **Sub-section 4.3.4.2.1**].
- [34] Practically there has been no turnover of employees in the MA which shows a stable organisation. However, according to MA management retaining personnel has recently become a major challenge. The steps undertaken by the MA towards developing a performance based bonus scheme can be considered relevant in retaining experts within the organization [ref: **Sub-section 4.3.4.2.1**].
- [35] Capability of the MA personnel is generally at a good level. All staff members have higher education, a fair command of English and a broad knowledge over Structural Funds, according to MA information. However, technical capability in the regional departments (administrative and eligibility checks, on-the-spot checks) is considered by the MA to be weaker, which resulted in doubling activities in the regional and central offices. [ref: **Sub-section 4.3.4.2.2**].

Efficiency

- [36] The assessment of the efficiency was hindered by the lack of key efficiency indicators at scheme level or other preset target values that could act as baseline for the assessment of efficiency [ref: **Sub-section 4.3.5**].
- [37] The assessment of efficiency was only possible for three of the reported indicators (students benefiting from improved educational infrastructure, km of rehabilitated road and population

benefiting from small scale investments) [ref: **Sub-section 4.3.5.2.1**]. Despite the limitations of availability of detailed reference costs, it has proven possible to formulate a working hypothesis only for one of these indicators, i.e. km of rehabilitated roads. The assessment shows that progress has been achieved so far at reasonable cost per kilometre rehabilitated road [ref: **Sub-section 4.3.5.2.2**].

Impact of OPRD

- [38] Until the cut-off date 430 jobs (out of which 190 permanent and 240 temporary) have been created. So far, the impact of OPRD in stimulating the creation of jobs is negligible.
- [39] For the time being only two operation level impact indicators from three completed projects have been measured so far. Nevertheless, most of the beneficiaries answering the survey expect that their project will achieve the intended impacts [ref: **Sub-section 4.3.7.2.2**].
- [40] Given the current number of completed projects (altogether 81), it is very early to draw conclusions on impacts of the projects. According previous MA expectation, this figure was to reach 100-150 by the end of 2010 [ref: **Sub-section 4.3.7.2.1**]. Unfortunately, this figure is still low, hence only a preliminary assessment might have been conducted as part of the final evaluation report.
- [41] Despite the outstanding progress results, MA management is sceptical about the impacts of the programme along the original intentions, claiming that small interventions are being carried out with small or very limited impact as regards minimising regional differences. However, the assessment has shown that the OPRD is focusing on closing the development gap between regions on the level of objectives (e.g. PA1 – acting as a motor to development) through schemes, calls and ultimately projects on the ground are not about minimising regional disparities but rather removing obstacles of further development) [ref: **Sub-section 4.3.7.2.1**].

Impact of the crisis

- [42] As a result of the global economic crisis, OPRD became the main source of funding investments for the municipalities. Due to large scale reforms in the industries influenced by the crisis, interventions had to be ceased, changed, or even cancelled [ref: **Sub-section 4.3.6.1.2**].
- [43] The major changes in the external environment are reflected in OPRD at the level of the schemes (as new or modified measures). However, these changes have not entailed changes in the overall and specific objectives of the Programme [ref: **Sub-section 4.3.6.1.2**].
- [44] It is among the positive effects of the crisis, that it has made the beneficiaries more active and ambitious in absorption of funds. The beneficiaries could receive better quality of services, and products at a lower price, due to increased competition among suppliers [ref: **Sub-section 4.3.6.1.2**].
- [45] However it is unfavourable at a policy level that in line with the global experience, some of the inter-regional and intra-regional disparities have increased as an effect of the crisis [ref: **Sub-section 4.3.6.1.3**].
- [46] The management and implementation system provided various solutions to the crisis. First, three financial re-allocations were made within the OP, which was partly induced by the crisis. New approaches have also been introduced such as the JESSICA initiative and the FLAG financial instrument [ref: **Sub-section 4.3.6.1**]. Given the current, well-progressed status of the OPRD there might be a need for drawing in funds from other OP interventions with less absorption capacity.
- [47] The achievement of the indicators affected by the economic crisis is relevant only for employment indicators at national level. The new jobs created under certain OPRD projects can be viewed as a minor compensation of the national increase in unemployment rate [ref: **Sub-section 4.3.6.1**].

Management and control

- [48] The management and control system of OPRD designed and operated by the MA is fundamentally effective and is adequate in promoting the achievement of the OPRD objectives and mitigating the relevant risks [ref: **Sub-section 4.3.8.2.1**].
- [49] Minor adjustments in the setup of the monitoring and control processes might be required for improvement of the effectiveness and efficiency of the OP implementation [ref: **Sub-section 4.3.8.1.1**].
- [50] Although the MA utilizes a management information system designed to keep track of the performance of the OP, UMIS does not support a function which allows the MA to monitor the progress of indicator values. As a result, the data on indicator performance is maintained on separate

- spreadsheet, carrying the risk of information being mishandled, and the electronic aggregation of indicators value data is hindered. [ref: **Sub-section 4.3.8.1.1**].
- [51] Low payment rate is a general issue with OPRD implementation. Acceleration of payment is key to ensuring absorption by the end of the implementation period. It appears that the burden imposed by administrative processes (e.g. ex ante control of the public procurement conducted by the beneficiaries) significantly hinders payment thus the channelling of money into the Bulgarian economy [ref: **Sub-section 4.3.8.2**].
- [52] The Structural Funds management and implementation system in Bulgaria has not yet managed to scale the administrative burden involved in the procurement and financial management and control relative to the complexity of interventions, individual projects and the risk of default and fraud attaching to them. Falling to make the appropriate trade-off is likely to cause much delay and duplication of controls. There exists a need for more rigorous risk assessment and proportioning the system of checks and balances to the risks faced [ref: **Sub-section 4.3.8.2**].
- [53] A related issue concerns the tendency to 'gold-plate', i.e. the system requiring 100% control coverage and duplication of the financial verification on regional level and headquarters. The cost involved in control, in terms of human resources and time, is not always tailored to the financial risk involved in the enforcement of applicable rules and regulations [ref: **Sub-section 4.3.8.2**].
- [54] The MA has not provided to the beneficiaries clear guidelines on the calculation and reporting of the performance indicators. Furthermore, there is no evidence that the MA conducts verifications of the actual achievement as part of the onsite visits of the projects [ref: **Sub-section 4.3.8.2.2**].
- [55] Procurement procedures under the Structural Funds in Bulgaria tend to be slow, due to the complicated procurement legislation, [ref: **Sub-section 4.3.8.2**]. Further, the management and control procedures under Bulgarian law are in parts more exhaustive than the EU's Structural Funds-related Financial Regulations stipulate [ref: **Sub-section 4.3.8.2.1**].

Scheduling of calls

- [56] Scheduling of the calls is generally in line with the real launching and end dates, with two notable types of delays.
- First, the very first calls were launched as late as November 2007, demonstrating that a period of 10 months was spent without call launches. This delay could have been spared via timely preparation of the relevant and necessary background documentation and the calls themselves [ref: **Sub-section 4.3.9.2**].
 - Second, there are many instances when calls have been launched with considerable delay [ref: **Sub-section 4.3.9.2.2**] despite best efforts. These delays, however, did not have significant impact on progress, as progress figures are generally high (except for payment) [ref: **Sub-section 4.3.9.2**].
- [57] There are a few measures where the call is still open, although all budget allocations have already been contracted. Based on the information acquired it is ambiguous as to why there is no intention to close such calls [ref: **Sub-section 4.3.9.2**].

Project selection

- [58] Project selection criteria show a good level of consistency with the call objectives. However, in some cases specific objectives are not strongly supported through the project selection criteria [ref: **Sub-section 4.3.10.2**].
- [59] The rate of rejected applications remained under 50% as at the cut-off date. The main reason for rejecting projects was falling to meet the targeted technical and financial evaluation criteria. Thirteen percent of all registered projects failed the technical and financial check (42% of all rejected projects failed the technical and financial check); while the average rejection rate at administrative check and eligibility check was lower, 9% and 8% respectively. [ref: **Sub-section 4.3.10.2**].
- [60] Beneficiaries were generally satisfied with the design and management of the programmes and the support of the MA. They also found the requirements of project selection and general information provided understandable and appropriate [ref: **Sub-section 4.3.10.2**].
- [61] Generally, less emphasis is placed on eligibility criteria than project selection criteria. The filtering function of the eligibility criteria in respect of project selection and portfolio compositions is typically limited to regulatory compliance and legal issues without leading to the technical or financial filtering of applications [ref: **Sub-section 4.3.10.2**].

Partnership

- [62] MA considers partnership an important principle that needs to be consistently addressed in order to meet requirements of the Structural Funds [ref: **Sub-section 4.3.11.2**].
- [63] The involvement of social partners was extensive in the programming phase. OPRD was developed in a broad consultation process, including working group with wide participation, representation of over 40 stakeholders and members of the six Regional Development Councils at NUTS 2 level [ref: **Sub-section 4.3.11.2**].
- [64] In the implementation phase, the partnership process has been less extensive mainly taking the form of the regular Monitoring Committee meetings. Also, inter-municipal, local and regional partnerships have been promoted in only a small percentage of the schemes, while public-private partnership is missing at this stage of implementation, exception being made for public-private interactions related to involvement of NGOs [ref: **Sub-section 4.3.11.2**].
- [65] The current instrument of partnership is the Monitoring Committee, the recently organised open days and the active usage of other means of communication (such as weekly meetings with municipalities representatives, daily discussions on projects' progress, regular meetings with direct beneficiaries and publishing draft calls for comments, as well. [ref: **Sub-section 4.3.11.2**].

Information and publicity

- [66] OPRD has a Communication Plan in accordance with (EC) No 1083/2006 governing the information and publicity (I&P) activities of the OPRD. The budget of the Communication plan is EUR 10million [ref: **Sub-section 4.3.12.1**].
- [67] So far, according to UMIS data, BGN 9.25 million was contracted in respect of communication related activities. The progress of implementation is also well-advanced based on the assessment of some preset indicators. The target value of „Informational events held“ for the entire implementation period has already been exceeded: as at the cut-off date, the target value set for 2015 (60 activities) with 95 events held according to the MA was already exceeded [ref: **Sub-section 4.3.12.2**].
- [68] As a general conclusion, Information and Publicity activities do not appear to constitute an obstacle to the successful implementation of OPRD. Both the awareness raising and the dissemination of information components support well the activities covered in OPRD [ref: **Sub-Section 4.3.12.2**].

Additionality

- [69] As a result of the financial crisis and the reduced state budget for financing developments, the financial resources at disposal for supporting projects at municipality level have decreased to minimum. In the intervention areas covered by OPRD, Structural Funds have recently become the main source for municipal investment activities [ref: **Section 4.3.13**].

5.4 Environment impact assessment

Environment impact assessment

- [70] The environmental requirements laid down in OPRD are generally taken into account with the exceptions listed under Conclusions and recommendations section in the Final report on EIA [ref: **Sub-section 7.1, Final report on EIA**].
- [71] The environmental impact of all completed projects for the period 2007 – 2010 is positive (the projects having impact on the environment are mainly related to energy efficiency, landslide prevention and road reconstruction) [ref: **Final report on EIA**].
- [72] In general, the proposed amendments of OPRD will have a positive effect compared to the original version of OPRD. However, the amendment of OPRD in relation to environment impact assessment of the new measures (e.g. gas connectivity) requires a coordinated effort of the MA and the MOEW, and particularly the opinion of the latter [ref: **Final report on EIA**].
- [73] Some of the measures, envisaged in the Environment Assessment Opinion (EAO) are still relevant and the implementation of measures is adequate (with certain exceptions listed in the Final report on EIA, **Sub-sections 7.3 and 7.4**). No unexpected environmental impacts have been identified at this point of implementation of OPRD. [ref: **Final report on EIA**].

[74] The assessment of data collection of environmental related indicators is limited to the fact that the reported indicators values are either incoherent or insufficient at this point. This is partially due to the fact that no specific approach has been defined to report the progress of the environmental indicators and also, such indicators are basically measurable only after project completion. The other reason is that there are no implemented or finalized projects related to some of the indicators as stipulated in the EAO, or data was collected for only a part of the indicators as set in the EAO [ref: **Final report on EIA**].

6 RECOMMENDATIONS

6.1 Progress

- [1] For the formulation of the **annual split of financial allocation** of the programme, it is recommended to consider the planned pace of resource allocation to final beneficiaries. This should follow the high level plans of scheduling calls, institutional capacity and expected progress and absorption rates. In order to mitigate risks deriving from lack of absorption capacity it is advisable to plan rather front-loaded programmes in the next period (i.e. making more funds available in the first years of implementation than in the final years), however, it requires prepared intervention sets and a sound and balanced institutional system already in place which is capable of handling high demand [ref: **Conclusion 3**].
- [2] Based on the current figures of progress, the **low rate of payment** is practically the most urgent issue. This leads to two separate recommendations, i.e. further acceleration of payment for the current implementation period, and paving the road to quicker payment in the next period of 2014-2020. [ref: **Conclusion 4**]
 - The MA is recommended to develop measures in the form of a system of rewards and sanctions in respect of the acceleration of payment processes in order to enable the full absorption of funds by the disbursement deadline set for the current programming period (i.e. 2015); and enhancing public entities' motivation to seek reimbursement of pre-financed contributions. As a result, public entities benefitting from the OPRD should be motivated to submit their payment requests at their earliest convenience in order to accelerate absorption.
 - As for the next period, the Consultant recommends to carefully review processes directly preceding payment and disclose factors potentially leading to obstacles to pay out grants. Besides, an assessment of the projects under implementation should be conducted in order to analyse in more detail the post-contractual issues that the beneficiaries face, which might result in delays in implementation and payment (e.g. procurement regulation, on-spot checks).
- [3] The Consultant generally recommends **no re-allocation of funds** based on the findings of the current evaluation. The current progress ratios indicate that the programme will be able to contract all its funds way before 2015, so there is no need to re-allocate funds. The only exception that would require re-allocation is the budget of the gas interconnection project which should end by the formulation of the feasibility study in this period, and its remaining resources should be re-allocated to measures with high absorption capacity. However, a considerable re-allocation of both the available resources and set of interventions would be required for the next programming period. This should include dropping interventions not entirely in line with the concept of regional development (gas, housing, etc), while putting more stress on interventions with a potential to actively contribute to closing the gap between Bulgarian regions and EU average. [ref: **Conclusion 1**]
- [4] The Consultant recommends the introduction of a **quarterly monitoring report system** in order to provide the senior management of the MA with executive level information required as supplement to timely decision making. Such a report should include concise information on the progress of the programme also including a traffic light system for highlighting issues requiring special attention. [ref: **Conclusion 2**]

6.2 Relevance

Previous evaluations

- [5] Despite the consideration of the majority of **recommendations of the evaluation of the first 14 grant schemes**, it is advisable to consistently apply the new approach introduced in some of the 2010 schemes as regards the applied evaluation methodology. The MA should further continue with the implementation of 'Recommendation No. 16' referring to the revision of the criteria for technical and financial evaluation in order to reflect the specifics of the particular scheme and to promote objectivity of assessment [ref: **Conclusion 5**].

- [6] In the Consultant's view, there should be considered a modification towards a more user-friendly way to respond to potential beneficiaries of the schemes during the application process through the Q&A section of the MA webpage. This change would also promote the principle of transparency of the OPRD application system. [ref: **Annex 8.1**]

SWOT analysis

- [7] In order for the original SWOT analysis to be compliant with the currently perceived socio-economic environment, some minor modifications and **reformulations in SWOT** findings need to be introduced as specified in the report. [ref: **Conclusion 6**]
- Some of the external factors identified during OPRD programming need to be reformulated and considered as internal factors in SWOT analysis.
 - Some new operations were launched in the current period due to new factors in external socio-economic environment. Therefore, some amendments are necessary to be introduced in SWOT findings in order to preserve the relevance of OPRD strategy.
 - An updated SWOT analysis should be submitted to and consulted at the level of Monitoring Committee for approval.

Continuous relevance

- [8] A more focused and **demand-driven approach** in programming and implementation of regional policy should be introduced, i.e. clear objectives and priorities and well-focused instruments should be set. The integrated development plans should take into consideration new factors in socio-economic environment and later to be used as milestones for the preparation of the strategic documents in next programming period, taking into consideration the regional disparities and specific needs [ref: **Conclusion 8**]

Consistency of objectives

- [9] In the current programming period it was necessary that the OPRD was focusing on **removing obstacles** (e.g. prevention against natural disasters – fire prevention, landslides and flood prevention). In the next programming period, it is recommended to shift the scope of the regional OP rather to active promotion of dynamic development of the regions [ref: **Conclusion 10**].
- [10] [The effectiveness of interventions – and OPRD as a whole – would be served by the **assessment of the consistency** in the planning phase. As a potential tool for this assessment, a checkpoint should be introduced in the mechanism of designing or changing of future interventions [ref: **Conclusion 12**].
- [11] Consistency and complementarity between **OPRD and RDP** should continue for the remaining implementation period and also the next one. In order to achieve this, the Consultant recommends the following:
- In parallel with the previous suggestion of the Consultant for prevention of potential overlaps of OPRD and RDP, the unification of databases of RDP and SF programmes has recently started. It is recommended to use a continuous and active monitoring system also to regularly and systematically check overlap of the programmes or a potential direct diversion of applicants to one of the programmes. It is also advised to introduce a checkpoint corresponding to this issue in the planning process of the new regional development schemes. [ref: **Conclusion 11**]
 - As OPRD and RDP territorial demarcations are based on statistical data, a revision of the categorisation of rural municipalities should be considered after performing the national census, planned for 2011. Moreover, the newly introduced unification of data related to RDP projects should be fully utilised in order to avoid any possibility of double-financing projects under different funds [ref: **Conclusion 11**].

Programming

- [12] The preparation for the planning of the next programming period of 2014-2020 should consider the **experience gained** in the current implementation period [ref: **Conclusion 15**]. Therefore, it is important that the preparations for the next programming period be established on a solid basis, consisting of
- a solid national policy and strategy background, backed up by government strategic documents and studies. This obviously requires national policies and strategies to be created

- and/or updated, in accordance with the results gained in the current implementation period 2007-13;
- a set of findings, conclusions and recommendations deriving from evaluations of Programmes, Priority Axes, calls, procedures or horizontal issues. It is to be highlighted that the results of the current evaluation and other specific, thematic evaluations are likely to be among the most useful inputs to the elaboration of high level plans for 2014-2020; [ref: **Conclusion 15**].
 - Integrated urban development plans could be the solid base for design of interventions.
- [13] The approach to the next programming period is recommended to be slightly shifted from the current one. The OP should have a **more integrated view** and approach to regional development, setting clear objectives and priorities on what interventions to include in the programme. These priorities should be carefully followed, even at the cost of completely dropping interventions that do not fit into the policy of the next OPRD.
- [14] Consideration should be given to the preset budget allocation per region, and there should be a **secured budget for the different regions**. The absorption capacity of the OPRD proved to be high in the implementation period so far, which leads to the conclusion that even more funds could be absorbed through regional development interventions. However, a higher proportion from the Structural Funds requires a clearly set allocation plan that also considers the specific characters of each region. It is to be noted that such a shift in balance between sectoral and regional funds allocation has to be backed up by surveys and assessments of demand and potential. In addition, such a shift in paradigm would also encompass the establishment of (or further improvement of existing) regional level organisations responsible for policy and implementation, with sufficient capacity and capability to manage programmes [ref: **Conclusion 15** and **Conclusion 16**].
- [15] For the next programming period it is necessary to identify the **regions that will act as engines** of the development in Bulgaria in the coming years. A clear definition of “growth poles” should be introduced, taking into account statistical and economic data, but also integrated socio-economic factors. Best practices and know-how of other Member-States in growth poles concept should be reviewed [ref: **Conclusion 13**].
- [16] Instruments like the **integrated urban development plans** elaborated also with the assistance of OPRD in 2007-13 would provide clear guidance on the development needs and capacities of the most significant group of potential beneficiaries, i.e. municipalities [Sub-section **4.2.5.1**]. However, it is strongly recommended to
- continue with the support for such plans to be elaborated in most, or preferably all relevant municipalities; and
 - conduct preliminary surveys, and initiate discussions with the fora of municipalities and other relevant stakeholder groups on their plans, capacities and needs for the forthcoming period.
- [17] A possibility for implementation through **global grants** should be considered with the following approach: direct award (no need to compete), no division of beneficiaries per ownership, assisted by strong regional offices which are going to run the projects at regional level; good mature projects prepared and adequate monitoring could be the key issues to consider for the preparation of the new regional OP(s) [ref: **Conclusion 16**].
- [18] Support for **health infrastructure** would require a modified implementation mechanism to avoid delays deriving from uncertainty in strategic policy directions. Increase in funds and equal treatment for both state-owned and municipal hospitals should be considered. Another possibility could be a differentiation of a separate healthcare priority for the next programming period, where hospitals or other infrastructure in the healthcare system could receive equal support, according to national concept and needs, irrespective of their ownership [Sub-section **4.2.5.1**].
- [19] In order to meet the general EU objectives for **development of ICT society** and infrastructure, ICT measures for regions and municipalities need to be further supported. It is recommended for the current period that the MA analyses the possibility for attracting additional budget for ICT infrastructure out of any unutilized funds of the OPRD. For the next programming period a separate sector-oriented OP or a dedicated budget under other OP should be focused on investments in ICT infrastructure and solutions. Following an integrated approach which involves both broadband coverage and development of other ICT infrastructure elements should be considered, i.e. besides broadband infrastructure, there should also be considered the implementation of additional services like public server parks or repository centres that will promote development of future public services. Gas connection measures are considered as a high risky intervention. MA should finance the preparation of the feasibility study under the current programming period and shift the

implementation of the major project for the next programming period under a separate sector programme [ref: **Conclusion 18**].

- [20] Care should be taken as regards **n+3/n+2 rule requirements**. It is recommended therefore to stick to simplification and greater flexibility in implementation structures and procedures. Design of grant schemes should be planned in accordance with the grave disbursement requirements, i.e. facilitating as much as possible effective payments and closure of the programme. [ref: **Conclusion 16**].
- [21] The initial numbering of operations should always be followed in the course of OPRD amendments [ref: **Conclusion 19**].

6.3 Implementation

Indicator system

- [22] The MA should consider using **less, but better defined indicators** that are easier to collect and monitor [ref: **Conclusion 21**]. In order to achieve this:
- The MA should consider modification of the indicators based on the proposal of the Consultant [ref: **Annex 8.5 Table 65, Conclusion 21 and Conclusion 22**].
 - It is suggested that some indicators are linked to all of the interventions so that they can be cumulated at Priority and OP level. This can be achieved by including the following "necessary indicators" into all schemes: "Nr. of jobs created"; "Nr. of projects implemented"; "Nr. of facilities improved"; "Nr. of people directly benefiting"; "Population benefiting" [ref: **Conclusion 23**].
 - The MA should reconsider defining new target values for the indicators that are more realistic to achieve.
- [23] The MA should provide specific guidelines for measuring and/calculating indicators in the form of a handbook that clearly defines each indicator and describes the methods of calculation [ref: **Conclusion 22 and Conclusion 51**]
- [24] The MA should double-check and verify inserted indicator values in terms of number, unit and type [ref. Sub-section 4.3.1.2.3].
- [25] The Consultant recommends the introduction of one more new impact indicator for the next programming period, which is better aligned to the character of OPRD. A few examples might be "GDP growth per capita of the region (%)"; "GDP growth per capita of the region (BGN)" "GDP per capita of the region as a percentage of national average (%)"; or "Satisfaction of effected population with urban and environmental developments (%)" [ref: Conclusion 24]

Lead time

- [26] Although OPRD calls have gone through development regarding **lead time**, the Consultant suggests, that the MA should make further steps in the fine-tuning of application process. This is important in order to meet the deadlines set in relevant legislation and to enable short payment periods, serving the interest of all stakeholders. It is also advisable to conduct a comprehensive assessment of the application process in order to disclose specific bottlenecks. By the time, when the majority of applications will be processed (by the second half of 2011), it is recommended to conduct an in-depth review of the reasons of delays in the application process [ref: **Conclusion 28**].
- [27] It is recommended to make an **extended comparison** of the OPRD lead time data with the respective data of CEE countries' regional OPs and other Bulgarian OPs. This would help identifying the weaknesses of the application process and taking steps for change, also considering national and international practices [ref: **Conclusion 27**].
- [28] It is recommended to introduce a system for measuring and **monitoring lead times** in the institutional system [ref. **Sub-section 4.3.2.2.1**]. In order to do this, the further steps are necessary:
- The UMIS system should be prepared for the inputting of all relevant process related dates as a basis for measurement.
 - The process of measurement has to be defined with clear responsibilities, data collection and reporting mechanisms.

- The issues of gross and net lead time have to be separated, i.e. gross lead time stating the entire period elapsing between two relevant stages of measurement; and net lead time solely attributable to the internal activities of the institution system.

Horizontal issues

[29] In order to better address the issue of **horizontal themes**, the Consultant recommends the application of an approach that includes the consequent use of horizontal objectives, project selection criteria, indicators, monitoring and reporting considerations, i.e.:

- For the next programming period the MA should consider setting horizontal objectives at Programme level [ref: **Conclusion 29**]
- The MA should review whether objectives of the newly designed or updated schemes require the inclusion of horizontal issues related award criteria [ref: **Conclusion 30**].
- The Consultant suggests that horizontal indicators are measured at Programme level, such as "People with disabilities benefiting"; "Roma population benefiting"; "Number of women at newly created, full-time working places per Priority Axis"; "Number of people with disabilities at newly created, full-time working places per Priority Axis"; "Number of roma people at newly created, full-time working places per Priority Axis"; "Number of children with disabilities in developed/targeted educational institutions"; "Number of roma children in developed/targeted educational institutions" [ref: **Sub-section 4.3.3.2.1**].
- The MA should introduce compulsory monitoring of horizontal issues related indicators at the on-the-spot checks [ref: **Conclusion 31**].
- It is also advised to include the current value of horizontal indicators for all schemes in the Annual Report and to dedicate a separate section to horizontal issues in the Annual Report [ref: **Conclusion 31**].

Capacity and capability

[30] For the next period the MA should consider **establishing Intermediary Bodies** for implementation and routine administration. The Consultant suggests that management and administration functions are separated in two or more organizations, i.e. the MA responsible for policy issues while the IB(s) responsible for administration and management of projects. The relationship between the MA and the IB would preferably be defined in terms of a contractual relationship between, respectively, 'client' and 'provider' [ref: **Conclusion 32**]. This should even entail externalisation of the activities of IBs, i.e. private sector organisations carrying out IB tasks following the terms and conditions of a Service Level Agreement declared with the MA.

[31] In the forthcoming years (2012-13), implementation of the current period and programming of the next period will run in parallel. This is likely to place a significant **burden on the MA**, therefore, transferability of personnel to different tasks and necessary conditions should be assessed beforehand. The increasing number of contracts with beneficiaries also necessitates using external technical expertise under TA to assess the quality of physical implementation during the on-the-spot checks [ref: **Sub-section 4.3.4.2.1**]. The Consultant suggests that the technical capability of regional departments should be enhanced through trainings mainly in the area of procurement, financial control and monitoring procedures, use of UMIS, legal requirements related to construction works, etc, while the pool of technical experts should also be launched, financed under technical assistance [ref: **Conclusion 33**].

Efficiency

[32] For the next programming period, it is recommended that the MA should introduce a system capable of acting as baseline for the **assessment of efficiency** of implementation [ref: **Conclusion 36**] In this sense, efficiency both means the efficiency of the implementation system (i.e. the cost of processing and administering one project or a project worth EUR1000) and the efficiency of funds allocation (i.e. output vs. financial resources required to realise output). In order to establish such a system the following steps are to be considered, where possible for the remaining period and also for the next programming period:

- Identifying at least one Key Efficiency Indicator (KEI) per scheme which will act as the main source of measuring efficiency.

- Setting indicator target values for the schemes to be launched, based on the assumption that the total amount of the available budget is contracted and absorbed.
- Calculating the cost per product achieved for the completed contracts (when the result is measurable and appropriate for calculation of efficiency).

Impact of the OPRD

[33] There should be a more focused approach to setting investment priorities, with a greater emphasis on the concentration on major project and projects of strategic importance. [ref: **Conclusion 41**]

Impact of the crisis

[34] The coming of the global financial downturn has had considerable impact on the implementation of the OPRD as well. Some conclusions drawn should be considered for the programming of the next period, such as:

- The crisis created new opportunities for smarter approach to regional development. Jessica initiative and JASPERS technical assistance need to be further used and developed as efficient instruments addressing the negative effects of the financial crisis [ref: **Conclusion 46**].
- The introduction of new schemes could be considered in order to react to the direct consequences of the downturn, and to overcome the increased inter-regional and intra-regional disparities. [ref: **Conclusion 45**]

Management and control

[35] Regarding the **management of the programme**, the MA is recommended to

- implement a procedure for tracking the status of implementation of the Monitoring Committee decisions [ref: **Conclusion 49**]; and
- launch a UMIS module designed to track the progress of the OP performance indicators [ref: **Conclusion 50**].

[36] In order to facilitate the smooth and efficient management of the programme, the Consultant recommends **changes in relation to controls**:

- In view of the administrative burden and the delays in execution of interim payments, the MA should consider reducing the number of on-site verifications for each project and placing greater reliance on the risk analysis [ref: **Conclusion 52**].
- The MA should communicate to the beneficiaries and adhere to the deadlines for completion of the ex-ante control of the public procurement procedures, in order to avoid delays in the implementation of the projects. Additionally, the MA should consider the simplification of the checklists and the number of sign-offs required for approval [ref: **Sub-section 4.3.8.2.1**].
- The MA should streamline the process for verification of the payment request from the beneficiaries, in order to avoid overlaps between the controls carried out by the MA and the Regional Offices. The MA might consider delegating the performance of this verification entirely to the Regional Offices which will further accelerate the reimbursement approval process [ref: **Sub-section 4.3.8.2.1**].
- The regional offices should be involved in or even empowered to conduct an interim and final review of the performance indicators, where possible. The MA should ensure that the verification of the veracity and the accuracy of the indicators are included in the templates for verification of the final technical reports submitted by the beneficiaries [ref: **Sub-section 4.3.8.2.1**].

Scheduling of calls

[37] In order to promote the transparency of the system of calls, the Consultant recommends **closing schemes** in which the entire budget has already been contracted [ref: **Conclusion 57**].

[38] The experience of the current period has shown that **short calls with specified deadlines** were more effective than the ones with rolling submission. To maintain the fluency of scheduling of calls, the MA should continue the current practice: to launch schemes to an intensive and short period with specified deadline [ref: **Conclusion 56**].

[39] The MA is recommended to design and introduce a '**demand planning**'-system to manage the timing of launching calls for proposals, thus forestalling excessive peaks in the receipt and processing of applications [ref: **Conclusion 56**].

Project selection

[40] In some cases, specific objectives are not strongly supported through **project selection criteria**. The Consultant suggests that the project selection criteria should be reformulated in a way that promotes the selection of projects that are consistent with the specific objectives of the schemes [ref: **Conclusion 58**].

[41] Up till now there has been no difficulty in contracting the budget of the OPRD. In order to further increase effectiveness during the planning of the next programming period, the MA should select projects that are in line with the policy objectives to a greater extent through **stricter eligibility criteria and more precise targeting** (based on preliminary assessments) This also relieves the institutional system from the burden of evaluating applications that have passed the light eligibility criteria, but whose technical and financial content is not sufficient to be supported. [ref: **Conclusion 59**].

[42] The MA is recommended to ensure that the **administrative requirements** pertaining to management and implementation are generally proportional to the potential risk, through a classification of interventions (e.g. simple, normal, complex), according to their total budgets, complexity, risk of project implementation and sustainability. A re-design of the project selection mechanism and bid selection criteria in such a way that they match the classification of interventions is also advisable:

- simple interventions would be subject to (semi-) automatic selection based merely on eligibility criteria;
- normal interventions could use general calls for proposals, applying not only eligibility but also scored project selection criteria; while
- complex interventions should be subject to individual appraisal based on strict, preset criteria (including for instance feasibility studies, CBAs and other sophisticated justification methods) [ref: **Conclusion 61**].

Partnership

[43] The current **public-private partnership** approach should be considered and analysed in terms of its suitability and then further utilised and developed, where relevant [ref: **Conclusion 64**].

[44] **Partnerships** should be enhanced paying special attention to

- Building up solid relationships with the responsible environmental bodies, particularly with the Ministry of Environment and Waters, to comply with EU policies for sustainable development through the integration of environmental protection and improvement requirements [ref: **Conclusion 64**];
- Strengthening the process of partnering with other OPRD beneficiaries, and particularly with newly introduced direct beneficiaries (Council of Ministers, etc.), who need reinforced support in project development and implementation is also key. The local and regional partnership between beneficiaries with common needs and constraints needs to be reconsidered in the process of designing aid schemes, seeking the best possible approach to achieving integrated results.

Information and publicity

[45] In order to acquire a clear and up-to-date understanding on the current status of the implementation of communication activities related to OPRD, the Consultant suggests **monitoring indicators** defined in the Communication Plan in the Annual Reports [ref. **Sub-section 4.3.12.2.3**].

[46] The Consultant also recommends the identification and presentation of successful '**model projects**' from within the OPRD, with the objective of public disclosure in the EU and Bulgaria. Such a document would serve the purpose of both the orientation of prospective beneficiaries (i.e. what the MA considers successful) and communication purposes, when it comes to reporting about tangible results of the OPRD (national or EU level meetings, presentations) [ref. **Sub-section 4.3.12.2**].

Additionality

- [47] Priority should be given to **strategic projects that are complementing** the on-going implementation of national policies and/or municipal development initiatives, financed by national sources. Where such complementing projects are financed by OPRD, a verification mechanism (including measurable, achievable and objective indicators) should be put in place in order to guarantee compliance with the additionality principle [ref: **Sub-section 4.3.13.2**].

6.4 Environment impact assessment

Environment impact assessment

- [48] The MA should coordinate amendments of the current programme with the Ministry of Environment and Waters (MOEW) [ref: **Conclusion 72**].
- [49] The measures envisaged in the EA Opinion, which were assessed as appropriate in the Final report on EIA, should be implemented, where applicable in the respective projects according to the requirements of the EA Statement. An environment expert should be involved in the consultation process of the applicable measures for the schemes and projects [ref: **Conclusion 73**].
- [50] The indicators laid down in the EA Opinion, which were assessed as adequate and applicable in the Final report on EIA and the proposed amendments therein should be duly collected and reported. In order to do that, all relevant indicators should be included in the upcoming schemes and should be reported in the project technical reports. The collected data should be summarized on annual basis [ref: **Conclusion 74**].
- [51] Having in mind the intense coordination during programming and eventual amendments to environment issues at this stage, for the next programming period it is recommended that the MA coordinate the final version of the Operational Programme with the MOEW [ref: **Conclusion 70**].

6.5 Other technical recommendations

- [52] The MA is recommended to initiate and urge the further **improvement of the UMIS database**, especially where it concerns information in respect of the dates of the main stages of the application process, and a clear registration of the project status in the pipeline, with the corresponding financial information. In addition, the UMIS database would require regular check-up for validation of data inputted to facilitate monitoring and evaluation activities [ref: Section 3].
- [53] The Council of Ministers should elaborate a module that ensures reliable, timely and correct reporting of indicator values.

6.6 Categorisation of recommendations

MEQ	Recommendation	Introduction time	Potential cost	Potential effect
Progress	[1] Annual split of financial allocation should follow a pattern defined by the potential absorption capacity of the potential beneficiaries	Next period	Medium	Medium
	[2] Rate of payment should accelerate through motivation of public sector entities to seek reimbursement, and a thorough assessment of post-contractual issues	This period	Low	High
	[3] No re-allocation of funds within OPRD is necessary	This period	Low	Low
	[4] A quarterly executive level monitoring report system should be implemented	This period	Low	Medium
Previous evaluations	[5] Recommendation No. 16' of the evaluation of the first 14 grant schemes should be further implemented (promote objectivity of project assessment through revision of criteria)	This period	Low	Medium
	[6] The broad public and potential beneficiaries should be informed in the Q&A section of the MA webpage in a more user-friendly way.	This period	Low	Medium
SWOT	[7] Reformulation of SWOT items to preserve relevance of the OPRD strategy. The updated SWOT analysis should be submitted to and consulted at the level of Monitoring Committee for approval.	This period	Low	Low
Continuous relevance	[8] A more focused and demand-driven approach should be introduced.	Next period	Medium	Medium
Continuous consistency	[9] Shift in OPRD focus from removing obstacles to active promotion of development	Next period	Medium	High
	[10] A checkpoint should be introduced in the process of designing new schemes for checking consistency with higher level objectives.	This period	Low	High
	[11] The consistency and complementarity between OPRD and RDP should continue for the remaining implementation period.	This period	Low	Low
Programming	[12] The preparation of the next OPRD(s) should be based on strategic documents of the respective sectors and experience gained through evaluations of the ongoing programmes	Next period	High	High

MEQ	Recommendation	Introduction time	Potential cost	Potential effect
	[13] A more integrated view should be applied to the planning of the next OPRD, with a strategic orientation, i.e. including those interventions only that are in line with the policy level objectives	Next period	Medium	Medium
	[14] In the next period there should be secured budget allocations for regions, also considering the different characteristics, needs and capacity of each region.	Next period	High	High
	[15] For the next period, regions acting as engines to development should be selected, with a clear definition of the growth pole concept.	Next period	Medium	High
	[16] The next ROP should be based on the integrated urban development plans and other preliminary surveys, studies on development plans and capacities of the potential beneficiaries	Next period	Medium	High
	[17] Implementation through global grants is an option to facilitate project selection	Next period	Medium	Medium
	[18] Health infrastructure should be handled as a separate issue	Next period	Medium	Medium
	[19] ICT measures should receive more funds and emphasis under a separate sector programme or as a part of other OPs. Gas connectivity interventions should be implemented under a separate sector programme.	Next period	Medium	Medium
	[20] Simplification, greater flexibility and proactive approach to n+2 and n+3 requirements	Next period	Medium	Medium
	[21] Consequent numbering of operations in the course of OPRD amendment	This period	Low	Low
Quality of indicator system	[22] Less but better defined indicators should be used for monitoring progress. Planners should include proposed modifications and should introduce basic indicators in all schemes in order to facilitate aggregation to higher levels. The MA should define new target values	Next period	Low	High
	[23] An indicator handbook should be designed for beneficiaries, proving clear definitions and guidelines on how to measure and calculate indicators	This period	Low	High
	[24] MA should ensure double check and verification of the input data of indicator values in terms of number, unit and type	This period	Medium	High
	[25] A new OP level impact indicator should be introduced that better considers the character of regional development	This period	Low	High

MEQ	Recommendation	Introduction time	Potential cost	Potential effect
Lead time	[26] Lead time should be further decreased to catch up with CEE benchmarks and meet the expectations of beneficiaries	This period	Medium	Medium
	[27] An extended comparison of lead time should be conducted with the inclusion of other Bulgarian OPs and relevant CEE OPs	This period	Low	Medium
	[28] Monitoring of lead time (in UMIS, separating gross and net lead time)	Next period	Medium	High
Horizontal issues	[29] Horizontal themes should receive attention through application of horizontal objectives, award criteria, monitoring and reporting in the next programming period,	Next period	Low	Low
Capacity and capability	[30] The MA should establish Intermediary Bodies for the facilitation of programme management. The cooperation should reflect a client – service provider relation	Next period (preparations in this period)	High	High
	[31] Significant burden is expected to fall on the MA in the forthcoming years, therefore, the MA should assess the transferability of capacity and should use TA to assemble a pool of experts to be used in appraisal of project proposals	This period	Medium	Medium
Efficiency	[32] Planners should facilitate the later assessment of efficiency by setting efficiency indicators before launching calls	Next period	Low	Medium
Impact of the OPRD	[33] More focused approach to setting investment priorities, with a greater emphasis on the concentration on major project and projects of strategic importance	Next period	Medium	High
Impact of the crisis	[34] Counteracting crisis through Jessica and JASPERS, technical assistance, new schemes and a more focused approach to investment priorities	This period	Medium	Medium
Management and control system	[35] Revision of the management of the programme on tracking MC decisions, launching UMIS module on indicators	This period	Low	Medium
	[36] The MA should promote accuracy and veracity of the indicators, should adhere to the deadlines for completion of the ex-ante control of the public procurement procedures and should avoid overlaps between the controls carried out by the MA and the Regional Offices.	This period	Low	Medium
Scheduling of calls	[37] Schemes that have run out of financial resources should be closed	This period	Low	Low
	[38] The practice of using short calls with set deadlines should be maintained	This period	Low	Medium

MEQ	Recommendation	Introduction time	Potential cost	Potential effect
	[39] A demand planning system should be introduced in order to forecast peak periods in processing of applications	Next period	Medium	Medium
Project selection	[40] Project selection criteria should be better aligned to call objectives	This period	Low	Medium
	[41] In the programming of the next period, stricter eligibility criteria and more precise targeting of interventions should be applied	Next period	Medium	Medium
	[42] Administrative requirements of the calls should be scaled to the potential risk of the interventions, thus a categorisation to simple, normal and complex calls is recommended, with corresponding set of requirements and procedures	Next period (preparations in this period)	Medium	High
Partnership	[43] The public-private partnership approach should be considered and analysed in terms of its suitability and further developed and utilised, where relevant	This period	Low	Low
	[44] Partnerships should be enhanced with a view on direct beneficiaries, other potential OPRD partners and environmental authorities.	This period	Low	Medium
Information and awareness	[45] All indicators included in the Communication Plan should be monitored and reported in the Annual Reports.	This period	Medium	Low
	[46] Introduction of model projects to guide applicants and for communication purposes	This period	Low	High
Additionality	[47] Priority should be given to strategic projects that are complementing the on-going implementation of national policies and/or municipal development initiatives	This period	Low	High
Environment Impact	[48] Coordination of the amendments the OPRD with the Ministry of Environment and Waters in the current period	This period	Low	Medium
	[49] Relevant measures envisaged in the EA Opinion should be implemented in the respective projects according to the requirements of the EA Statement	This period	Medium	Medium
	[50] Relevant indicators laid down in the EA Opinion and the proposed amendments in the Final report on EIA should be duly collected and reported.	This period	Medium	Medium
	[51] Next programming period it is recommended that the MA coordinate the final version of the Operational Programme with the MOEW	Next period	Low	High

MEQ	Recommendation	Introduction time	Potential cost	Potential effect
Other technical recommendations	[52] A mechanism to maintain clarity and consistency of the UMIS database should be initiated and urged by the MA.	This period	Medium	High

Potential effect of implementing the recommendation				
	LOW	MEDIUM	HIGH	
Potential cost of implementing the recommendation	LOW	[3] No necessary re-allocations [7] Reformulations in SWOT [11] System of avoiding overlaps with RDP [21] Consequent numbering of OPRD [29] More emphasis on horizontal themes [37] Closing schemes with no funds left [43] Analysis of public-private partnership	[4] Quarterly executive level monitoring report [5] Recommendation of previous evaluation [6] Informing public in Q&A section of MA webpage [27] Extended comparison of lead time [28] Monitoring of lead time [32] Preparing for measuring efficiency [35] Revision of management practice [36] Other management related recommendations [38] Practice of using short calls with deadlines [40] Better align project selection to objectives [48] Coordination of the amendments of OPRD with MOEW	[2] Acceleration of payment [10] Checking consistency in new schemes [22] Less but better defined indicators, newly defined target values [23] Designing an indicators handbook [25] New OP level impact indicator [36] Shared controlling with regional offices [46] Introduction of model projects [47] Priority to strategic projects [48] Coordinate final version OPRD with MOEW
	MEDIUM	[45] Monitoring indicators of Communication Plan	[1] Annual split of financial allocation [8] More focused and demand-driven approach [13] More integrated view in the planning of next OPRD [17] Implementation through global grants [18] Health intervention to be handled separately [19] Greater emphasis to ICT and gas measures [20] Simplification and pro-activity to n+2/n+3 [26] Decrease of lead time [31] MA capacity preparation, TA pool of experts [34] Counteracting crisis with smart instruments, TA [39] Introduction of demand planning system [41] Stricter eligibility criteria, more precise targets [44] Enhancement of partnerships [49] Implementation of relevant measures according to EA statement [50] Duly collection and reporting on relevant indicators in EA opinion	[9] Shift in OPRD focus to active development [15] Selecting engines of development (Growth Poles) [16] Next OPRDs on urban development pan basis [33] Concentration on projects of strategic importance [42] Scaling of administrative burden [52] Maintenance of UMIS database
	HIGH		[24] Double check and verification of the input data of indicator values	[12] Preparation of OPRD on strategic basis [14] OPRDs for each region [30] Establishment of Intermediary Bodies

7 PROJECT RESULTS

According to the ToR, the project was set out to produce expected results and project indicators. **Table 52** below describes the criteria:

Table 52 - Expected project results

Criteria group	Criteria	Fulfilment	Self assessment
Expected results	A comprehensive and clear Mid-term Evaluation Report	<p>The report has a clear structure in which both ToR requirements, results and the way leading to results is traceable.</p> <p>All explanatory parts are put to the Annexes for enhancing legibility.</p> <p>A separate Executive summary summarises main project information, the process of evaluation, conclusions and recommendations.</p>	✓
	Evidence based conclusions	All conclusions refer to the findings section and to the respective sub-section, figures or tables, in order to provide evidence and justification.	✓
	Useful, applicable, pragmatic recommendations to be used for the preparation of the next programming period	<p>Recommendations correspond to the conclusions, and are as pragmatic as the scope of the evaluation allows.</p> <p>High level prioritisation and scheduling of recommendations facilitates operationalisation and communication of results.</p> <p>Recommendations are also scheduled on a high level (applicable in this period / next period)</p>	✓
Project indicators	Number of research, evaluation and analysis reports (1 pcs)	The Final Report (the finalised version of the present report) fulfils this requirement. A separate detailed Final report on the Environment Impact Assessment of OPRD results has also been submitted.	✓
	Activity reports (at least 3)	<p>Taking into account the present Draft Interim report, this is the ninth report submitted in the frameworks of the evaluation</p> <ol style="list-style-type: none"> 1. Inception Report 2. Draft Interim Report (2) 3. Final Interim Report (2) 4. Draft Final Report (2) 5. Final Report (2) 	✓
	MA staff with improved knowledge and skills in programme assessment and evaluation (at least 3)	<p>The Consultant had many opportunities to exchange and share knowledge with MA personal during the course of implementation. The three persons with most active cooperation with the Consultant are:</p> <ol style="list-style-type: none"> 1. Lyudmila Tozeva 2. Ivan Popov 3. Tatiana Milanova 	✓

8 ANNEXES

8.1 Annex to Progress

Table 53 - List of municipalities, by population and contracted grants

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Burgas	206	139.40
Smolyan	43	95.04
Sofia	1250	87.90
Lovech	54	56.88
Varna	329	48.04
Ruse	175	41.24
Targoviste	60	40.16
Veliko Tarnovo	89	38.18
Kardzhali	69	36.20
Plovdiv	348	29.68
Popovo	31	25.37
Pleven	138	25.01
Haskovo	96	23.73
Gabrovo	68	20.57
Dobrich	24	20.30
Vidin	66	19.50
Stara Zagora	164	19.41
Gotse Delchev	32	19.26
Blagoevgrad	77	19.07
Pazardzhik	121	18.28
Asenovgrad	65	17.68
Gorna Oryahovitsa	49	16.35
Dupnitsa	48	15.41
Razgrad	55	15.27
Lom	30	13.63
Novi Pazar	18	13.15
Karnobat	27	12.88
Nova zagora	42	12.80
Troyan	34	12.36
Peshtera	22	10.82

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Aksakovo	22	10.54
Shumen	102	10.47
Yambol	77	9.45
Lyaskovets	14	9.38
Silistra	55	9.03
Tundzha	26	8.56
Elin Pelin	23	8.42
Parvomay	28	8.40
Velingrad	42	8.35
Balchik	22	7.51
Kaspichan	9	7.49
Rakovski	27	7.48
Kostinbrod	17	7.18
Sliven	128	7.07
Sozopol	16	6.82
Cherven Bryag	31	6.78
Rodopi	32	6.72
Pernik	96	6.70
Mezdra	23	6.51
Radomir	22	6.46
Vratsa	76	6.23
Avren	9	5.97
Chirpan	23	5.96
Provadiya	23	5.92
Pomorie	28	5.85
Botevgrad	34	5.69
Sandanski	42	5.31
Beloslav	11	5.28
Byala Slatina	27	5.04
Dulovo	29	4.84
Dimitrovgrad	57	4.24
Petrich	56	4.16
Svishtov	50	4.00
Harmanli	26	3.83
Maritsa	31	3.74
Sevlievo	40	3.69

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Samokov	38	3.35
Devnya	9	3.27
Radnevo	22	3.24
Razlog	21	3.03
Kazanlak	76	3.03
Panagyurishte	26	2.92
Rakitovo	15	2.43
Karlovo	54	2.22
Madan	13	1.77
Nesebar	25	1.74
Etropole	13	1.70
Kostenets	13	1.67
Momchilgrad	16	1.66
Sredets	16	1.60
Dryanovo	11	1.58
Veliki Preslav	15	1.55
Aytos	30	1.54
Rudozem	10	1.51
Satovcha	17	1.48
Teteven	22	1.42
Glavinitsa	13	1.30
Bobov dol	10	1.21
Svoге	23	1.16
Zlataritsa	5	1.16
Sopot	10	1.15
Oryahovo	12	1.14
Varbitsa	10	1.14
Tervel	17	1.13
Omurtag	24	1.10
Strazhitsa	15	1.05
Laki	3	1.04
Bansko	13	1.04
Dolni Dabnik	14	1.03
Georgi Damyanovo	3	1.01
Tsenovo	6	1.00
Kresna	6	1.00

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Zlatograd	12	0.99
Venets	7	0.99
Nikola Kozlevo	6	0.98
Lyubimets	10	0.98
Dalgopol	14	0.98
Isparih	23	0.98
Kuklen	7	0.97
Suvorovo	8	0.97
Nedelino	8	0.97
Roman	7	0.97
Mineralni Bani	7	0.96
Iskar	8	0.96
Svilengrad	24	0.96
Kaloyanovo	12	0.96
Varshets	9	0.96
Loznitsa	10	0.95
Samuil	8	0.95
Simitli	15	0.94
Pravets	9	0.94
Hisarya	13	0.93
Yablanitsa	6	0.92
Kavarna	16	0.91
Lukovit	19	0.91
Knezha	15	0.89
Garmen	15	0.89
Madzharovo	2	0.88
Zavet	11	0.88
Kaynardzha	5	0.87
Kaolinovo	12	0.87
Tutrakan	17	0.86
Dragoman	6	0.85
Medkovets	4	0.85
Devin	13	0.85
Kirkovo	22	0.84
Ruzhintsi	5	0.84
Krumovgrad	18	0.83

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Slivo pole	12	0.82
Dolna banya	5	0.81
Ardino	12	0.81
Bratsigovo	10	0.81
Berkovitsa	20	0.81
Montana	56	0.80
Krichim	9	0.79
Strumyani	6	0.79
Kozloduy	22	0.78
Antonovo	7	0.78
Belene	11	0.77
Dolna Mitropoliya	21	0.77
Tryavna	12	0.77
Nikopol	11	0.74
Bratya Daskalovi	10	0.73
Letnitsa	5	0.72
Straldzha	14	0.69
Dolni Chiflik	19	0.69
Banite	5	0.68
Opaka	7	0.67
Perushtitsa	5	0.65
Koprivshtitsa	2	0.62
Borino	4	0.62
Sungurlare	13	0.60
Pavlikeni	26	0.59
Breznik	8	0.54
Gulyantsi	14	0.53
Valchedrum	10	0.53
Dimovo	7	0.52
Stambolovo	6	0.51
Suhindol	3	0.45
Smyadovo	7	0.44
Slivnitsa	10	0.41
Anton	2	0.31
Opan	4	0.28
Brezovo	8	0.27

List of municipalities	Population (thousand)	Contracted grant (million BGN)
Yakoruda	10	0.27
Shabla	6	0.26
Belovo	9	0.25
Belogradchik	7	0.24
Elena	10	0.24
Bregovo	6	0.23
Krushari	5	0.19
Borovo	7	0.19
Hitrino	6	0.17
General Toshevo	17	0.15
Gorna Malina	7	0.14
Malko Tarnovo	4	0.13
Strelcha	5	0.13

Source: KPMG (based on UMIS dataset, 31.12.2010 and Bulgarian Statistical Institute data)

8.2 Annex to Previous evaluations

Table 54 - Recommendations from ex-ante evaluation

Recommendations	Response	Comment of the Consultant
1	The data in OPRD is based on recent statistical data available provided by the National Statistical Institute and do not pose any risk.	The recommendations are addressed. Under the mid-term evaluation report the Consultant provides the latest available data related to the major statistics as GDP, population, employment, etc. At the time of drafting the final version of the OP was used the latest official available data.
2		
3	In the course of implementation of OPRD Priority Axis 5 – Technical assistance, data is to be further amplified through project for data collection analysis and surveys.	The recommendation is addressed. Under Priority Axis 5 it is eligible to finance socio-economic analysis and surveys. It is envisaged with the preparation of the next OP the MA plans to perform socio-economic analysis and data collection.
4	In order to ensure applications availability, there is relevant training given to municipalities by different projects and institutions. During the programme implementation the development capacity of municipalities	The recommendation is addressed. During the ex-ante evaluation project there were measures for promoting partnership among municipalities. These

Recommendations		Response	Comment of the Consultant
		<p>will be supported under Priority Axis 4.</p> <p>Local partnerships have been identified through a mapping exercise and project pipeline development under PHARE Project BG2004/016-711.11.02. Phase 1 / Year 2004</p> <p>“Support for preparing good quality strategic documents, promotion of partnership and cooperation and assistance for project development capacity”.</p>	<p>measures were removed from the OP after negotiation with the Commission.</p> <p>In addition under Priority Axis 4 was launched scheme 4.2-01/2008 Support for interregional cooperation and exchange of best practices. As per 31 August 2010, under the measure are contracted projects for the total amount of BGN 8,619,831.</p> <p>The measures were mainly developed to exchange experience and not for establishment of local partnerships.</p>
5	To improve the quality of applications and help beneficiaries at municipal level to focus on strengths, opportunities and resources for realisation of their projects; clear succinct information about the selection criteria and access to project preparation advice should be disseminated and published to all these organisations participating at the programme level.	The Program Complement, manuals and guidelines are being currently prepared and will be disseminated to all potential beneficiaries in due course of time. During program implementation publicity and dissemination measures are envisaged under Priority axis 5, Operation 5.2 of the OPRD	Program Complement was not developed but the Managing Authority elaborated manuals and guidelines for the beneficiaries. The publicity and dissemination measures are being implemented under Priority Axis 5, Operation 5.3
6	In the OP, it should be stated under the relevant Axes that priority will be given to those applications that are based on up-to-date Urban / Municipal Master Plans.		The recommendation was addressed.
7	Where no up dated urban master plans exist, it should be clearly stated under in the OP under Priority Axis 5 that assistance might be provided		The recommendation was addressed and the assistance is provided under scheme: 1.4.-07/2010
Rationale and Strategy			
8	Traditional infrastructure investments should not be done as an end in themselves;	Taking into consideration Community Strategic Guidelines, priority will be given not only to traditional infrastructure projects, but also to knowledge-based industrial and business-related projects with no negative environmental impacts and infrastructure projects corresponding to market and business needs and sustainability. Detailed selection criteria therefore are set out in the Programme Complement.	The Programme Complement was not elaborated. Detailed selection criteria are given in the Guidelines to Applicants and priority is given to investments that are not self alone projects.
9	Priority should be given to knowledge based industrial and business projects that are based on Community Strategic Guidelines		<p>Not relevant.</p> <p>The recommendation is not relevant as the operations it refers to is not applicable due to amendment of the OPRD. No measures related to industrial and business projects were launched up to know.</p>
10	More attention is required in relation to environmental impacts and sustainability		<p>The recommendation is partially addressed.</p> <p>In general, the environmental protection is set as requirement for compliance with the EU Horizontal policies. No specific</p>

Recommendations		Response	Comment of the Consultant
			requirements are set for environment protection and sustainability in most of the open schemes.
11	Infrastructure projects should be clearly based on market and business analysis		The recommendation is addressed. Requirement for infrastructure projects is the existence of Cost benefit analysis or comparison with the market prices of the relevant activities.
12	Under Priority Axis 3, the OPRD should more clearly state how it is aligned and where it complements the sector and spatial priorities under the Tourism Strategy promoted by the Bulgarian State Tourism Agency	OPRD Priority Axis 3 clearly demonstrates that its logic is broadly in line with the sector and spatial priorities set out by the relevant planning documents in Bulgaria, including the National Tourism Strategy promoted by the Bulgarian State Tourism Agency	The recommendation is addressed.
13	There should be stated a clear priority towards those projects with sustainable environment-friendly benefits for local municipalities and communities	As regards sustainable development, it has already been stated in the OPRD that priority will be given to projects compliant to the sustainable tourism development, including environmental-friendly benefits to local municipalities and communities. However, the comment will be taken into consideration in the process of further specification of the eligibility and selection criteria in the Programme Complement.	The recommendation is addressed. No Programme Complement was elaborated. The general requirement for compliance with environmental horizontal policies is laid down in the selection criteria, but no specific requirement is set for environmental-friendly benefits.
14	It should be clearly stated in the OPRD that priority would be given to project applications based on local tourism investment plans that are also aligned to the OPS for human resources development, competitiveness, and environment.	Priority will be given to projects applications based on district development strategies and municipal development plans as set out in the selection criteria and there is a clear-cut demarcation line and complementarities between the tourism interventions in OPRD and in the Operational Programmes related to human resources development, competitiveness and environment as explained in the OPRD.	The recommendation is addressed.
Programme's External Coherence			
15	Under Priority Axis 1: 1.3: The OP should present a clearer rationale and prioritisation for selected investment on industry infrastructure.	Investments will be based on needs analyses about new industrial areas within the PHARE project BG 2005/017-586.04.01 "Industrial Zones Development". The results of the analyses are to be ready during the first half of the programming period. Clear project selection criteria are being elaborated in cooperation with the Ministry of Economics and Energy (MEE) and Invest Bulgaria Agency. As for the green-field sites for FDI, they are to be closely aligned with the location criteria proposed by Invest Bulgaria Agency. OPRD is focused on business-related infrastructure for those municipalities having coherent	N/A The funds allocated under Operation 1.3. were reallocated with the MC decision to other Operations under priority axis 1.

Recommendations		Response	Comment of the Consultant
		municipal development plans.	
16	Priority to be given to project applications based on local tourism investment plans that are also aligned to the OPs for human resources development, competitiveness, and environment.		The recommendation is partially addressed. The beneficiaries are only requested to comply with the Regional Development Strategies. The local tourism investment plans are not mandatory and are not included in the project selection criteria or eligibility criteria.
17	Green field sites for FDI be closely aligned with the location criteria proposed by Investment Bulgaria Agency;	Investments will be based on needs analyses about new industrial areas within the PHARE project BG 2005/017-586.04.01 "Industrial Zones Development". The results of the analyses are to be ready during the first half of the programming period. Clear project selection criteria are being elaborated in cooperation with the Ministry of Economics and Energy (MEE) and Invest Bulgaria Agency. As for the green-field sites for FDI, they are to be closely aligned with the location criteria proposed by Invest Bulgaria Agency. OPRD is focused on business-related infrastructure for those municipalities having coherent municipal development plans.	N/A The funds allocated under Operation 1.3. were reallocated with Monitoring committee decision to other Operations under Priority Axis 1.
18	Attention should be given to the timetabling requirements of potential investors; It should be stated that utilities gas, electricity, roads etc. for green field sites is provided for a specific investor and sites on a customised basis (not speculatively) Permanently "open calls" should be considered for investment into physical business infrastructure, with a strong obligation of the investors to make a firm contract with the preferred municipality.		
19	In the OP, it should be clearly stated that priority for physical business infrastructure will be for those municipalities having coherent local industrial business strategy, based on growth sectors and identifiable "clusters" or have potential to be created.		
20	Where possible SF funds should not be made for transport infrastructure on a "ad hoc" basis; hence, The OP should clearly state under Priority Axis 2 that municipalities seeking to promote new local road infrastructure should do so based on an up-to-date land-use and transport plan.	As regards the ex-ante recommendations on transport infrastructure, the OPRD is focused only on rehabilitation, reconstruction and renovation of the existing roads infrastructure and no new construction is envisaged.	N/A The recommendation is not applicable as there is no new construction envisaged. For the rehabilitation, reconstruction and renovation there is no requirement set in the scheme documentation for compliance with the up-to-date land-use and transport plan.
21	If there are no such up-to-date plans, assistance can be provided under Axis 5 – Technical Assistance.	Assistance for preparation of spatial development plans and detailed technical designs will be provided under Operation 4.2.	
22	The OPRD should outline the results of the Strategic Environmental Assessment (SEA), explaining how they have been taken into account;	Point 1.6 of OPRD outlines the results of the Strategic Environmental Assessment (SEA), explaining how they have been taken into account.	Addressed. The proposed Environmental Indicators under the Environment Assessment are not fully integrated into the Operational Programme.
23	An issue is the effective coordination of all EU interventions within agreed	The MA will have the responsibility to make acquainted all regional	The Regional Development Law was adopted in 1999 and

Recommendations		Response	Comment of the Consultant
	framework for regional development i.e. There should be clear statements for planning and development criteria and conditions for securing support under SF;	beneficiaries and stakeholders for the relevant strategic planning documents.	amended in 2004 and 2008. Currently there are ideas for new amendments. The law sets the regions for targeted impact, the concept of National Plan for Economic Development, the NSRF and the requirement for establishment of basic planning documents. There is also Spatial Development Act which envisages planning documents at national, regional and municipal level.
24	Planning framework documents should be disseminated to all regional beneficiaries and stakeholders		
25	This planning framework could be usefully included as an annex to the OPRD.		
Internal Consistency of the Programme			
26	Interdependencies amongst the five priority axes needs to be reviewed and where it exists more clearly stated in the OP;	Within the process of OPRD refinement, the interdependencies amongst the five priority axes have been attained and explicitly demonstrated.	<p>The recommendation is partially addressed.</p> <p>In general the recommendation is addressed with the exception of the following two grant schemes:</p> <p>Operation 1.1. Social Infrastructure – Support for ensuring</p> <p>1.1-1 Support for the provision of appropriate and cost-effective educational, social and cultural infrastructure, contributing to the development of sustainable urban areas</p> <p>Operation 4.1. Small scale local investments</p> <p>4.1-1 Support for the provision of appropriate and cost-effective educational infrastructure, contributing to local sustainable development from 2007</p> <p>Both of the grant schemes are financing renovation of educational infrastructure.</p> <p>The independence is ensured from the regional point of view as the Operation 1.1. is financing agglomeration areas and under 4.1. is financing exclusively smaller municipalities outside the urban agglomeration areas.</p>
27	Where necessary amplify OP to secure better project selection and project appraisal, and to secure efficiencies, economy of scale, effectiveness and optimized sustainable impacts	The project selection and project appraisal mechanisms are to be clearly defined and specified in the Program Complement being under preparation.	<p>The recommendation is addressed.</p> <p>The Programme Complement was not elaborated but the Monitoring Committee approved the general project selection criteria and the appraisal mechanism was laid down in the secondary</p>

	Recommendations	Response	Comment of the Consultant
			<p>legislation: CoM Decree 121 from year 2007.</p> <p>The project selection criteria include:</p> <p>Quality Assessment Criteria:</p> <p>Compliance criteria</p> <p>Justification and methodology</p> <p>Sustainability</p> <p>Implementation capacity and experience</p> <p>Budget, effectiveness and efficiency of the expenditures.</p>
<p>Allocation of resources, perspectives for absorption, availability of national co-finance and the allocation's appropriateness to the overall strategy</p>			
28	<p>It is recommend that the TA budget under Axis 5 is increased up to 4 %</p>	<p>In line with the ex-ante recommendation, the TA budget under Priority Axis 5 has been increased to 4 %</p>	<p>The recommendation was not addressed.</p> <p>Under the final revised version the budget under Priority Axis 5 represents 3.38% of the total budget.</p>
29	<p>Similarly budgets under Priority Axis 4 are reviewed to improve the implementation capacities, and that ensure the quality of projects, i.e. effectively designed, managed and implemented under coherent local and regional development plans</p>	<p>Indicative budgets under Priority Axis 4 have been reviewed so as to ensure implementation capacities, as well as the projects quality.</p>	<p>In the initial version of the ORPD were envisaged measures for promoting partnerships among municipalities. Later on as a result of the negotiation with the Commission the measures were removed from the OP and a new operation 5.3. under Priority Axis 5 was introduced for strengthening the capacity of OPRD beneficiaries.</p> <p>In addition, under Priority Axis 4 were envisaged schemes related to stimulation of regional and local innovations and best practices exchange through inter-regional cooperation within the European territory. It is envisaged under the schemes to increase the capacity of the local authorities to effectively design, manage and implement the projects.</p>
<p>Legal, Institutional and Regulatory Bottlenecks</p>			
30	<p>The MRDPW should set a definitive timetable for the introduction of effective regional development "boards" within the cycle of the first OPRD, i.e. to promote an effective, more accountable, "bottom up" regional development process.</p>	<p>The MA does not plan to sub-delegate management responsibilities during the current programming period due to capacity reasons. However, local authorities representatives, as well as representatives of the planning regions (NUTS II level), are included in the Monitoring Committee to the OPRD.</p>	<p>The recommendation is addressed.</p> <p>The Directorate "Strategic Planning of the Regional Development and Administrative-territorial planning Directorate" in the MRDPW is acting as a technical secretariat for regional development councils at NUTS</p>

Recommendations		Response	Comment of the Consultant
			<p>II level, that are responsible for the coordination of the activities under the different OPs and the coordination of the central and regional structures for the implementation of the regional development plans.</p>
<p>Further elaboration of individual Priorities and operational activity</p>			
31	<p>Where appropriate, MRDWP under the Programme Complement consider assessment of institutional and project management capacities of municipalities</p>	<p>Information on institutional and project management capacities of municipalities have been taken into consideration and reflected by the MA.</p>	<p>One of the evaluation criteria under the open grant schemes is the implementation capacity and experience of the applicant. The municipalities are being assessed for their institutional and project management capacities.</p>
32	<p>The staffing levels of the IBs kept under constant review over the period of the OP with a view to providing additional resources dependent on workloads incurred.</p>	<p>The staffs of the IBs to OPRD have been set up in compliance with their respective responsibilities as referred to OPRD implementation and might be changed depending on workloads incurred.</p>	<p>The recommendation could be considered as partially addressed. No regular workload analyses are performed. Currently 44 people are working in the regional offices. Initially the Regional offices were planned to perform the functions of Intermediate Bodies but later on their functions were limited to financial control and monitoring of project implementation.</p> <p>A thorough workload analysis based on the current functions of the regional offices should be performed in order to assess the needs for additional number of staff. .</p>
<p>Consistency with Community and national policies (including relevant territorial policies), horizontal issues in particular in the areas of equal opportunities, environment and employment</p>			
33	<p>In conformity with the informal comments of Community Services include additional operations under Priority 2 for supporting a wide range of renewable energy production and supply systems.</p>	<p>The use of renewable energy sources is to be supported under operations 1.1, 1.2., 1.4, 1.5. and 4.3 as part of the activities under these operations.</p>	<p>Addressed.</p> <p>The use of renewable energy sources is supported under the opened grant schemes under Operations 1.1 and Operation 4.1.</p>
<p>Quantification of the Objectives</p>			
34	<p>At the community level, an analysis of baseline and needs should be requested from the municipalities; this and related analysis on local needs should reflect the indicative areas for support for projects under Priority 4.</p>	<p>Based on the mapping exercise and project pipeline developed within the PHARE project BG2004/016-711.11.02 Phase 1 / Year 2004 "Support for preparing good quality strategic documents, promotion of partnership and cooperation and assistance for project development capacity", baseline and local needs have been identified and analysed.</p>	<p>Addressed.</p> <p>When MA designs the grant schemes they consult the National Association of Municipalities and during the programming period they collected project ideas. No additional needs analysis have been performed.</p>
35	<p>Annex 4 of this report – Suggested Approach to Indicators, should reviewed as a possible basis for developing, revising or amplifying</p>	<p>The recommendations to the OPRD suggested by the ex-ante evaluation team have been reviewed and taken into consideration.</p>	<p>The general approach for Impact, outcome and results indicators was taken into consideration. The assessment</p>

Recommendations	Response	Comment of the Consultant
indicators in the OPRD.		of the relevance of the indicators is subject to the analysis presented under MEQ 6 answer.
Quality of proposed implementation and monitoring mechanisms		
36 The Programme Complement activities should be reviewed to ensure that they address the scale of institutional and capacity building required within the municipalities to ensure efficient, effective and transparent project management of priority projects promoted under OPRD project pipeline	The OPRD activities are being further developed in the Programme Complement, currently under preparation, in order to ensure addressing the scale of institutional and capacity building.	Addressed. The Programme Complement was not elaborated, but the MA is going to ensure the institutional and capacity building needs of the municipalities with the TA projects to be launched under Priority 5, although the launching of the projects is delaying. The TA projects are scheduled under the Annual Programme for 2010. Under Priority Axis 4 there was a grant scheme for intraregional cooperation and exchange of best practices that could be considered as a measure undertaken to address the recommendation.
37 Additional focus on provision of training for essential project management capacities for pre-selected Municipalities and hence an increased priority to activities under Priority Axis 5 – Technical Assistance	Currently, there has been relevant training delivered to municipalities by different projects and institutions. During OPRD implementation the development capacity of municipalities will be supported under Priority Axis 4.	Addressed. Under Priority Axis 5 there is a project "Strengthening the administrative capacity of the OPRD beneficiaries for successful participation in the implementation of OPRD and absorption of the Structural Funds, through implementation of the training plan" for the amount of 21,938,400. BGN Several TA sub-projects are envisaged under the project, but as per 31 Aug 2010 the project is not yet under implementation.
38 To ensure transparency, information about the Project Selection Committee is published to all potential beneficiaries and stakeholders as to who is making the decisions on project selection, approval and rejections.	Legitimacy and transparency of project selection are to be ensured via project selection procedures explicitly set by the Managing Authority.	Addressed. The project selection is governed by Council of Ministers Decree 121. In addition the Project Selection Decisions are sent to all applicants; in addition the selected and rejected projects are publicly available at www.bgregio.eu . The Decision is approved by the Head of MA and contains a list of approved projects as well as a list of rejected projects and the reasons for rejection.
39 MRDPW should establish permanent working groups at the regional level with other important development organisations, especially the Bulgaria	The MA has established permanent working groups with other relevant organisations to ensure the efficient absorption of the EU funding. The	The recommendation is addressed. During the programming were established different working

Recommendations	Response	Comment of the Consultant
State Tourism Agency, Invest Bulgaria Agency, Bulgarian SME promotion Agency, as well as the MEE and MAF thus ensuring that the entire EU funding available is absorbed efficiently and effectively, and impacts optimised.	OPRD Monitoring Committee envisages, if necessary, to establish sub-committees for specific issues to be addressed and considered.	groups. In addition before publishing specific schemes the guidelines to applicants are consulted with the organisations concerned and the sectoral ministries. For specific cases could be established a working group.

Table 55 - Recommendations from the Review of the First Opened Grant Schemes

Recommendations	Response	Comment of the Consultant	
Recommendation for corrective measures at OP level during the preparation and implementation of future aid schemes			
Preparation and design of schemes			
1	<p>Given the fact that the information for publishing schemes in the indicative annual work programme is important for the potential candidates, in order to be able to schedule funds and to perform activities on the technical preparation of project proposals, it is particularly important for candidates that the annual programme include information for the degree of readiness and the maturity of project proposals, e.g. the technical readiness of the project</p>	<p>The Annual work plan is indicative; it contains the information required under CMD 121/ 31.05.2007 and follows the template, confirmed by the Minister of Finance.</p> <p>No change/actions are required.</p>	<p>The MA considers the recommendation addressed.</p>
2	<p>Before initiating the process of elaborating the application packages an analysis has to be made for the needed external as well as internal expertise and on this basis to form a team for elaborating the documents. The discussions and decisions of the team should be recorded for ensuring adequate audit path.</p>	<p>In accordance with the Manual for management and implementation of the OPRR (versions 4, 5 and 5.1) package of application documents shall be completed within THE IPP Department, head of Department "IPP" in consultation with the Deputy Director and Director of DG PRD "defines the composition of the team for the development of application documents, the activities of which are governed by the head of the priority. In the composition of the team to develop Packages of documents the need for specific expertise should be taken into consideration in the staffing of the team. Package of application documents shall be agreed with the departments "Financial Management and Control" (FMC), "Legislation, risk assessment and irregularities" (LRAI), Deputy Director and Director of DG PRD "and shall be approved by the head of the managing authority prior to their publication. In addition, if necessary, foreign support can be attracted in respect of the scheme, e.g. experts from the Agency for energy efficiency schemes relating to energy efficiency. Also, the technical assistance of the OPRR has provided for a project aimed at the use of</p>	<p>The recommendation is addressed. All draft guidelines are published for comments on the internet site of the OPRD: http://www.bgregio.eu/Content.aspx?menu=left&pid=33</p>

	Recommendations	Response	Comment of the Consultant
		<p>external assistance in the development of application documents for future schemes.</p> <p>In addition, in accordance with the Manual for management and implementation of OPRD (version 6) before the preparation of a complete set of application documents, the Department of IPP prepares the draft Guidelines and forward them by email for comments to the Monitoring Department , FMC and LRAI, both Deputy Director and Director General of DG PRD. After reflecting the comments received, Department IPP publishes on the website the draft Guidelines and welcomes comments from interested parties.</p>	
3	<p>The head of MA of OPRD to issue an order for assigning the staff for drafting the application package with the correspondent deadlines.</p>	<p>Experience to date has shown that the development of packages of documents is carried out successfully and does not need unnecessary formalization of the procedure.</p> <p>No change/actions are required.</p>	<p>The recommendation is not accepted by the MA.</p>
4	<p>To continue the practice of publishing a draft application package on the OPRD web page, so that all concerned parties get acquainted and be able to comment on unclear moments at preparatory stage. In this manner still in the beginning stage the inaccuracies may be corrected and the eligible activities and supporting documents will be clearly defined.</p>	<p>The procedure of prior publication of the OPRR package of application documents will be reflected in the Manual for management and implementation of the OPRR.</p> <p>The recommendation is reflected. In accordance with the Manual for management and implementation of the OPRR (version 6) Department IPA publishes on the Internet site of the programme, the draft guidelines for the application and invite for receipt of comments and recommendations made by the interested parties. Comments on published documents may be received within 10 working days from the date of publication of the draft guidelines for the application. Within 10 working days of the expiry of the aforementioned time limit, The IPP Department reflects the received comments (p. 28, section 11).</p>	<p>The recommendation is addressed.</p>
5	<p>During the elaboration of application package it is recommended to consult the social-economic partners and the NGO sector according to the specific of the scheme</p>	<p>The recommendation is implemented. Opinion of the socio-economic partners and the NGOs was consulted through prior publication of the OPRR package of application documents.</p> <p>If necessary, additional package of documents shall be sent to the relevant interest groups. The recommendation is being implemented.</p>	<p>The recommendation could be considered as addressed. The socio-economic partners and the NGO sector could comment on the draft guidelines published on the web page. The draft guidelines are also sent to identify organizations for comments.</p>
6	<p>During the elaboration and concordance of application package the Monitoring unit to be involved for the purposes of formulating indicators at scheme level as well as the formats</p>	<p>The recommendation is addressed. In accordance with the Manual for management and implementation of the OPRR (version 6), the Department "IPP" shall draw up a draft of the guidelines for the application and shall</p>	<p>The recommendation is addressed.</p>

	Recommendations	Response	Comment of the Consultant
	of technical reports	send them via email for comments to departments "Monitoring", "FMC" and "LRAI", two Deputy Directors and Director General of DG RDP ". After reflection of the comments, including comments received from external interested parties, the package of application documents shall be agreed with the departments "FMC", "LRAI", "Monitoring", two Deputy Directors and Director General of DG PRR ".	
7	For the ex-ante control of the application package by MA units minimum deadlines to be introduced.	MA considers that the introduction of minimum time limits for consultation is not necessary. Application guidelines shall be sent in advance for comments by email to departments "Monitoring", "FMC" and "LRAI" to both Deputy Directors and Director General of DG RDP ", thus giving sufficient time for comments and recommendations and their reflection before the official coordination and completion of the inspection sheets. No change/actions are required.	The recommendation is not accepted by the MA. The Consultant's opinion is that it is not practical to introduce minimum deadlines.
8	The comments during the ex-ante control on the application package to be reflected in details in the check-list	See the above comment. No change/actions are required.	The recommendation is not accepted by the MA. The Application Package Check list includes a separate section for comments of all Departments involved in the process, including the ex-ante control. No changes are required. Ref: Annex 11.36
9	In the Guidelines for application a special section for indicators to be included explaining the meaning and the effect of their performance and bounding them with reimbursement of funds and also the way in which MA of OPRD requests information about their reporting	The recommendation will be taken into account. A text regarding the risk of non-reimbursement of funds in the event of non-reaching the objectives of the project proposal indicators will be included in the application guidelines and the application form. The recommendation was taken into account. In the application guidelines of the last published grants (BG161PO000/4.1-03/2010 "Support for the implementation of energy efficiency measures in municipal educational infrastructure of 178 municipalities" and BG161PO001/1.1-09/2010 "Support for the implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations) a text regarding the risk of non-reimbursement in the event of non-reaching the objectives of the project proposal indicators is included. In addition, the attainment of indicators is followed by the on-the-spot checks, including up to 5 years after completion of the project.	The recommendation is addressed. The text was included in the Guidelines for applicants in the two schemes by the MA.

	Recommendations	Response	Comment of the Consultant
10	In the text of the contract for non-repayable financial aid as part of the application package to be included an obligation of the beneficiary to achieve the indicators defined in the project and binding that achievement with reimbursement of funds	<p>MA considers that it is not necessary to set such a clause in the contract. Obligation to report on the indicators in the final report is laid down in the contract (version 5.1 of the manual), since the actual implementation of indicators for the achievement of the expected results of the implementation of the specific contract shall be taken into account, in particular at the completion of the project. The final payment under the project shall be carried out on the basis of the approved final report, including the achievement of the objectives of indicators.</p> <p>The recommendation is reflected in the version 5 and version 6 of the manual for the management and implementation of the OPRR.</p>	<p>The recommendation is partially addressed as the final payment is linked to the approval of the final technical report.</p> <p>The Consultant's opinion is that not all indicators are subject to immediate verification after the completion of the projects. For every contract it should be defined which indicators could be linked to the payments if they are measurable by the end of completion of the project.</p> <p>The approval of the technical report should be linked with the achievement of certain values of the indicators.</p>
11	For schemes with no deadlines for application higher minimum criteria for approval of projects to be introduced in order to improve the quality of financed projects – at least 80% of maximum score	The recommendation will be taken into consideration in the design of the subsequent grant schemes without a deadline.	The recommendation is not applicable as the recent grant schemes are launched with deadlines.
12	For schemes with no deadlines for applications communication with stakeholders to be maintained – continuous informing of potential candidates for the remaining financial resources under the scheme.	The recommendation will be taken into consideration in the design of the subsequent grant schemes without a deadline	The recommendation is currently not applicable as all new grant schemes are launched with deadlines.
13	MA of OPRD to take the necessary measures for clear and precise definition of eligible activities in the Guidelines for applicants in order to avoid interpretations during the application process and project selection.	The recommendation is being implemented. Reduction the risk of the interpretation of the eligible activities is achieved through the procedure of prior publication of the guidelines for applications in which interested parties are invited to submit their comments and suggestions. In addition, in case of misunderstandings in the eligible activities, applicants may ask questions and receive an official response to the OPRR	Recommendation is addressed.
14	In cases when there is a case or issue arising after publishing the scheme and affecting the eligibility rules an official statement to be prepared by MA of OPRD and all stakeholders to be informed	<p>The practice of the MA is to give answers to encountered issues and problems in the FAQ section, which is published on the site of the OPRR and is available to all potential beneficiaries.</p> <p>No change/actions are required.</p>	<p>The recommendation is considered addressed. The MA is publishing the answers under Q& A section on the web site: http://www.bgregio.eu/Content.aspx?menu=left&pid=78</p> <p>It could be considered more user friendly format for answering questions after publication of the relevant schemes for each scheme separately.</p>
15	For eligible costs (preparation of project proposal, preparation of tender documentation), which experience shows that are subject of regular comment and reduction by the	The recommendation was taken into account. The design of the last published grants (BG161PO000/4.1-03/2010 "Support for the implementation of energy efficiency	The recommendation is addressed.

	Recommendations	Response	Comment of the Consultant
	evaluation committee, maximum amounts or relative proportion (in %) of total costs to be defined in advance	measures in municipal educational infrastructure of 178 municipalities" BG161PO001/1.1-9/2010 "Support for the implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations) sets out the maximum eligible expenditure for the preparation of the application form and for the costs associated with the preparation of tender documentation.	
16	Revision of the criteria for technical and financial evaluation is required aiming at reflecting the specifics of the particular scheme and for the purposes of objectivity of assessment, which can be performed using more quantifiable criteria.	The recommendation will be taken into consideration in the design of the subsequent grant schemes, published since the beginning of 2010. No change/actions are required.	The Consultant found evidence for partial addressing of the recommendation for the grant schemes launched in 2010 (4.1-03/2010; 1.1-09/2010).
17	The design of the application form and accompanying documents to be reviewed aiming at elimination of unnecessary sections of information and documents that are inapplicable for the given scheme.	The recommendation will be taken into consideration in the design of the subsequent grant schemes, published since the beginning of 2010. No change/actions are required.	The Consultant does not have background information which sections were considered inapplicable and unnecessary. As per 31 Aug 2010 the opened grant schemes and the schemes under preparation comprise the same sections.
18	MA of OPRD to use more actively different communication channels - radio and television networks (national and regional cable networks), print media (national, regional and specialized publications), as well as Internet - both to inform potential applicants and to present OPRD to the public	The recommendation was taken into account. In the process of implementation are three projects for information and publicity of the OPRR funded under priority axis 5 "Technical assistance".	The recommendation is addressed.
19	The design of each scheme to be accompanied by a Plan for information events of different nature – publication of invitation, information days, press conferences, briefings, interviews	The recommendation was taken into account. Organizational Development Department, information and publicity "has developed an indicative plan for Information days in the schemes which will be published in 2010. The plan was developed in accordance with the Indicative annual work programme. The procedure is reflected in the Manual for management and implementation of the OPRR, version 6.	The recommendation is addressed. The MA has elaborated Indicative plan for the implementation of the activities under Information and Publicity for OPRD.
20	Along with the copy of the publication of the scheme in a national daily newspaper a Printout (Print Screen) of the publication on the OPRD website and on the Integrated information portal for general information about the management of Structural and Cohesion Fund to be kept	The recommendation was taken into account. Copy (Print Screen) of the publication of the scheme on the Internet site of the OPRR and Unified information portal is stored to the file under the schemes published since the beginning of 2010.	The recommendation is addressed.
21	During the information days more detailed information on eligible activities, costs and specifics of the particular scheme to be presented, as well as case studies, most common mistakes and good practices. As an	The aim of the Information days is to provide more detailed information about the specific grant scheme. Presentation of good practices and the most frequently reported errors are carried out within the framework of	The MA considers that no additional actions are required.

	Recommendations	Response	Comment of the Consultant
	option can be used a combination of presentation of general information in the beginning followed by individual consultations to participants by preliminary inquiry	the training of beneficiaries that is normally carried out together with the information days. No change/actions are required.	
22	Depending on the deadline for applications additional information days to be organized in which to be discussed and clarified specific issues that have already been raised under the scheme and to focus on practical difficulties of potential applicants arising in the process of project preparation	The recommendation was taken into account. According to the version 6 of the manual, section 14 "Information and publicity when identifying problems or when there are practical difficulties for potential beneficiaries in the process of proposals preparation for the specific scheme, additional information days will be organized.	The recommendation is addressed.
23	Feedback – after completion of the information days satisfaction of the participants to be examined about the usefulness and quality of information provided. Such a survey should be mandatory and the results should be processed by the Department "Organizational Development, Information and Publicity". On the basis of the results measures to optimize campaigns should be taken.	The recommendation was taken into account. In accordance with the Manual for management and implementation of the OPRR, version 6, after the completion of the Information days, participants must fill out a questionnaire. The poll shall be prepared individually for every information day, according to the specificities of the scheme, for which the event held. Expert of the regional Department handles and summarizes the information from the completed questionnaires and, within five working days, sends copies of the questionnaires, together with the summary.	The recommendation is addressed. Implementation Annex 14.04 is describing the procedure of the information days.
24	Representatives from departments "Execution of programme priorities", "Monitoring" and "Financial management and control" to participate in the information days in order to answer questions within their competence	The recommendation is reflected. According to the version 6 of the manual in addition to the representatives of the regional departments, representatives of the departments "IPA", "Monitoring" and "IT" in view of their competence are also taking part in the information days.	The recommendation is addressed.
25	When publishing an grant scheme again during the information days the most common mistakes during previous application to be presented as well as the most common weaknesses in the quality of the submitted proposals	The recommendation shall be adopted. Weaknesses and errors in previous schemes are taken into account in the development of the package of new schemes with the same or similar subject. The recommendation will be implemented.	The recommendation is addressed. The most common mistakes are presented in the decision for each grant scheme. They have information on the most common mistakes on the website. Irregularities are registered in UMIS. In addition during the information days are discussed the most common mistakes and weaknesses.
26	Questions and answers for the closed schemes to be archived/recorded and removed from OPRD website to facilitate potential applicants	With a view to ensuring maximum transparency and awareness, the MAS consider that the questions and answers for closed schemes should be available to all interested parties. For ease of potential candidates two separate links (for open and closed schemes) will be included in the website.	The MA accepted partially the recommendation. . The Consultant considers that the Q&A section should be redesigned in more user friendly format. The separation of Q&A under open and closed calls is not yet introduced.

Recommendations		Response	Comment of the Consultant
		Update of the OPRD website is to be done.	
27	Detailed procedure for preparation and preliminary control of answers to questions during the application process to be elaborated	The procedure for drawing up, approval and publication of questions and answers on the OPRR is laid down in the Manual for the management and implementation of the OPRR, section 14 "Information and publicity". No additional actions are required.	The recommendation is addressed. The procedure is described under Information and Publicity chapter of the Manual under p.14.6.
Project Selection and Contracting			
28	Comments from the different departments of MA of OPRD performing preliminary control of the various phases of evaluation to be promptly recorded and detailed in the checklists for the purpose of future audits and evaluations	The prior control of the evaluation process is carried out by Department LRAI, which reflects the comments, if any, in the fields of the checklist. The absence of comments means that all items on the checklist are fulfilled. No additional actions are required.	The recommendation is similar to the recommendation under p.8. The Consultant considers that it is adequately addressed.
29	Procedure to be elaborated in the internal rules for conducting project assessment, which requires preliminary definition of criteria for selection of Consultants under the individual schemes, whose experience and expertise meet the specifics of the schemes	The recommendation is implemented. The choice of external Consultants shall be carried out on the basis of the specially developed methodology for the selection of Consultants. Based on the methodology a list of external Consultants shall be drawn up, which shall be approved by the head of the MA and should be periodically updated. It is clearly stated in the methodology that the education and expertise, which should have external contractors with a view to their participation in the OPRR assessment committees. The methodology is reflected in version 6 of the Manual (annex 11.45, section 11).	The recommendation is addressed.
30	The evaluation committees should include experts with experience in project evaluation from the sphere of economic and regional development and in schemes with investment component assisting assessors should be hired with relevant engineering education	See the above comment.	The recommendation is addressed. Ref: Annex 11.45
31	Preliminary training of Consultants to be organized as a measure guaranteeing equal approach in the different evaluation committees within the scheme and uniformity of approach of assessors within an evaluation committee, including familiarization with questions and answers received during the application process. Such training is appropriate to be held before the official start of the evaluation committee;	Training of the assessors is conducted after issuance of the warranty for appointment during the initial meeting. At the initial meeting, the Chairman acquainted the Consultants with the procedures and the evaluation criteria of the proposals, as well as with the questions received during the application process and their answers. No additional actions are required.	The recommendation is not relevant as the procedure exists. Ref: Annex 11.41., Art.12.
32	All the decisions and activities of the evaluation committee to be recorded	The content of the assessment report is approved in Chapter 11 of the	The recommendation is addressed. Ref: Annex

	Recommendations	Response	Comment of the Consultant
	in detail in the evaluation report	Manual for the management and implementation of OPRD. It includes minutes of all meetings of the Evaluation Commission with the decisions made and actions performed. Thus, the recommendation is already implemented.	11.41.Art.14.
33	Methodology for revising budgets of project proposals to be developed. It can determine whether the recommendations of the Consultants from the individual evaluation grids , which concern the revision of certain costs, are required	The recommendation is taken into account. In the latest version of the Manual (version 6) contains a methodology for evaluating the project proposals set out in unit prices as the pricing and quantities.	The recommendation is addressed. Ref: 11.8.1 The successful applicants are informed about the revised budgets.
34	MA of OPRD to formulate conditions under which successful applicants can inspect the amendments in the budgets and activities of their project proposals before signing the contracts. This will reduce the risk of errors, irregularities or suspension of project implementation. This can take place after the preparation of the report of the evaluation committee before announcing the decision of the Head of MA for funding the selected projects;	The recommendation is taken into account. In the latest version of the Manual (version 6) is provided with the IPP department notification letter to be sent to the approved applicants the approved budget, CSO and technical specifications to get acquainted with the evaluation committee made corrections before signing the contract and to begin preparation.	The recommendation is partially addressed. The Manual does not specify if the successful applicants are able to negotiate the revised budgets Ref: Chapter 11.8.1
35	In the checklist for contracts it should be envisaged the opportunity for adding appendixes according to the specific of contracts	The recommendation is already in process of implementation. Further actions are not required.	Recommendation is addressed. Ref. Check list -11.65.
36	Positions for control in the checklists to be developed, making it possible to carry out quality inspection of the contents of the general and specific conditions of contracts	The general and specific conditions of the contracts are part of the application package and quality review of their contents takes place during the preliminary review of documentation. Changes/ additional actions are not required.	The MA considers no additional actions are required. The Consultant opinion is that once it is checked as part of the application package, no additional checks are necessary.
37	To include the contract number in the checklist	The recommendation is taken into account and reflected in Annex 11.20. Checklist contract, Section 11 of the Guide, version 6.	The check list 11.20 of version 6 that was presented to the Consultant does not contain contract number.
38	All the pages of the dossier of the contracts to be numbered to ensure its integrity	MA believes that this is unnecessary complication of the procedure in terms of striving to simplify and accelerate the process of absorption of OPRD. Changes/ additional actions are not required.	The MA considers that no further actions are required.
39	In the checklist for double funding to be included controls related to the additional information from agencies providing public funds for investment activities and the work of the interdepartmental committee. Checklist to be completed only after receiving all the necessary information for drawing the appropriate conclusions	Information from other agencies is required in case of suspected double funding after checking into the MIS and documentary projects under the PHARE program and other programs with national and European funding, providing support for similar types of activities. In the checklist is provided column "Notes", which contains additional information.	The MA considers that no further actions are required.

Recommendations		Response	Comment of the Consultant
		Changes/ additional actions are not required.	
40	MA to organize timely receiving on behalf of the final beneficiaries of contract dossier in order to start the timely implementation of activities	The recommendation is taken into account. Since the beginning of 2010, the contracts are provided to beneficiaries in the day of signing by both parties.	The recommendation is addressed.
41	To initiate appropriate changes in the design of UMIS in order to register contracts signed after the release of additional financial resources, i.e. to change the status of a project proposal from approved to financed	The recommendation has been implemented and changes are already reflected in the MIS. Additional actions are not required.	The MA stated that the recommendation is addressed. No evidence based opinion could be provided. The public module of UMIS does not allow checking if the recommendation is addressed.
Implementation, monitoring and results of projects approved			
42	MA of OPRD to conduct training for beneficiaries where the implementation manual and instructions for the specific scheme to be presented.	Training for beneficiaries is carried out together with the conduction of specific information days on the open schemes. Additional specialized training provided under the project on technical assistance OPRD. The recommendation is in process of implementation.	The recommendation is addressed. in addition under Priority Axis 5 are envisaged projects for strengthening the capacity of the beneficiaries.
43	To use effectively the procedure for internal control of the activities of the regional offices of MA OPRD	Internal control over the Regional Offices is done through on-the-spot-checks, documentary checks and carried out regular meetings. According to version 6 of the Manual Section 21 Implementation of internal control over the RO meetings will take place once a month.	The Consultant could not provide an opinion about the effective use of the internal control procedure as it is a subject of a system audit engagement.
44	Clear procedure for monitoring and reporting on the implementation of project indicators to be worked out.	The recommendation has been implemented. In Section 13 "Monitoring" of the Manual (version 6) is described the beneficiaries' obligation to report in the interim and final reports of the monitoring indicators provided in the application form. New forms of technical reports are developed.	The recommendation is addressed. Under Annex 13.5.9 Technical report the beneficiaries are required to provide information about the achievement of the indicators. In the Manual, Chapter 13 it is described that the beneficiaries are reporting indicators with the final technical report.
45	More detailed procedure regarding the responsibilities and deadlines for collecting and filling in information into UMIS to be drafted in the Manual for OPRD management and implementation	The obligations of each of the departments associated with the introduction of information into the MIS, are described in the relevant sections. For example, in Section 11 is described the introduction of information related to the implementation of procedures for granting financial assistance (registration procedure after the call announcement, the registration of applications submitted, registration of conducted evaluation committees, etc.) and in section 13 are described the MIS registration responsibilities during the process of Monitoring and reporting (registration of on-the-spot	The MA did not accept the recommendation. The opinion of the Consultant is that the procedure for reporting into UMIS provides sufficient level of detailed.

	Recommendations	Response	Comment of the Consultant
		checks reports, record quarterly, annual, interim and final technical reports.	
46	To maintain systematic and structured information at scheme level regarding on the on-spot-checks containing problems identified, recommendations made and measures taken by the beneficiary.	MA had conversations with the directorate responsible for maintaining the MIS in relation to the introduction of additional statements concerning the generation of comprehensive information on the on the spot checks on scheme level. In process of implementation.	In progress of implementation.
47	To maintain systematic and structured information at OPRD level for the most common errors and irregularities in project implementation	The recommendation is taken into account. MA had conversations with the directorate responsible for maintaining the MIS in relation to the introduction of additional statements concerning the generation of comprehensive information on monitoring of the level scheme. Additional actions are not required.	The recommendation is addressed. The irregularities are registered in UMIS and in addition the most common errors are presented on the web site.
48	To maintain and publish a register of good practice in OPRD schemes.	The recommendation will be taken into account.	The recommendation is addressed. Information about the good practice is available at www.eufunds.bg
49	To simplify the procedure for submitting and processing technical reports, financial reports and requests for payment under OPRD schemes.	The recommendation will be taken into account. At present, the MA is in the process of simplification of the procedures. The recommendation is taken into account. Version 6 of the Manual contains simplified rules for the implementation of payments. The Annexes under the contracts are not delaying the process of payments.	The recommendation is partially addressed. In relation to the verification of payments and submission of payment requests the MA introduced a number of simplified procedures. Some of the optimizations are listed below: Optimization of the verification procedure through optimization of the correspondence with the beneficiary. Frequency of the planned on-the-spot is based on the project risk assessment. Reduced number of the on-the-spot checks for interim payments. Shorter deadlines for elaboration and submission of verification report. Improved procedure for amendment of contracts. The procedure does not stop the payment verification but they are processed in parallel. Setting 5 days deadline for comments on the implementation of guidelines issued by the MA. The period for submission of Request for payment is becoming flexible: The advance

	Recommendations	Response	Comment of the Consultant
			<p>and final payment may be submitted without specific deadlines; The interim payment request may be submitted twice per month.</p> <p>Shortening the period for review of payment request.</p>
50	<p>To eliminate the practice of signing additional agreements to contracts in cases of changes in the bills of quantities or differences between the initial budget and prices achieved as a result of tenders</p>	<p>The recommendation is taken into account and the rules for the signing of Annexes have been simplified in the new version 6 of the Manual for the management and implementation of OPRD (Section 11).</p> <p>It is provided that Annexes to Contracts may only be signed in case of reducing the amount of the grant contract with more than 15% but not less than 500,000 BGN as a result of carried procurement procedures by beneficiaries' procedures for procurement.</p>	<p>The recommendation is addressed. Ref: Manual 11.8.4.3 page 54.</p>
51	<p>To respect the deadlines laid down in OPRD Manual for beneficiaries regarding the issuance of opinions by OPRD Managing Authority on project implementation</p>	<p>The recommendation is taken into account. Measures were taken to simplify procedures, including the delegation of additional powers to the Regional Offices and strengthening the administrative capacity of MA.</p>	<p>The Consultant could not provide opinion to which extend the deadlines laid down in the OPRD Manual are respected as it is a subject of different type of engagement</p> <p>During 2010 the Managing Authority introduced shorter deadlines for payment verifications and evaluation of applications.</p>
<p>Recommendations regarding direct contracting</p>			
<p>Preparation and design of schemes</p>			
52	<p>Head of the MA OPRD to issue an order establishing a team for development of a package of documents and relevant deadlines for implementation</p>	<p>Experience to date has shown that the development of packages of documents is carried out successfully and does not need unnecessary formalization of the procedure.</p> <p>Changes/ additional actions are not required.</p>	<p>The recommendation is not accepted by the MA.</p>
53	<p>In the process of developing / coordinating the requirements for application and package documents to be included Monitoring department.</p>	<p>The recommendation is implemented. According to the Manual for the management and implementation of OPRD (Version 6), department "IPP" prepare a draft requirements for applying for direct beneficiaries and send them by email to comments from departments "Monitoring", "FMC" and "Legal" both Deputy Director and Director General of DG PRR. After the comments inclusion, including comments received from external stakeholders, the package of application documents is coordinated with departments "FMC", "Legal", «Monitoring», both Deputy Director and Director General of DG PRR.</p>	<p>The recommendation is addressed: Ref: Annex 11.5, p.5</p>

	Recommendations	Response	Comment of the Consultant
54	For the first schemes to direct beneficiaries (concerning Education, ASA, EA) with no fixed deadline for applications to include intermediate deadlines and a deadline for submission of Project Fiche.	MA believes that the definition of terms is not necessary. The Framework Agreement with the direct beneficiaries defines that the individual beneficiary should contract the provided financial assistance by the end of 2010. Changes/ additional actions are not required.	The recommendation is not applicable as currently all grant schemes for direct beneficiaries are launched with deadlines.
55	To develop a procedure in the Manual for management and implementation of OPRD for consulting the opinion of the specific beneficiary requirements for application and package documents	Consultation on the application package is done through publication of the developed requirements for application on the website of OPRD. The procedure is described in the Manual for the management and implementation of OPRD, version 6 (Section 11).	The recommendation is addressed. All draft guidelines are published for comments on the internet site of the OPRD: http://www.bgregio.eu/Content.aspx?menu=left&pid=33
56	To investigate in advance the ownership of the objects of intervention and associated documents accompanying the application	Such a study is carried out depending on the specifics of the scheme. Changes/ additional actions are not required.	The Consultant could not form evidence based opinion about the implementation of the recommendation as such evidence is not provided. The MA states that the ownership is investigated for every specific case.
57	To initiate implementation of the necessary legislative changes regarding recognition as eligible expenditure management framework program as an additional tool for the successful performance of direct beneficiaries	The management of the Framework programme is implemented through the management of individual project fiches under which contracts were signed with relevant budgets, including management costs. In order to implement the Framework Programme we sign a Framework Agreement, which is not specifying a separate budget that is why the inclusion of a similar type of cost is not justified. Changes/ additional actions are not required.	The recommendation was not accepted by the MA.
58	For the schemes with beneficiaries whose projects are expected to be small scale, to be set apart from percentage of the eligible costs of human resources a minimum threshold, e.g. 2% but not less than 4000 BGN.	The recommendation will be taken into account when developing the next schemes for the direct beneficiaries.	The recommendation is taken into account: Grant Scheme 1.4-05: "Integrated urban development"
59	Along with the copy of the publication of the scheme in a national daily newspaper a Printout (Print Screen) of the publication on the OPRD website and on the Integrated information portal for general information about the management of Structural and Cohesion Fund to be kept	The recommendation is taken into account. Copy (Print Screen) the publication of the scheme on the website of OPRD and single information portal is stored on the documentation of the schemes published by early 2010. The recommendation is in process of implementation	The recommendation is addressed.
60	The design of the application form of the Framework Programme and accompanying documents to be reviewed aiming at elimination of	The recommendation is taken into account in developing the recent published schemes for direct beneficiaries of early 2010.	The Consultant does not have background information which sections were considered inapplicable and unnecessary.

	Recommendations	Response	Comment of the Consultant
	unnecessary sections of information and documents that are inapplicable for the given scheme.		
61	To revise the criteria for assessing compliance, eligibility and technical and financial evaluation of mid-term Framework Programmes, aiming to reflecting the specifics of the different stages, on one hand, and to project proposals on the other hand, in order to comply with the programming nature of the med-term Framework Investment Program.	<p>The recommendation will be taken into account.</p> <p>The recommendation is taken into account in the design of schemes for direct provision of grants announced by early 2010.</p>	No evidence was found for the implementation of the recommendation
62	MA to develop OPRD Instructions for completing application forms for schemes with direct beneficiaries	<p>According to Section 11 of the Manual, specific beneficiaries are entitled to receive from the Managing Authority clarifications and information in connection with completing the forms, the medium-term framework investment program and project fiches and addenda in the manner described in the specific application requirements. The MA considers that there is no need for further guidance.</p> <p>Changes/ additional actions are not required.</p>	The MA did not accept the recommendation.
63	The requirements for applying for a specific beneficiary schemes to include a special section for indicators, to explain the importance and impact of their achievement, their possible link with non-recovery of funds, the way MA required to obtain information on their reporting	<p>Recommendation will be taken into account in the design of the next schemes directly granting financial assistance.</p> <p>In the application requirements will include text on the risk of non-recovery of funds if they fail to set indicators in the project fiche. Currently, the achievement of the indicators is monitored through on-the-spot checks, including up to 5 years after project completion.</p> <p>The recommendation will be taken into account.</p>	The recommendation is addressed.
64	Obligation of the direct beneficiary for reporting the indicators at the level of Framework Programme and Project application forms should be included in the draft Framework agreement and Contract.	<p>MA believes that it is not necessary to establish such a provision in the Framework Agreement. The obligation for reporting the indicators should be done in the Final Report (version 5.1 of the Manual), as the actual achievement of indicators is reported at the end of the contract.</p> <p>The final payment under the project is subject to approval of the final report, including the achievement of the defined indicators.</p>	The MA did not accept the recommendation. The Consultant's opinion is that as the report of the reporting of indicators is part of the Final Technical Report, which is mandatory, no further actions are required.
65	The application guidelines should give clear directions for the requirements under OPRD regarding the application of the Public Procurement Law (PPL) and the tender procedures, including the ability to conduct unified procedures for certain services or supplies.	The requirements to comply with the PPL and the Ordinance for Small Public Procurement (OSPP) in the implementation of the project activities are clearly set in the application guidelines. Additional guidelines are provided for each specific case during the preventive control of the procedures under PPL	<p>The recommendation was not accepted by the MA.</p> <p>The direct beneficiaries are public bodies that have to comply with the Public Procurement Law.</p> <p>Please ref to: Scheme 3.1. p.4.3.1.3 as an example for</p>

Recommendations		Response	Comment of the Consultant
		and OSPP undertaken by Department LRAI of the MA. Changes/ additional actions are not required.	fulfillment of the recommendation.
66	The opportunity for consultation during the application process between the direct beneficiaries and "IPP" Department should be used effectively.	The recommendation is implemented. There is continuous consultation with the direct beneficiaries during the application process.	The recommendation is addressed.
67	A procedure for preparation and quality control of the MA clarifications, given to the direct beneficiaries during the application process, should be included in the Manual for management and implementation of the OPRD.	Section 11 of the Manual envisages specific beneficiaries to receive clarifications from the Managing Authority and information regarding the application, in the manner described in the specific Application guidelines. No additional actions are required.	The recommendation is addressed. The procedure is described under Information and Publicity chapter of the Manual under Section 11.3.2.
68	The MA of OPRD should plan measures to assist the direct beneficiaries for the purposes of generating quality projects.	Measures to assist the beneficiaries under OPRD, including direct beneficiaries, are provided under the Technical assistance of OPRD. The recommendation is in process of implementation.	The recommendation is in process of implementation. Under Priority 5 there are number of projects envisaged for TA of the beneficiaries (including direct beneficiaries)
Evaluation stage of the Framework Programme and Project application forms and concluding a framework agreement and contracts			
69	The Manual of the MA of OPRD should include a procedure for advanced formulation of criteria for selection of Consultants, whose professional experience and expertise should correspond to the specifics of the call for applications, on the basis of which, persons from the database with OPRD external Consultants will be selected.	The recommendation is already in process of implementation. The selection of external Consultants is based on a specially developed methodology for selection of Consultants. Based on the methodology, a list of external Consultants is created, which is approved by the Head of the MA and is periodically updated. The education and expertise required for foreign contractors to participate in OPRD evaluation committees are explicitly stated in the methodology. The methodology is included in version 6 of the Manual (Annex 11.45, Section 11).	The recommendation is addressed.
70	All decisions taken and actions implemented by the evaluation committee should be reported in detail in the evaluation report.	The content of the evaluation report is approved in the Manual for management and implementation of the OPRD. It includes minutes of all meetings of the Evaluation Committee with the decisions taken and actions implemented. Changes/ additional actions are not required.	The recommendation is addressed. Ref: Annex 11.7.2 and 11-55
71	The MA of OPRD should develop a methodology for revising the budgets of the project proposals of direct beneficiaries.	The recommendation will be taken into account. The recommendation is taken into account. The latest version of the Manual (version 6) contains a methodology for evaluating unit prices set out in the project proposals as	The recommendation is addressed. Ref: Annex 11.-54

Recommendations		Response	Comment of the Consultant
		pricing and quantities.	
72	MA of OPRD should define the conditions under which the direct beneficiary will be acquainted with the adjustments to the budgets and to the activities in the application form before signing the contract. This will reduce the risk of errors, irregularities or termination of project implementation.	The recommendation is taken into account. It is envisaged in the latest version of the Manual (version 5.1) that beneficiaries will receive with the contract signing invitation an e-mail with the revised budget of the project proposal for preliminary review.	The recommendation is addressed. Ref: Annex 11.3.6. and 11.8.1 The successful applicants are informed about the revised budgets.
73	The pages of the files of the agreement and the contracts, incl. their annexes, should be numbered to preserve their integrity	The MA believes that this is an unnecessary complication of the procedure while aiming to simplify and accelerate the process of funds absorption under OPRD. Changes/ additional actions are not required.	The MA considers that no further actions are required.
Implementation, monitoring and results			
74	Specific Guidelines for direct beneficiaries and guidelines for implementing projects, under the schemes for direct beneficiaries, should be prepared.	The recommendation is taken into account. Guidelines for the implementation of grant contracts under OPRD with beneficiaries (municipalities, NGOs and direct beneficiaries) have been prepared and published on the website of OPRD. Specific Guidelines for direct beneficiaries are under preparation.	The recommendation is addressed.
75	After signing a framework agreement and grant contracts, the MA of OPRD should conduct mandatory training for the direct beneficiary's staff for the management of the Framework Programme.	Training for beneficiaries under OPRD is envisaged to be performed under a project for Technical assistance of OPRD. The recommendation is in process of implementation.	The recommendation is addressed. Under Priority Axis 5 are envisaged projects for training of the beneficiaries.
76	Current information regarding the planned and reported indicators at the level of scheme, Framework Programme and project application form, should be maintained.	The information regarding planned and reported indicators is uploaded in the UMIS system by the MA experts immediately after it is received by the beneficiaries. The recommendation is in process of implementation.	The recommendation is in progress of implementation. The UMIS module for reporting of indicators is still not operational. The recommendation is still valid.
77	The Application guidelines for the calls without deadline should be corrected in order to introduce interim and final deadlines for submission of project application forms and thus to mobilize the efforts of the direct beneficiaries and to absorb the allocated funds more effectively.	The recommendation is already in process of implementation. All Application guidelines for the calls for direct contracting include deadlines. Additional changes / action are not required	The recommendation is addressed. The new schemes launched set final deadline for submission of project proposals. Ref: BG161PO001/3.2-01/2010 BG161PO001/3.1-03/2010 BG161PO001/1.5-01/2010
78	The calls for direct beneficiaries should be included in the Risk assessment and in the Plan for checks on spot by the MA of OPRD.	The recommendation is already in process of implementation. All projects under calls for direct contracting are included in the Annual Plan for checks on spot for 2010. Additional changes / action are not	The recommendation is addressed.

Recommendations		Response	Comment of the Consultant
		required	
79	In case of change in the management teams of the mid-term Framework programs, information for new contact persons, an updated action plan within the relevant scheme and information on the implementation capacity of the team of the mid-Framework Programme, should be required from the direct beneficiaries.	All beneficiaries are required to notify the MA upon any change in the information submitted in the application form, respectively the form for mid-term Framework Programme. Changes/ additional actions are not required.	The recommendation is addressed. Ref: Annex 11.3.7
80	It is recommended that the evaluation of the quality of project proposals under the scheme is carried out not by the Evaluation committee but by an expert panel consisting of the heads of departments and the Deputy Chief Director.	Procedures for management of the technical assistance of OPRD are under review. The recommendation will be discussed in the formulation of new rules. The recommendation is taken into account when developing new procedures for technical assistance. According to version 6 of the Manual for management and implementation of the OPRD (Section 20), evaluation of project proposals is done by an expert from the "IPP" Department and an expert from the "Programming and Evaluation" Department, while review of the evaluation is conducted by the heads of these departments, the relevant Deputy Chief Directors for the departments and the Chief Director of DG PRR.	Recommendation is addressed. Ref: Section 20.3.3.
81	The methodology for evaluation should be based on confirmation of each criterion with YES. The format of the session for approving project proposals should be done at two phases - discussion of the project concept presented by the head of the respective department (potential applicant) and evaluation of the project proposal.	See the above comment According to version 6 of the Manual for management and implementation of the OPRD (Section 20), evaluation is carried out according to the criteria specified in the Application guidelines and is documented by completing a checklist. Compliance / non compliance with those criteria are confirmed with "yes" or "no."	The recommendation is addressed: Ref Check list Annex 20.12 and procedure Section 20.3.3
82	If the performance of a criterion cannot be confirmed by Yes, the project proposal should be returned for revision to the respective department.	See the above comment. According to version 6 of the Manual for management and implementation of the OPRD (Section 20), when evaluating project proposals, if needed, written explanation regarding the submitted project proposals as well as revision of the proposal, might be required from the department – applicant, in order to improve and achieve compliance with the evaluation criteria specified in the Application guidelines.	The recommendation is addressed: Ref Check list Annex 20.12 and procedure Section 20.3.3
83	The Consultant recommends the MA to revise Section 20 "Technical Assistance" of the Manual for management and implementation of the OPRD. At present, the scheme used checklists and templates directly copied from Section 11 "Procedures for granting financial assistance and	See the above comment The recommendation is taken into account and the changes are reflected in version 6 of the Manual for management and implementation of the OPRD (section 20).	The recommendation is addressed: Ref: Section 20 TA Manual v.6

	Recommendations	Response	Comment of the Consultant
	negotiation", which are not adapted to the specifics of the management and implementation of Priority Axis 5 – TA.		
84	The "Monitoring" department of the MA of OPRD should monitor the obligations of the departments-beneficiaries to submit Quarterly reports and summarize them in a Progress report on the implementation of the scheme. An updated schedule of implementation of the orders, an updated schedule for tender procedures and updated information on performance indicators must be presented in the Progress report.	See the above comment. The duties and responsibilities of the Monitoring department for implementation and monitoring of projects under Technical assistance are described in detail in Section 20 of the Manual for management and implementation of the OPRD. Technical progress reports and Financial reports are presented by the department-beneficiary for any request for interim and final payment. Every six months, the "Monitoring" department prepares Progress report to the Head of the Managing Authority, regarding the implementation progress of the orders and prepared on the basis of the reports presented by the department-beneficiary.	The recommendation is addressed: Ref: Section 20.6.1
85	The "contingency costs" should be qualified as eligible expenditure in the investment projects, amounting to 5% of the value of the planned construction works.	The recommendation will be considered when initiating changes in Decree 245 from 9 October 2007 for adoption of detailed rules on eligibility of expenditures under the Operational Programme "Regional Development", funded by the European Regional Development Fund, for the financial framework 2007-2013. In process of implementation.	In process of implementation.
86	The expenditures covering the VAT costs incurred by municipalities and central administration - beneficiaries under OPRD, should be determined as recoverable.	The recommendation requires a decision at national level.	N/A The recommendation is not within the competence of the MA.
87	The expenditures for management of Framework investment programs should be determined as eligible.	The recommendation is not accepted. As indicated in the comments of recommendation 57, the management of the Framework programme is implemented through management of the individual projects, which have contracts with the respective budgets, including expenditures for the management team. For the implementation of the Framework Programme, there is a separate Framework agreement which does not have a separate budget; therefore the inclusion of a similar type of cost is not justified. Changes/ additional actions are not required.	The recommendation is not accepted by the MA.

8.3 Annex to SWOT analysis

Table 56 - SWOT as per original OP

SWOT	
Strengths	
1	Bulgaria's cities show capacity and further potential to act as engines for stable economic growth and employment with possibilities for higher net sales revenue.
2	Cities are relatively well distributed throughout the territory enabling potential access for surrounding non-urban populations to access their services and opportunities.
3	Minor inter-regional disparities in development of the NUTS II planning regions.
4	Economic growth strongly manifested in the agglomeration areas. Wide range of sectoral and economic activities.
5	High educational level and active population in the agglomeration areas compared to the rest of the territory. High concentration of schools, universities and R&D institutes, hospitals and doctors.
6	High percentage of international roads access to European transport corridors and available intraregional connections within all planning regions.
7	Digital backbone of the country already in place.
8	Strong positive trend in tourism development leading to significant contribution of national and regions' growth.
9	Diverse tourism potential of all Bulgarian regions (natural and cultural heritage) providing for the development of different types of tourism combined with price competitiveness, positive attitudes to tourism and in an economic effective, socially responsible and environmental friendly way (i.e. sustainable tourism development with broad distribution of benefits).
Weaknesses	
1	Strong rural/urban disparities (demographic profile, education, health, access to basic services/infrastructure).
2	Substantial disparities in development of districts and municipalities within the planning regions and presence of backward areas.
3	Cities and highly urbanised areas have underdeveloped environmental infrastructure and are confronted with significant environmental problems – poor air quality, high levels of traffic and congestion, high levels of ambient noise, poor-quality built environment, derelict land, calamities, urban sprawl, and generation of waste and waste water.
4	Limited, outworn and underdeveloped business infrastructure and physical base for industrial development and attracting new investments.
5	Low quality of urban environment, public works and physical infrastructure in cities. Obsolete and amortized facilities of educational, health and cultural institutions.
6	Unsatisfactory technical parameters and bad quality of regional and local roads.
7	Lack of attractive public transport facilities, out of date and unsustainable transport both in terms of fixed and rolling infrastructure.
8	An inadequate provision or absence of basic service infrastructure (ranks, bus stops, terminals, daily bus service, etc.) to serve local needs in many areas remote to the urban centres.

SWOT	
9	Low development of network access in poorly developed areas concerning ISND penetration, nationwide access to Internet via cable, mobile Internet penetration and very low use of PC in households.
10	Uniformed and one-sided tourism product mix combined with extreme territorial concentration of tourism development.
11	Dependence of tourism industry of limited number of international (foreign) markets.
12	Limited and incorrect awareness and image of Bulgaria tourism potential on major current and potential markets especially for specialized products as a result of insufficient, not coordinated and ineffective destinations marketing.
13	Weak planning and investment capacity especially in the smaller municipalities.
14	Limited knowledge base and market intelligence of tourism development, planning and marketing both on national and regional level.
15	Insufficient partnership and cooperation between municipalities, partners and stakeholders in developing and implementing joint projects.
Opportunities	
1	Existence of large cities in certain areas is an opportunity to benefit from their potential and to extend their positive impact over the surrounding areas.
2	Availability of relatively well balanced and developed network of large and medium-size cities is a precondition via investments to attain higher value added, as well as to reach a more successful cohesion within the EU territory.
3	Access of Bulgarian regions to the financial resources of the EU funds for supporting development processes.
4	Existence of industrial and business sites with possibilities for easy access, good logistic and communications due to close location to or within agglomeration areas.
5	Increasing investment interest and increase of direct foreign investments.
6	The overall socioeconomic and political situation in Bulgaria favours development of tourism as a special sector and specific tool for local development.
7	Successful privatization of the tourism industry combined with the marketing package pricing for Bulgaria has propelled a significant increase of international arrivals in Bulgaria.
8	Utilising natural, historical heritage and culture for achieving sustainable growth and development of the regions.
9	Accession to EU and development of European transport corridors facilitating the free movement of people, goods and services.
10	Growing demand for specialised tourism products (especially cultural and ecotourism) as well as for traditional products on the global and European market.
11	Potential domestic tourism demand.
12	Accumulation of positive municipal experience in strategic planning, spatial planning, project development and management.
13	European cross-border, trans-national, and trans-regional cooperation.

SWOT	
Threats	
1	Unfavourable demographic tendencies, ageing population, emigration and risk from depopulation of large parts of the territory. Emigration of young and qualified specialists in other more developed EU countries.
2	Strong competitive pressure on businesses (especially SMEs) due to EU accession resulting in increasing regional disparities.
3	Increased global competition between destinations especially for mass tourism segments.
4	Accession to EU leading to restricted access to Bulgaria of traditional and significant tourist markets (visas).
5	Reduced quality of environment and of tourist experience leading to diminishing attractiveness and competitiveness of overbuilt resorts.
6	An unstable political future in the Balkans can deter international tourism travel.
7	Strong dependence of municipalities from the central budget financing.
8	Increased external transport cost and fuel price.
9	Weak institutional partnership. Limited financial and technical capacity of smaller municipalities and other local development actors for absorbing the Structural Funds.
10	Increased expenditure of public authorities (including municipalities) for implementing engagements related to EU legislation.

Source: OPRD

Table 57 - SWOT amendments

SWOT		Validity and relevance			
Strengths					
		Valid	Slightly valid	Not Valid	Relevant (1 – not relevant; 2 – not so relevant; 3 – relevant))
1	Bulgaria's cities show capacity and further potential to act as engines for stable economic growth and employment with possibilities for higher net sales revenue. Reformulation: Bulgaria's big and medium cities (population over 25 000) show capacity and further potential to act as engines for stable economic growth and employment with possibilities for higher net sales revenue.	✓			3
2	Cities are relatively well distributed throughout the territory enabling potential access for surrounding non-urban populations to access their services and opportunities.	✓			3

SWOT		Validity and relevance			
3	Minor inter-regional disparities in development of the NUTS II planning regions.		✓		2
4	Economic growth strongly manifested in the agglomeration areas. Wide range of sectoral and economic activities. Reformulation: Potential for economic growth strongly manifested in the agglomeration areas. Wide range of sectoral and economic activities.		✓		3
5	High educational level and active population in the agglomeration areas compared to the rest of the territory. High concentration of schools, universities and R&D institutes, hospitals and doctors. Reformulation: High educational level and active population in big cities compared to the rest of the territory. High concentration of schools, universities and R&D institutes, hospitals and doctors in big cities.	✓			3
6	High percentage of international roads access to European transport corridors and available intraregional connections within all planning regions. Reformulation: available intraregional connections within all planning regions.		✓		2
7	Digital backbone of the country already in place.	✓			2
8	Strong positive trend in tourism development leading to significant contribution of national and regions' growth.	✓			3
9	Diverse tourism potential of all Bulgarian regions (natural and cultural heritage) providing for the development of different types of tourism combined with price competitiveness, positive attitudes to tourism and in an economic effective, socially responsible and environmental friendly way (i.e. sustainable tourism development with broad distribution of benefits).	✓			3
10	New entry: Increase in the administrative capacity for absorption of the EU funds.				
11	New entry: Elaborated strategies that are taking into consideration of the regional factors.				
Weaknesses					
1	Strong rural/urban disparities (demographic profile, education, health, access to basic services/infrastructure).	✓			3
2	Substantial disparities in development of districts and municipalities within the planning regions and presence of backward areas.	✓			3
3	Cities and highly urbanised areas have underdeveloped environmental infrastructure and are confronted with significant environmental problems – poor air quality, high levels of traffic and congestion, high levels of ambient noise, poor-quality built environment, derelict land, calamities, urban sprawl, and generation of waste and				3

SWOT		Validity and relevance			
	waste water. Reformulation: Cities and highly urbanised areas have underdeveloped infrastructure related to environmental protection and are confronted with significant environmental problems – poor air quality, high levels of traffic and congestion, high levels of ambient noise.				
4	Limited, outworn and underdeveloped business infrastructure and physical base for industrial development and attracting new investments. Reformulation: underdeveloped mechanisms for use of public-private partnership for industrial development and attracting new investments.	✓			2
5	Low quality of urban environment, public works and physical infrastructure in cities. Obsolete and amortized facilities of educational, health and cultural institutions. Reformulation: Low quality of urban environment, public works and physical infrastructure in cities. Obsolete and amortized facilities of health and cultural institutions.	✓	✓		3
6	Unsatisfactory technical parameters and bad quality of regional and local roads.	✓			3
7	Lack of attractive public transport facilities, out of date and unsustainable transport both in terms of fixed and rolling infrastructure.	✓			3
8	An inadequate provision or absence of basic service infrastructure (ranks, bus stops, terminals, daily bus service, etc.) to serve local needs in many areas remote to the urban centres. Reformulation: old basic transport infrastructure and inadequate transport system management in many areas remote to the urban centres.	✓			3
9	Low development of network access in poorly developed areas concerning ISND penetration, nationwide access to Internet via cable, mobile Internet penetration and very low use of PC in households. Reformulation: Low development of network access in poorly developed areas concerning ISND penetration, nationwide access to Internet via cable, mobile Internet penetration.		✓		3
10	Uniformed and one-sided tourism product mix combined with extreme territorial concentration of tourism development.	✓	✓		
11	Dependence of tourism industry of limited number of international (foreign) markets. Delete: to be transferred to Threats				1
12	Limited and incorrect awareness and image of Bulgaria tourism potential on major current and potential markets especially for specialized products as a result of insufficient, not coordinated and ineffective destinations marketing.		✓		3

SWOT		Validity and relevance			
	Reformulation – to be combined with N 14: Limited and incorrect awareness and image of Bulgaria tourism potential on major current and potential markets and limited knowledge base of tourism development, planning and marketing both on national and regional level.				
13	Weak planning and investment capacity especially in the smaller municipalities. Reformulation: Limited financial resource and investment capabilities in the smaller municipalities	✓	✓		
14	Limited knowledge base and market intelligence of tourism development, planning and marketing both on national and regional level. Delete: to be combined with N 12 - Limited and incorrect awareness and image of Bulgaria tourism potential on major current and potential markets and limited knowledge base of tourism development, planning and marketing both on national and regional level.				
15	Insufficient partnership and cooperation between municipalities, partners and stakeholders in developing and implementing joint projects.	✓			2
16	New entry: Lack of diversification of the gas supply				
17	New entry: Low De-institutionalization of people in risk				
18	New entry: Weak institutional partnership. Limited financial and technical capacity of smaller municipalities and other local development actors for absorbing the Structural Funds.				
Opportunities					
1	Existence of large cities in certain areas is an opportunity to benefit from their potential and to extend their positive impact over the surrounding areas. Reformulation: Existence of large cities in all regions is an opportunity to benefit from their potential and to extend their positive impact over the surrounding areas.	✓			3
2	Availability of relatively well balanced and developed network of large and medium-size cities is a precondition via investments to attain higher value added, as well as to reach a more successful cohesion within the EU territory.	✓			3
3	Access of Bulgarian regions to the financial resources of the EU funds for supporting development processes.	✓			3
4	Existence of industrial and business sites with possibilities for easy access, good logistic and communications due to close location to or within agglomeration areas. Delete: Not relevant			✓	1
5	Increasing investment interest and increase of direct foreign investments.			✓	3

SWOT		Validity and relevance			
	Reformulation: possibility for attraction of foreign direct investments and to increase investment interest.				
6	The overall socioeconomic and political situation in Bulgaria favours development of tourism as a special sector and specific tool for local development. Reformulation: The overall stability in political, economic, social and fiscal environment favours development of all sectors and attraction of FDI.	✓			2
7	Successful privatization of the tourism industry combined with the marketing package pricing for Bulgaria has propelled a significant increase of international arrivals in Bulgaria. Delete: Not relevant			✓	1
8	Utilising natural, historical heritage and culture for achieving sustainable growth and development of the regions. Reformulation: Utilising natural, historical-culture heritage for achieving sustainable growth and development of the regions.	✓			3
9	Accession to EU and development of European transport corridors facilitating the free movement of people, goods and services. Delete: Not relevant			✓	1
10	Growing demand for specialised tourism products (especially cultural and ecotourism) as well as for traditional products on the global and European market. Reformulation: to be combined with N 11: Growing demand for specialised tourism products (especially cultural and ecotourism) as well as for traditional products on the global and European market and potential domestic tourism demand.	✓			3
11	Potential domestic tourism demand. Delete – to be combined with N 10	✓			3
12	Accumulation of positive municipal experience in strategic planning, spatial planning, project development and management. Delete – to be moved to strengths	✓			1
13	European cross-border, trans-national, and trans-regional cooperation.	✓			2
Threats					
1	Unfavourable demographic tendencies, ageing population, emigration and risk from depopulation of large parts of the territory. Emigration of young and qualified specialists in other more developed EU countries.	✓			3
2	Strong competitive pressure on businesses (especially SMEs) due to EU accession resulting in increasing regional disparities. Reformulation: The global economic crisis resulting in increasing regional disparities	✓			1

SWOT		Validity and relevance			
3	Increased global competition between destinations especially for mass tourism segments.	✓			3
4	Accession to EU leading to restricted access to Bulgaria of traditional and significant tourist markets (visas).		✓		3
5	Reduced quality of environment and of tourist experience leading to diminishing attractiveness and competitiveness of overbuilt resorts. Reformulation: The lack of planning and environmental infrastructure leading to diminishing attractiveness and competitiveness of overbuilt resorts.				3
6	An unstable political future in the Balkans can deter international tourism travel. Delete: Not relevant			✓	1
7	Strong dependence of municipalities from the central budget financing.	✓			3
8	Increased external transport cost and fuel price. Reformulation: energy dependence and lack of diversification of energy supplies	✓			3
9	Weak institutional partnership. Limited financial and technical capacity of smaller municipalities and other local development actors for absorbing the Structural Funds. Delete: to be transferred to weaknesses			✓	1
10	Increased expenditure of public authorities (including municipalities) for implementing engagements related to EU legislation. Delete: not relevant			✓	1
11	New entry: Dependence of tourism industry of limited number of international (foreign) markets.				

Source: SWOT Workshop findings

Table 58 - Proposed SWOT

SWOT	
Strengths	
1	Bulgaria's big and medium cities (population over 25 000) show capacity and further potential to act as engines for stable economic growth and employment with possibilities for higher net sales revenue.
2	Cities are relatively well distributed throughout the territory enabling potential access for surrounding non-urban populations to access their services and opportunities.
3	Minor inter-regional disparities in development of the NUTS II planning regions.
4	Potential for economic growth strongly manifested in the agglomeration areas. Wide range of sectoral and economic activities.
5	High educational level and active population in big cities compared to the rest of the territory. High concentration of schools, universities and R&D institutes, hospitals and doctors in big cities.
6	Available intraregional connections within all planning regions.
7	Digital backbone of the country already in place.
8	Strong positive trend in tourism development leading to significant contribution of national and regions' growth.
9	Diverse tourism potential of all Bulgarian regions (natural and cultural heritage) providing for the development of different types of tourism combined with price competitiveness, positive attitudes to tourism and in an economic effective, socially responsible and environmental friendly way (i.e. sustainable tourism development with broad distribution of benefits).
10	Increase in the administrative capacity for absorption of the EU funds.
11	Elaborated strategies that are taking into consideration of the regional factors.
Weaknesses	
1	Strong rural/urban disparities (demographic profile, education, health, access to basic services/infrastructure).
2	Substantial disparities in development of districts and municipalities within the planning regions and presence of backward areas.
3	Cities and highly urbanised areas have underdeveloped infrastructure related to environmental protection and are confronted with significant environmental problems – poor air quality, high levels of traffic and congestion, high levels of ambient noise.
4	Underdeveloped mechanisms for use of public-private partnership for industrial development and attracting new investments.
5	Low quality of urban environment, public works and physical infrastructure in cities. Obsolete and amortized facilities of health and cultural institutions.
6	Unsatisfactory technical parameters and bad quality of regional and local roads.
7	Lack of attractive public transport facilities, out of date and unsustainable transport both in terms of fixed and rolling infrastructure.

SWOT	
8	Old basic transport infrastructure and inadequate transport system management in many areas remote to the urban centres.
9	Low development of network access in poorly developed areas concerning ISND penetration, nationwide access to Internet via cable, mobile Internet penetration.
10	Uniformed and one-sided tourism product mix combined with extreme territorial concentration of tourism development.
11	Limited and incorrect awareness and image of Bulgaria tourism potential on major current and potential markets and limited knowledge base of tourism development, planning and marketing both on national and regional level.
12	Limited financial resource and investment capabilities in the smaller municipalities
13	Insufficient partnership and cooperation between municipalities, partners and stakeholders in developing and implementing joint projects.
14	Lack of diversification of the gas supply
15	Low de-institutionalization of people in risk
16	Weak institutional partnership. Limited financial and technical capacity of smaller municipalities and other local development actors for absorbing the Structural Funds.
Opportunities	
1	Existence of large cities in all regions is an opportunity to benefit from their potential and to extend their positive impact over the surrounding areas.
2	Availability of relatively well balanced and developed network of large and medium-size cities is a precondition via investments to attain higher value added, as well as to reach a more successful cohesion within the EU territory.
3	Access of Bulgarian regions to the financial resources of the EU funds for supporting development processes.
4	Possibility for attraction of foreign direct investments and to increase investment interest.
5	The overall stability in political, economic, social and fiscal environment favours development of all sectors and attraction of FDI.
6	Utilising natural, historical-culture heritage for achieving sustainable growth and development of the regions.
7	Growing demand for specialised tourism products (especially cultural and ecotourism) as well as for traditional products on the global and European market and potential domestic tourism demand.
8	European cross-border, trans-national, and trans-regional cooperation.
Threats	
1	Unfavourable demographic tendencies, ageing population, emigration and risk from depopulation of large parts of the territory. Emigration of young and qualified specialists in other more developed EU countries.
2	The global economic crisis resulting in increasing regional disparities
3	Increased global competition between destinations especially for mass tourism segments.

SWOT	
4	Accession to EU leading to restricted access to Bulgaria of traditional and significant tourist markets (visas).
5	The lack of planning and environmental infrastructure leading to diminishing attractiveness and competitiveness of overbuilt resorts.
6	Strong dependence of municipalities from the central budget financing.
7	Energy dependence and lack of diversification of energy supplies
8	Dependence of tourism industry of limited number of international (foreign) markets.

Source: KPMG

8.4 Annex to Consistency of objectives

Table 59 - PA level objectives vs. call objectives

(✓- consistency, ✓✓- strong consistency)

Call objectives	PA general objectives			
	PA1:	PA2:	PA3:	PA4:
	To promote sustainable, cohesive, accessible urban centres attractive to residents, visitors, investors, mobile workers and that act as motors to more competitive regions	To promote accessibility and connectivity within urban agglomeration areas, between urban agglomeration areas, their surrounding territories and the related poorly urbanised areas.	Enhancing the regional tourism potential to develop and market sustainable and diversified, territorially specific and higher value-added tourist products and increase the sector's contribution to sustainable regional development.	To enable smaller municipalities to participate in the development processes of the country and to stimulate regional and local innovation through inter-regional exchange.
1.1-01/2007 To provide appropriate and cost-effective educational, social and cultural infrastructure, contributing to the sustainable development of urban habitats.	✓✓		✓	
1.1-02/2008 To provide adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats	✓✓		✓	
1.1-03/2008 To ensure appropriate and effective public social infrastructure, contributing to the development of sustainable urban areas	✓✓		✓	
1.1-04/2008 To ensure adequate and effective infrastructure for the labour offices contributing to the development of sustainable urban habitats	✓✓		✓	✓
1.1-05/2008 To ensure appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas	✓✓		✓	
1.1-06/2009 To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban habitats	✓✓			
1.1-07/2009 To improve conditions for the provision of educational services in state universities, contributing to the development of sustainable urban areas	✓✓			
1.4-01/2007 Limitation and maximum prevention of risks and damage to life and property from the fires of the population in urban agglomeration areas by providing a modern fire equipment	✓			
1.4-02/2008 To improve the physical and living environment of urban centers and agglomerations as a prerequisite for ensuring sustainable	✓✓		✓✓	✓

Call objectives	PA general objectives			
and green urban environment with high quality of life and new opportunities for economic and social development				
1.4-03/2008 Maximum limitation and prevention of the risks and damages to life and property in urban agglomeration areas through the establishment and strengthening of small-scale infrastructure facilities for the prevention of landslide processes	✓			
1.4-06/2010 Improving the quality of life and the environmental conditions by preventing risks of flooding in urban centers and agglomerations as part of a comprehensive	✓			
1.4-07/2010 Elaboration of integrated urban development plan aimed at sustainable and permanent address of the high concentration of economic, environmental and social problems in 36 city centers of agglomeration areas	✓✓		✓	✓✓
1.5-01/2010 Development of sustainable and integrated urban transport system in the city Burgas, contributing to improving living and environmental conditions	✓		✓	✓
2.1-01/2007 Improving accessibility to major traffic destinations within the planning regions through reconstruction and rehabilitation of secondary and third class roads		✓✓		
2.1-02/2007 Promotion of accessibility, connectivity and convergence within regions by improving and maintenance of regional and local roads		✓✓		✓
3.1-01/2008 To support the development of the cultural monuments of national and global importance managed by the Ministry of Culture, which contribute to the development of the sustainable cultural tourism, diversification of the tourism supply and increase of the benefits from tourism		✓	✓✓	
3.1-01.2009 To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product reduce the spatial concentration and uniform distribution of the benefits of tourism			✓✓	
3.1-03/2010 To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product, decrease of the spatial concentration and more even distribution of the benefits from the tourism activity			✓✓	
3.2-01/2010 Organization of events with regional and national coverage and impact contributing to the development of sustainable cultural tourism, diversifying tourism supply and enhancing the benefits of the tourism			✓✓	✓
3.3-01.2008 To increase the effectiveness of the national marketing and promotion of tourism product information and improve information service sector.			✓✓	
4.1-01/2007 To provide grants to ensure appropriate and cost-effective educational infrastructure, contributing to local sustainable development				✓✓
4.1-02/2008 To limit and prevent risks and damages for the life and the property of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for prevention of landslide processes				✓✓
4.1-04/2010 To limit and prevent risks and damage to the life of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for flood prevention				✓✓
4.2-01.2008 To support the exchange of know-how and best practices through interregional cooperation within the European territory				✓✓

Table 60 - Overall assessment of the consistency of the call objectives with higher level objectives
(✓- consistency, ✓✓- strong consistency, ? – ambiguous consistency)

Call objectives	Consistency
1.1-01/2007 To provide appropriate and cost-effective educational, social and cultural infrastructure, contributing to the sustainable development of urban habitats	✓
1.1-02/2008 To provide adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats	✓
1.1-03/2008 To ensure appropriate and effective public social infrastructure, contributing to the development of sustainable urban areas	✓
1.1-04/2008 To ensure adequate and effective infrastructure for the labor offices contributing to the development of sustainable urban habitats	✓
1.1-05/2008 To ensure appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas	✓
1.1-06/2009 To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban habitats	✓
1.1-07/2009 To improve conditions for the provision of educational services in state universities, contributing to the development of sustainable urban areas	✓
1.1-08/2010 To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban areas.	
1.1-09/2010 To provide municipal educational infrastructure with a high level of energy efficiency, contributing to the development of sustainable urban areas.	
1.4-01/2007 Limitation and maximum prevention of risks and damage to life and property from the fires of the population in urban agglomeration areas by providing a modern fire equipment	?
1.4-02/2008 To improve the physical and living environment of urban centers and agglomerations as a prerequisite for ensuring sustainable and green urban environment with high quality of life and new opportunities for economic and social development	✓
1.4-03/2008 Maximum limitation and prevention of the risks and damages to life and property in urban agglomeration areas through the establishment and strengthening of small-scale infrastructure facilities for the prevention of landslide processes	?
1.4-04/2009 Limitation and maximum risk and damages prevention for life and property in urban agglomeration areas through building and strengthening small-scale infrastructure facilities for the prevention of landslide processes.	
1.4-05/2009 To improve the physical living environment of urban agglomeration as a prerequisite for ensuring sustainable and environmentally friendly urban area with a better quality of life and new opportunities for economic and social development.	
1.4-06/2010 Improving the quality of life and the environmental conditions by preventing risks of flooding in urban centers and agglomerations as part of a comprehensive	?

Call objectives	Consistency
1.4-07/2010 Elaboration of integrated urban development plan aimed at sustainable and permanent address of the high concentration of economic, environmental and social problems in 36 city centers of agglomeration areas	✓✓
1.5-01/2010 Development of sustainable and integrated urban transport system in the city Burgas, contributing to improving living and environmental conditions	✓
2.1-01/2007 Improving accessibility to major traffic destinations within the planning regions through reconstruction and rehabilitation of secondary and third class roads	✓
2.1-02/2007 Promotion of accessibility, connectivity and convergence within regions by improving and maintenance of regional and local roads	✓
3.1-01/2008 To support the development of the cultural monuments of national and global importance managed by the Ministry of Culture, which contribute to the development of the sustainable cultural tourism, diversification of the tourism supply and increase of the benefits from tourism	✓
3.1-02.2009 To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product reduce the spatial concentration and uniform distribution of the benefits of tourism	✓
3.1-03/2010 To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product, decrease of the spatial concentration and more even distribution of the benefits from the tourism activity	✓
3.2-01/2010 Organization of events with regional and national coverage and impact contributing to the development of sustainable cultural tourism, diversifying tourism supply and enhancing the benefits of the tourism	✓
3.3-01.2008 To increase the effectiveness of the national marketing and promotion of tourism product information and improve information service sector.	✓
4.1-01/2007 To provide grants to ensure appropriate and cost-effective educational infrastructure, contributing to local sustainable development	✓
4.1-02/2008 To limit and prevent risks and damages for the life and the property of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for prevention of landslide processes	✓
4.1-04/2010 To limit and prevent risks and damage to the life of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for flood prevention	✓
4.2-01.2008 To support the exchange of know-how and best practices through interregional cooperation within the European territory	✓
4.1-3/2010 To provide municipal educational infrastructure with a high level of energy efficiency, contributing to sustainable local development.	

Table 61 - Comparison at strategic level between OPRD and RDP

National Strategy Plan for Rural Development ¹⁴						
Objectives	Axis 1 To develop a competitive and innovation-based agriculture, forestry and food processing industry	Axis 2 To protect natural resources and the environment of rural areas	Axis 3 To improve the quality of life and diversify job opportunities in rural areas	Axis 4 To build local capacity and to improve local governance		
Sub-objectives	<p>1. To restructure and modernize physical potential and promote innovation</p> <p>2. To support adjustment of farming structures and support cooperation</p> <p>3. To promote knowledge and improve human potential objective</p>	<p>1. Increase sustainable Sub- agement of agricultural land objectives Conservation of biodiversity and HNV farmland. Development of Organic farming. Improvement of water and soil quality. Develop sustainable land management practices</p> <p>2. To promote Sustainable forest and forest land management</p>	<p>1. To improve the quality of life in rural areas</p> <p>2. To promote diversification of job opportunities in rural areas</p>	<p>1. To build local capacity for implementation of the LEADER approach</p> <p>2. To support implementation of local development strategies</p>		
National Regional Development Strategy 15						
Priority objectives	<u>Priority No. 1:</u> Raising regional competitiveness on the basis of a knowledge-based economy	<u>Priority No. 2:</u> evelopment and improvement of the infrastructure to create conditions for growth and employment	<u>Priority No. 3:</u> Raising the attractiveness of and quality of life in the planning regions	<u>Priority No. 4:</u> Integrated urban development and improvement of the urban environment	<u>Priority No. 5:</u> Development of co-operation for European spatial cohesion, promotion of partnership and good neighbourhood for the purposes of development	<u>Priority No. 6:</u> trengthening of the institutional capacity at the regional and local level for improvement of the management process
Operational objectives	1.Development of R&D activities, technology development and innovations	1. Development and improvement of the elements of	1. Raising the attractiveness of the regions through investments in education	1.Application of strategies for integrated urban development and increased	1. Development of cross-border co-operation 2. Development	1.Strengthening of the capacity and improving of the co-ordination at the regional and local level for

¹⁴ Source: Strategy for Rural Development, MAF, January 2007.

¹⁵ Source: National Regional Development Strategy, MRDPW.

National Strategy Plan for Rural Development14						
	<p>in the regions</p> <p>2. Building of business networks and regional and cross-border clusters</p> <p>3. Improvement of the access to and development of communication technologies in the field of public services and services in favour of SMEs</p>	<p>the regional and local transport infrastructure</p> <p>2. Building and improvement of the environmental infrastructure</p> <p>3. Improvement of the access to and construction of regional and local business infrastructure</p>	<p>2. Integration of the entire territorial community in the labour market</p> <p>3. Improvement of health care services which contribute to the regions development</p> <p>4. Protection and valorization of the natural and cultural heritage</p>	<p>competitive capacity of cities</p> <p>2. Rehabilitation and renewal of urban regions</p> <p>3. Strengthening of the city-region relationship and improvement of the socio-economic integration</p> <p>4. Strengthening of the city-region relationship and improvement of the socio-economic integration</p>	<p>of transnational co-operation</p> <p>3. Networking and exchange of experience with the European regions</p>	<p>management of the funds allocated under the EU Structure Funds</p> <p>2. Assistance for the establishment of regional and local partnerships for development</p> <p>4. Improvement of the delivery of services provision by the regional and local administrations</p> <p>5. Development of new approaches for promotion and direction of regional and local development</p>

Source: KPMG

8.5 Annex to Indicators

Table 62 - Indicator assessment legend

Indicator assessment	
•	<ul style="list-style-type: none"> ▪ Quantity: Indicator value cannot provide clear results in measurable units / Baseline indicator is missing ▪ Quality: Indicator value is not clearly defined ▪ Time: No clear time frame of the measurement has been set ▪ Target group: The indicator cannot be fit to specified target groups ▪ Place: The indicator cannot be determined according to geographical location
••	<ul style="list-style-type: none"> ▪ Quantity: Indicator value provides results in measurable units, however they are not clear enough ▪ Quality: Indicator value is defined however could lead to some misinterpretations ▪ Time: Time frame of the measurement is not explicit enough ▪ Target group: Defined target groups are not specific enough ▪ Place: Geographical location is not specific enough
•••	<ul style="list-style-type: none"> ▪ Quantity: Indicator value provides clear results in measurable units ▪ Quality: Indicator value is clearly defined ▪ Time: A clear time frame has been set for the measurement ▪ Target group: The indicator can be fully fit to specified target groups ▪ Place: The indicator can be fully determined according to geographical location
Overall assessment	
•	<ul style="list-style-type: none"> ▪ At least three markers are red
••	<ul style="list-style-type: none"> ▪ Any other cases between the criteria of red and green dots
•••	<ul style="list-style-type: none"> ▪ At least four markers are green
Remarks	

Indicator assessment	
✓	Indicator values available, output/result/impact measurable
⌚	No indicator values, as result/impact is given 2 years after the project completion
✎	No indicator values, as result/impact is not measurable yet
📁	No indicator values, as no projects have been completed yet.
☒	No indicator values, as implementation of activities hasn't started yet
⚑	No information, not applicable

Source: KPMG

Table 63 - Programme level indicator

Type	Indicator	Unit	Achieved value as of 31.12.2010	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment
Impact	Jobs created	Number	430	●	●●●	●●	●●●	●●	✓	●●

Source: OPRD

Table 64 - Indicators at operation level

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment	
PA1	1.1 Output	Health facilities improved	Number	0	8	32	0	●●	●●	●●●	●●●	●●●	✘	●●	
		Education facilities improved	Number	0	20	45	14	●●	●●	●●●	●●●	●●●	✓	●●	
		Culture facilities improved	Number	0	35	90	2	●●	●●	●●●	●●●	●●●	✓	●●	
		Social services facilities improved (Rehabilitated/equipped)	Number	0	30	70	0	●●	●●	●●●	●●●	●●●	📁	●●	
		Social homes/centres constructed/reconstructed as result of deinstitutionalization of children	Number	0	0	10	n.a.	●●	●●	●●●	●●●	●●●	▽	●●	
	Result	Patients benefiting from improved healthcare infrastructure	Number	n.a.	200 000	600000	0	●●●	●●●	●●●	●●●	●●●	●●●	✘	●●●
		Energy savings from refurbished buildings	MWh	n.a.	44 400	189000	0	●●●	●●●	●●	●●●	●●●	●●●	✓	●●●
		Students benefiting from improved educational infrastructure	Number	n.a.	6 300	10000	6 599	●●●	●●●	●●●	●●●	●●●	●●●	✓	●●●
		Population benefiting from refurbished buildings (except educational and healthcare institutions)	Number	n.a.	100 000	230000		●●●	●●	●●●	●	●	●	✓	●●
		Children benefiting from deinstitutionalization process	Number	n.a.	n.a.	800	n.a.	●●●	●●●	●●●	●●●	●●●	●●●	▽	●●●

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment	
	1.2	Output	Renovated multi-family buildings	Number	0	n.a	20	0	●●●	●●●	●●●	●●●	●●●		●●●
		Output	Renovated social housing	Number	0	n.a	20	0	●●●	●●●	●●●	●●●	●●●		●●●
	Result	Result	Energy savings from refurbished buildings	MWh	n.a.	44 400	189000	0	●●●	●●	●●	●●●	●●●		●●●
		Result	Population benefiting from refurbished buildings (except educational and healthcare institutions)	Number	n.a.	100 000	230000	239 594	●●●	●●●	●●●	●	●		●●
	1.4	Output	Integrated urban plans elaborated/implemented	Number	0	7	36	0	●●●	●●●	●●●	●	●●●		●●●
		Output	Projects improving the physical environment, attractiveness of the towns and risk prevention****	Number	0	80	200	0	●●●	●●	●●●	●●●	●		●●
	1.5	Result	Use of urban public transport (incl disabled)**	% of population increase	n.a.	n.a	5	0	●	●●	●●●	●●	●●●		●●
		Impact	Reduction of greenhouse emissions (CO2 and equivalents, kt)*	kt	n.a.	21	56	0	●	●●	●●●	●●●	●		●●
PA2	2.1	Output	Number of road projects	Number	n.a.	30	70	10	●●●	●●●	●●●	●●●	●●●		●●●
		Output	km of reconstructed roads	km	n.a.	500	1300	70.91	●●●	●●●	●●●	●●●	●●●		●●●
	Result	Value for time savings in Euro / year stemming from reconstructed roads for	EUR/year	n.a.	46 000	208000	0	●	●●	●●●	●●●	●●●		●●	

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment	
PA3		passengers and freight*													
		Increase passengers and freight traffic on the rehabilitated roads (based on year 2006)	%	n.a.	10	27	0	●	●●●	●●●	●●●	●●●	✓	●●●	
	2.2	Output	Constructed ICT network	km	n.a.	150	500	0	●●●	●●●	●●●	●●●	●●●	✗	●●●
			Number of ICT projects	number	n.a.	30	70	0	●●●	●●●	●●●	●●●	●●●	✗	●●●
		Result	Additional population covered by broadband access****	%	10.6%	0,14	14%	0	●●●	●●●	●●●	●●●	●●●	✗	●●●
	2.3	Output	Number of gas projects	number	n.a.	30	70	0	●●●	●●●	●●●	●●●	●●●	✗	●●●
			Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria	km	n.a.	n.a	50	n.a.	●	●●●	●●●	●●●	●●●	▽	●●●
		Impact	Reduction greenhouse emissions (CO2 and equivalents, kt)	kt	n.a.	4	39	0	●	●●	●●●	●●●	●	✓	●●
PA3	3.1	Output	Number of developed tourist attractions/ sites	number	0	25	95	0	●●●	●●●	●●●	●●●	●●●	📁	●●●
		Result	Additional annual number of visitors of attractions supported	number	0	20 000	500000	0	●●●	●●●	●●●	●●●	●●●	📁	●●●
			Satisfaction of visitors with attractions	%	0	0,7	80%	0	●●	●●	●●	●●	●●●	📁	●●

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment
	Impact	Net annual revenues from international tourism	mEUR	914	1 050	1475	0	●●●	●●●	●●●	●●●	●●●		●●●
		Bed occupancy rate	%	35%	39%	45%	0	●●●	●●●	●●●	●●●	●●●		●●●
	3.2 Output	Total number of projects for tourism development	number	0	36	129	0	●●●	●●●	●●●	●●●	●●●		●●●
		Projects for regional products development and marketing of destinations	number	0	11	34	0	●●●	●●	●●●	●●●	●●		●●
	Result	Satisfaction of visitors with information services	%	0	70%	80%	0	●●	●●	●●●	●●●	●●●		●●
		Annual number of participants (organizations, companies) in international, national and regional tourism fairs and exhibitions	number	900	1 000	1050	0	●●●	●●●	●●●	●●●	●●●		●●●
	Impact	Net annual revenues from international tourism	mEUR	914	1 050	1475	0	●●●	●●●	●●●	●●●	●●●		●●●
		Bed occupancy rate	%	35%	39%	45%	0	●●●	●●●	●●●	●●●	●●●		●●●
	3.3 Output	Number of projects for national marketing and promotion and projects for regional products development and marketing of destinations	number	0	11	34	0	●●●	●●	●●●	●●●	●●		●●
		National TIC network created	%	0	0	70% of TICs included in a	0	●	●	●●●	●●●	●●●		●●

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment
						network								
	Result	Annual number of participants (organizations, companies) in international, national and regional tourism fairs and exhibitions	number	900	1 000	1050	0	●●●	●●●	●●●	●●●	●●●		●●●
	Impact	Net annual revenues from international tourism	mEUR	914	1 050	1475	0	●●●	●●●	●●●	●●●	●●●		●●●
		Bed occupancy rate	%	35%	39%	45%	0	●●●	●●●	●●●	●●●	●●●		●●●
PA4	4.1 Output	Small scale investment projects implemented	number	0	60	250	25	●●●	●●●	●●●	●●●	●●●	✓	●●●
		Trainings and seminars related to environment	number	0	n.a	n.a	n.a.	●●●	●●●	●●●	●●●	●●●	✓	●●●
	Result	Population benefiting from small scale investments	number	0	75 000	166000	254 092	●●●	●●	●●●	●●	●●	✓	●●
		Energy savings from refurbished buildings	MWh	n.a.	n.a.	n.a	578 490	●●●	●●●	●●	●●●	●●●	✓	
	4.2 Output	Interregional cooperation projects (number)	number	0	15	40	5	●●●	●●●	●●●	●●●	●●●	✓	●●●
		Result	Innovative practices transferred and adopted based on interregional cooperation	number	0	30	80	3	●	●●	●●●	●●	●	✓
PA5	5.1 Output	Technical support, consultancies, etc.	mandays	1 500	5500	15000	360	●●●	●●●	●●●	●●●	●●●	✓	●●●

PA	Type	Indicator	Unit	Baseline value (2005-2006)	Interim target value	Target value (2015)	Achievement (31.08.2010)	Quantity	Quality	Time	Target group	Place	Remarks	Overall assessment	
		Number of trained people from MA (incl. regional departments)	number	600	1500	4500	4 442	●●●	●●	●●●	●●●	●●●	✓	●●●	
		Evaluations undertaken	number	0	3	10	1	●●●	●●●	●●●	●●●	●●●	✓	●●●	
		Number of Monitoring committee meetings	number	0	6	14	6	●●●	●●●	●●●	●●●	●●●	✓	●●●	
	5.2	Output	Information and publicity activities undertaken according to Communication Plan (number)	number	6	20	60	95	●●●	●●●	●●●	●●●	●●●	✓	●●●
		Result	Level of general public awareness about the OPRD	%	n.a.	15%	40%	10%**	●●●	●●●	●●●	●●●	●●●	✓	●●●
	5.3	Output	Technical support, consultancies, etc.	mandays	1 500	5500	15500	360	●●●	●●●	●●●	●●●	●●●	✓	●●●
			Number of trained people from beneficiaries	number	600	1500	4500	4 442	●●●	●●●	●●●	●●●	●●●	✓	●●●

Source: OPRD

* for the completed projects

**Value at 31.12. 2008

Table 65 - Recommendations for improving indicators

PA	Indicator	Suggested amendments
1.1	Health facilities improved	
	Education facilities improved	Add definition for facilities (institutions/project/building/premises).
	Culture facilities improved	Add definition for facilities (institutions/project/building/premises).
	Social services facilities improved (Rehabilitated/equipped)	Add definition for social services facilities.
	Social homes/centres constructed/reconstructed as result of deinstitutionalization of children	
	Patients benefiting from improved healthcare infrastructure	
	Energy savings from refurbished buildings	Extend indicator to 'Energy savings from refurbished buildings 1 year after of project completion'
	Students benefiting from improved educational infrastructure	
	Population benefiting from refurbished buildings (except educational and healthcare institutions)	Introduce two indicators: 'People directly benefiting from refurbished social buildings' and 'People directly benefiting from refurbished cultural buildings'
	Children benefiting from deinstitutionalization process	
1.2	Renovated multi-family buildings	
	Renovated social housing	
	Energy savings from refurbished buildings	Extend indicator to 'Energy savings from refurbished buildings 1 year after of project completion'.
	Population benefiting from refurbished buildings (except educational and healthcare institutions)	Divide into 2 indicators: 'People directly benefiting from refurbished social buildings' and 'People directly benefiting from refurbished cultural buildings'.
1.4	Integrated urban plans elaborated/implemented	Remove the word 'implemented'.
	Projects improving the physical environment, attractiveness of the towns and risk prevention	This should be an output indicator; Divide into 2 indicators: 'Number of projects (risk prevention)' and 'Number of projects ensuring sustainability and improving the attractiveness of towns and cities'. Add 'population affected to both indicators'
1.5	Use of urban public transport (incl disabled)	Introduce indicators: 'Number of projects implemented' and 'Number of disabled people using urban public transport'.
	Reduction of greenhouse emissions (CO2 and equivalents, kt)*	Please refer to Evaluation Theme 20.
2.1	Number of road projects	
	km of reconstructed roads	
	Value for time savings in Euro / year stemming from reconstructed roads for passengers and freight*	This should be an impact indicator. Divide into two indicators: 'Value for time savings in EUR/year stemming from reconstructed roads for passengers' and 'Value for time savings in EUR/year stemming from reconstructed roads for freight'.
	Increase passengers and freight traffic on the rehabilitated roads (based on year 2006)	Divide into two indicators: 'Increase of passengers on the rehabilitated roads' and 'Increase of freight traffic on the rehabilitated roads'.
2.2	Constructed ICT network	

PA	Indicator	Suggested amendments
	Number of ICT projects	
	Additional population covered by broadband access****	
2.3	Number of gas projects	
	Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria	This should be a result indicator; interconnection capacity should be measured; unit: (m ³ /hours)
	Reduction greenhouse emissions (CO2 and equivalents, kt)	Please refer to Evaluation Theme 20.
3.1	Number of developed tourist attractions/ sites	
	Additional annual number of visitors of attractions supported	
	Satisfaction of visitors with attractions	Extend indicator to 'Satisfaction of visitors with attractions supported 1 year after project implementation'.
	Net annual revenues from international tourism	
	Bed occupancy rate	
3.2	Total number of projects for tourism development	
	National TIC network created	
	Satisfaction of visitors with information services	
	Net annual revenues from international tourism	
	Bed occupancy rate	
3.3	Number of projects for national marketing and promotion and projects for regional products development and marketing of destinations	
	Annual number of participants (organizations, companies) in international, national and regional tourism fairs and exhibitions	
	Net annual revenues from international tourism	
	Bed occupancy rate	
4.1	Small scale investment projects implemented	
	Population benefiting from small scale investments	Add indicator: 'People directly benefiting from small scale investments'.
4.2	Interregional cooperation projects (number)	
	Innovative practices transferred and adopted based on interregional cooperation	Please define innovative practice transfer.
5	Technical support, consultancies, etc.	
	Number of trained people from MA (incl. regional departments)	Divide into two indicators: 'Number of trained people from MA' and 'Number of trained beneficiaries'.
	Evaluations undertaken	
	Number of Monitoring committee meetings	
	Information and publicity activities undertaken according to Communication Plan (number)	
	Level of general public awareness about the OPRD	

PA	Indicator	Suggested amendments
	Number of trained people from beneficiaries	Divide into two indicators: 'Number of trained people from MA' and 'Number of trained beneficiaries'.

Source: OPRD and KPMG

Table 66 - Legend for remarks used

Remarks legend	Explanation
Indicator types	
✓	Indicator type exists in scheme
☒	Indicator type does not exist in scheme
–	Indicator type not applicable for scheme
Summary of schemes	
Existence	<ul style="list-style-type: none"> ●●● All necessary indicators are included ●● Some necessary indicators are missing ● All necessary indicators are missing / no indicators provided
Accuracy	<ul style="list-style-type: none"> ●●● All Indicators in scheme can be measured ●● Most indicators in scheme can be measured ● Majority of indicators in scheme cannot be easily measured / no indicators provided
Consistency	<ul style="list-style-type: none"> ●●● Indicators in schemes are identical to OPRD indicators ●● Indicators in schemes correspond to a great extent to OPRD indicators ● Indicators differ significantly from OPRD indicators

Source: KPMG

Table 67 - Indicators at scheme level

Nr of scheme	Jobs created	Nr of projects	Nr. of facilities improved	People directly benefiting	Population benefiting	Horizontal issues	Energy saving/greenh	Length/area reconstructed/	Savings/financial benefit	Specific indicators	Existence of indicators	Accuracy of indicators	Consistency with OPRD
1.1-01/2007	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●●
1.1-02/2008	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●●
1.1-03/2008	✓	☒	☒	☒	✓	✓	✓	–	–	–	●●	●●	●●
1.1-04/2008	✓	☒	☒	☒	✓	✓	✓	–	–	–	●●	●●	●●
1.1-05/2008	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●●
1.1-06/2009	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●●
1.1-07/2009	☒	☒	☒	☒	☒	☒	✓	–	–	–	●●	●●	●●
1.1-08/2010	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●●
1.1-09/2010	✓	☒	☒	✓	☒	☒	✓	–	–	–	●●	●●	●●
1.2*													
1.3*													

Nr of scheme	Jobs created	Nr of projects	Nr. of facilities improved	People directly benefiting	Population benefiting	Horizontal issues	Energy saving/greenh	Length/area reconstructed/	Savings/financial benefit	Specific indicators	Existence of indicators	Accuracy of indicators	Consistency with OPRD
1.4-01/2007	☒	☒	☒	✓	☒	☒	✓	–	✓	✓	●●	●●	●
1.4-02/2008	☒	☒	✓	✓	☒	✓	✓	☒	✓	✓	●●●	●●●	●
1.4-03/2008	☒	☒	✓	✓	☒	☒	–	✓	✓	–	●●●	●●●	●
1.4-04/2009	☒	☒	✓	✓	☒	☒	–	✓	✓	–	●●●	●●●	●
1.4-05/2009	☒	☒	✓	✓	☒	✓	✓	☒	✓	✓	●●●	●●●	●
1.4-06/2010	☒	☒	☒	✓	☒	☒	–	✓	✓	–	●●	●●●	●
1.4-07/2010	☒	✓	✓	✓	☒	☒	–	✓	✓	✓	●●●	●●●	●
1.5-01/2010	✓	☒	✓	✓	☒	✓	✓	✓	–	✓	●●●	●●●	●
2.1-01/2007	☒	☒	☒	☒	☒	☒	☒	✓	✓	✓	●	●●	●●
2.1-02/2007	✓	☒	☒	☒	☒	☒	☒	✓	✓	✓	●	●●	●●●
2.2.1 /2011*													
2.3.1*													
3.1-01/2008	✓	☒	✓	☒	☒	☒	–	–	✓	✓	●●	●●	●●●
3.1-02/2009	✓	☒	✓	☒	☒	☒	–	–	✓	✓	●●	●●	●●
3.1-03/2010	✓	☒	✓	☒	☒	☒	–	–	✓	✓	●●	●●	●●
3.2-01/2010	☒	✓	✓	✓	☒	☒	–	–	–	✓	●●●	●●●	●●
3.3-01/2008	☒	✓	✓	✓	☒	☒	–	–	–	✓	●●●	●●	●●
4.1-01/2007	✓	☒	☒	✓	✓	☒	✓	–	–	–	●●	●●	●
4.1-02/2008	☒	☒	✓	☒	✓	☒	✓	✓	–	–	●	●●●	●
4.1-03/2010	✓	☒	☒	☒	✓	☒	✓	–	–	–	●	●●	●
4.1-04/2010	☒	☒	☒	☒	✓	☒	–	✓	–	–	●●	●●●	●
4.2-01/2008	☒	✓	☒	☒	☒	☒	–	–	–	✓	●●	●●●	●
5.1.1.	☒	☒	☒	☒	☒	☒	–	–	–	–	●	●	●
5.2.1.	☒	☒	☒	☒	☒	☒	–	–	–	–	●	●	●
5.3.1.	☒	☒	☒	☒	☒	☒	–	–	–	–	●	●	●

* Schemes not opened up to cut-off date

Source: KPMG

Table 68 - Indicators at Programme level

Priority Axis	Operation	Jobs created	Nr of projects	Nr. of facilities improved	People directly benefiting	Population benefiting	Horizontal issues	Energy saving/greenhouse	Length/area reconstructed/saved	Savings/financial benefit	Specific indicators
Urban development	1.1	✓	☒	✓	✓	✓	☒	✓	–	–	–
	1.2	✓	☒	✓	☒	☒	☒	☒	–	–	–
	1.3	✓	☒	✓	☒	☒	☒	☒	–	–	✓
	1.4	✓	✓	✓	☒	☒	☒	☒	–	–	–
	1.5	✓	☒	☒	✓	☒	✓	✓	–	–	–
Accessibility	2.1	✓	☒	☒	☒	☒	☒	☒	✓	–	✓
	2.2	✓	✓	☒	☒	✓	☒	–	✓	–	–
	2.3	✓	✓	☒	☒	☒	☒	✓	✓	–	✓
Tourism	3.1	✓	☒	✓	☒	☒	☒	–	–	✓	✓
	3.2	✓	✓	☒	☒	☒	☒	–	–	✓	✓
	3.3	✓	☒	✓	✓	☒	☒	–	–	✓	✓
Local dev.	4.1	✓	✓	☒	☒	✓	☒	☒	–	–	–
	4.2	✓	✓	✓	☒	☒	☒	–	–	–	–
TA	5.1	✓	☒	✓	✓	☒	☒	–	–	–	✓
	5.2	✓	☒	✓	☒	☒	☒	–	–	–	✓
	5.3	✓	☒	☒	✓	☒	☒	–	–	–	–

Source: OPRD and MA

Table 69 - Legend for relevance of indicators

Relevance	Legend
Less relevant	✓
Relevant	✓✓
Very relevant	✓✓✓

Source: KPMG

Table 70 - Relevance of indicators – Programme level

Operation	Programme objective	Indicator	Relevance
1.1	To enhance the quality of life and working environment with better accessibility to the basic services and to create new opportunities for improved regional competitiveness and sustainable development.	Jobs created	✓✓

Source: OPRD and KPMG

Table 71 - Relevance of indicators – Operation level

Operation	Operation objective	Indicator	Relevance
1.1	To ensure appropriate and cost effective, educational, health, social care and cultural infrastructures consistent with future demands of the cities and their surrounding urban areas.	Health facilities improved	✓✓✓
		Education facilities improved	✓✓✓
		Culture facilities improved	✓✓✓
		Social services facilities improved (Rehabilitated/equipped)	✓✓✓
		Social homes/centres constructed/reconstructed as result of deinstitutionalization of children	✓✓✓
		Patients benefiting from improved healthcare infrastructure	✓✓✓
		Energy savings from refurbished buildings	✓✓✓
		Students benefiting from improved educational infrastructure	✓✓✓
		Population benefiting from refurbished buildings (except educational and healthcare institutions)	✓✓✓
		Children benefiting from deinstitutionalization process	✓✓✓
1.2	To provide better living conditions for citizens and make a contribution to social inclusion through raising living standards and generally improving the quality of life among disadvantaged and vulnerable urban communities.	Renovated multi-family buildings	✓✓✓
		Renovated social housing	✓✓✓
		Energy savings from refurbished buildings	✓
		Population benefiting from refurbished buildings (except educational and healthcare institutions)	✓✓✓
1.4	To enhance quality of life and appropriate environmental conditions, including risk prevention, as well as the physical aspect of the urban centres and agglomerations as a part of a broader social and environmental regeneration strategy.	Integrated urban plans elaborated/implemented	✓✓✓
		Projects improving the physical environment, attractiveness of the towns and risk prevention****	✓✓✓
1.5	To promote accessibility and cohesion through efficient and sustainable urban transport systems.	Use of urban public transport (incl disabled)**	✓✓✓
		Reduction of greenhouse emissions (CO2 and equivalents, kt)*	✓✓✓
2.1	To promote accessibility, interconnectivity and cohesion within regions through upgrading and repair of regional and local roads.	Number of road projects	✓✓✓
		km of reconstructed roads	✓✓✓
		Value for time savings in Euro / year stemming from reconstructed roads for passengers and freight*	✓✓✓

Operation	Operation objective	Indicator	Relevance
		Increase passengers and freight traffic on the rehabilitated roads (based on year 2006)	✓✓✓
2.2	To provide access to broadband infrastructure in the context of transition to information society.	Constructed ICT network	✓✓✓
		Number of ICT projects	✓✓✓
		Additional population covered by broadband access	✓✓✓
2.3	Implementation of projects for gas interconnection Bulgaria-Serbia ensuring the increase of the security and diversification of natural gas supplies for Bulgaria.	Number of gas projects	✓✓✓
		Constructed gas infrastructure with neighbouring countries on the territory of Bulgaria	✓✓✓
		Reduction greenhouse emissions (CO2 and equivalents, kt)	✓
3.1	To develop integrated and distinctive tourism products based on competitive and marketable attractions that contribute to diversification of the national tourist product and territorial spread of tourism.	Number of developed tourist attractions/ sites	✓✓✓
		Additional annual number of visitors of attractions supported	✓✓✓
		Satisfaction of visitors with attractions	✓✓✓
		Net annual revenues from international tourism	✓✓✓
		Bed occupancy rate	✓✓✓
3.2	To increase the number of visitors and visitor days, to improve seasonal and territorial distribution of tourism development in different regions and areas based on integrated destination management and marketing and to use different tools, techniques and systems ensuring effective tourism information and marketing.	Total number of projects for tourism development	✓✓✓
		Projects for regional products development and marketing of destinations	✓✓✓
		Satisfaction of visitors with information services	✓✓✓
		Annual number of participants (organizations, companies) in international, national and regional tourism fairs and exhibitions	✓✓✓
		Net annual revenues from international tourism	✓✓✓
		Bed occupancy rate	✓✓✓
3.3	To enhance the effectiveness and impacts of national marketing efforts and related activities, market intelligence and transparency to facilitate diversification of tourist products and markets and sustainable tourism development.	Total number of projects for tourism development	✓✓✓
		Number of projects for national marketing and promotion and projects for regional products development and marketing of destinations	✓✓✓
		National TIC network created	✓✓✓
		Annual number of participants (organizations, companies) in international, national and regional tourism fairs and exhibitions	✓✓✓

Operation	Operation objective	Indicator	Relevance
		Net annual revenues from international tourism	✓✓✓
		Bed occupancy rate	✓✓✓
4.1	To support local development through implementation of essential and useful small-scale local investment solutions.	Small scale investment projects implemented	✓✓✓
		Population benefiting from small scale investments	✓✓✓
		Energy savings from refurbished buildings	✓✓✓
		Trainings and seminars related to environment	✓✓✓
4.2	To stimulate regional and local innovations and best practices exchange through inter-regional cooperation within the European territory.	Interregional cooperation projects (number)	✓✓✓
		Innovative practices transferred and adopted based on interregional cooperation	✓✓✓
5.1	To support the OPRD Managing Authority and its regional departments for effectively performing their programming, management, implementation, monitoring, control and evaluation activities according to the provisions and prescriptions of the EU SF regulations.	Technical support, consultancies, etc.	✓✓✓
		Number of trained people from MA (incl. regional departments)	✓✓✓
		Evaluations undertaken	✓✓✓
		Number of Monitoring committee meetings	✓✓✓
5.2	To assist the Managing Authority in implementation of OPRD Communication Plan for provision of information and public awareness about the funding opportunities under the programme, the criteria, rules and procedures for participation of the potential beneficiaries in its implementation.	Information and publicity activities undertaken according to Communication Plan (number)	✓✓✓
		Level of general public awareness about the OPRD	✓✓✓
5.3	To strengthen the OPRD beneficiaries' capacity for successful participation in OPRD implementation and absorption of SF financial resources.	Technical support, consultancies, etc.	✓✓✓
		Number of trained people from beneficiaries	✓✓✓

Source: KPMG and OPRD

8.6 Annex to Lead time

Table 72 - Average lead time of OPRD calls

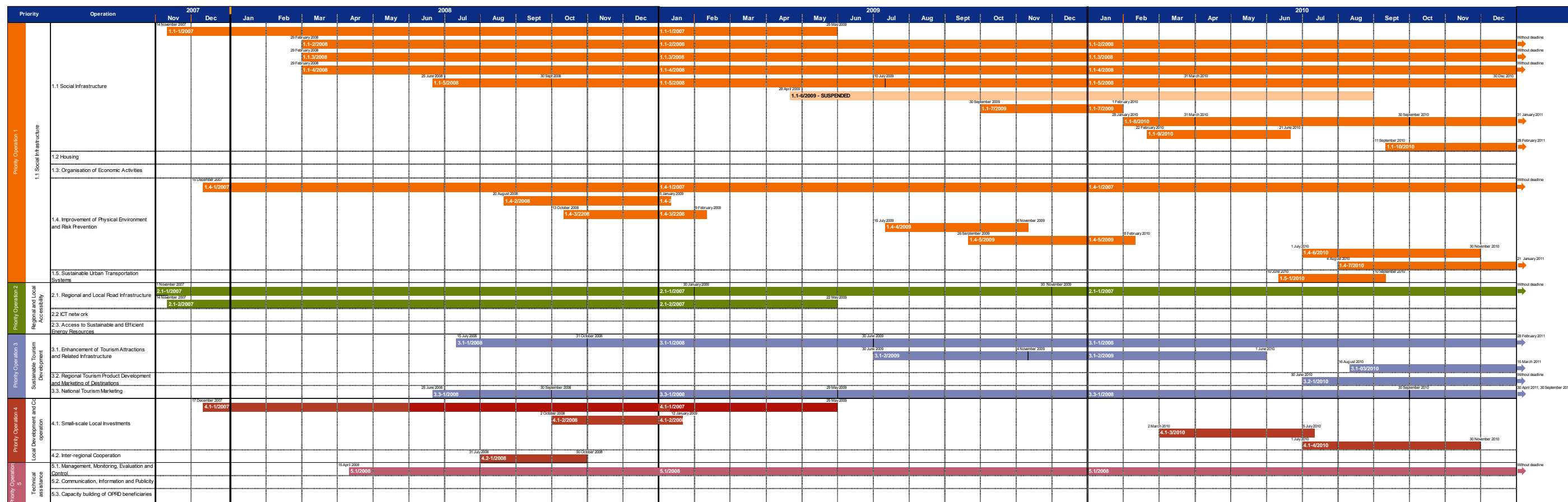
Grant schemes	Name	Average of Reg to Tech&fin (days)	Average of Tech&fin to approval (days)	Average of total lead time – from reg. to contract (days)	Average of Project duration (days)
1.1-01/2007	Support for the provision of suitable and cost-effective educational, social and cultural infrastructure contributing to the sustainable development of urban habitats	140	10	150	463
1.1-02/2008	Support for providing adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats	84	10	123	470
1.1-03/2008	Support for providing adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats	76	2	127	510
1.1-04/2008	Support for the provision of appropriate and effective infrastructure for the labor offices, contributing to the development of sustainable urban habitats	164	11	199	321
1.1-05/2008	Support for the provision of relevant and effective public cultural infrastructure, contributing to the sustainable development of urban habitats	132	11	139	471
1.1-06/2009	Support for the renovation and modernization State medical and health facilities in urban agglomerations				
1.1-07/2009	Support for the provision of appropriate and viable infrastructure of higher education institutions in urban agglomerations	51	12	83	487
1.1-08/2010	Support for the reconstruction, renovation and equipping of public health establishments in urban agglomerations"				
1.1-09/2010	Support for the implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations	80	11	124	452
1.4-01/2007	Support for limiting and preventing risks and damage from fires in urban agglomeration areas	27	6	68	957
1.4-02/2008	Support for improvement of urban environment	119	18	204	487

Grant schemes	Name	Average of Reg to Tech&fin (days)	Average of Tech&fin to approval (days)	Average of total lead time – from reg. to contract (days)	Average of Project duration (days)
1.4-03/2008	Support for building and strengthening small-scale infrastructure to prevent landslides in urban agglomerations	69	12	94	395
1.4-04/2009	Support for small scale infrastructure to prevent landslides in urban agglomerations"	25	8	63	343
1.4-05/2009	Support for integrated and sustainable development by improving the urban environment	61	8	110	467
1.4-08/2010	Joint European initiative for sustainable investment in urban areas JESSICA	1	1	1	783
1.5-01/2010	Support for integrated urban transport in the municipality of Burgas	46	1	55	782
2.1-01/2007	Support for rehabilitation and reconstruction of the second class and third class roads	75	11	136	514
2.1-02/2007	Support for integrated and sustainable local development through the rehabilitation and reconstruction of municipal roads	100	18	102	466
3.1-01/2008	Support for the cultural monuments of national and world importance	82	18	120	511
3.1-02/2009	Promoting tourist attractions	49	14	148	477
3.3-01/2008	Support for effective national marketing of tourism products and improving information services	38	7	61	642
4.1-01/2007	Support for the renovation and modernization State medical and health facilities in urban agglomerations	75	16	113	414
4.1-02/2008	Support for building and strengthening small scale infrastructure to prevent landslides	51	25	89	399
4.1-03/2010	Support for the implementation of energy efficiency measures in municipal educational infrastructure of 178 small communities	79	11	115	394
4.2-01/2008	Support for the interregional cooperation and exchange of best practices.	71	19	125	351
5.3-01/2008	Technical Assistance	38	16	58	445
Grand Total		89	13	118	439

Source: KPMG (based on UMIS dataset, 31.12.2010)

8.7 Annex to Scheduling of calls

Figure 55 - Chronology chart: Scheduling of OPRD calls in 2007-10



Source: MRDPW

8.8 Annex to Project selection

Table 73 - Consistency of call objectives and evaluation criteria

(✓: Partly compliant with the call objectives, ✓✓: Fully compliant with the call objectives)

GO: General objective, SO: Specific objective

Grant scheme	Call objective	Evaluation criteria	Consistency
1.1-1 Educational, social and cultural infrastructure	<p>GO: To provide appropriate and cost-effective educational, social and cultural infrastructure, contributing to the sustainable development of urban habitats</p> <p>SO:</p> <ul style="list-style-type: none"> ▪ To improve, renovate and modernize the educational, social and cultural infrastructure in urbanized areas ▪ To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	1.1. Degree of compliance with the objectives of the operation and the specific scheme for financial assistance	✓✓
		1.2 Achieving compliance with EC policies (promoting equality and social inclusion, sustainable development and environmental protection, value added is created, used innovative approaches)	✓
		2.1 Relevance of the project proposal with the specific needs and problems of the target area	✓
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 The project proposal addresses the needs and problems of disadvantaged people, incl. roma	✓✓
		2.4. Clearly defined activities to ensure quality of results expected from the project.	✓
		2.5 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.6 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.7 Complement and build on other projects on target territory	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 Ensuring the sustainability (financial and institutional) of project results	✓
		4.1 Sufficient managerial, financial and technical capacity the applicant and / or partner (where applicable).	✓
		4.2 Internal monitoring provided by the applicant in the implementation of project activities subcontracted	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		5.1 Realistic budget and clear financial statement categories of expenditure, the ratio between the estimated costs and expected results satisfactory	✓
		5.2 Economic efficiency and effectiveness of the proposed intervention	✓
1.1-2 Public infrastructure education	<p>GO: To provide adequate and effective public education infrastructure, contributing to the sustainable development of urban habitats</p> <p>SO:</p> <ul style="list-style-type: none"> ▪ To improve, renovate and modernize the public education infrastructure in urbanized areas ▪ To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	1.1 Degree of compliance with the objectives of the operation and the current scheme to provide grants	✓✓
		1.2 Relevance and realism of proposed framework in the medium-term investment program actions to achieve the objectives.	✓✓
		1.3 Available system management and control of the proposed Framework Programme projects	✓
		1.4 Ensuring the sustainability (financial and institutional) of the program results	✓
		1.5 Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓
		2.1.1 Degree of compliance with the objectives of the operation/this scheme to provide grants	✓✓
		2.1.2 Achieving compliance with EC policies (promoting to equality and social inclusion, sustainable development and environmental protection, there shall be added value used innovative approaches)	✓
		2.2.1 Compliance of the project fiche to the specific needs and problems of the target area	✓
		2.2.2 Clearly defined beneficiaries and target groups.	✓
		2.2.3 The project proposal addresses the needs and problems of disadvantaged people, incl. roma	✓✓
		2.2.4 Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.5 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.6 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓

Grant scheme	Call objective	Evaluation criteria	Consistency		
1.1-3 Social infrastructure	GO: To ensure appropriate and effective public social infrastructure, contributing to the development of sustainable urban areas SO: <ul style="list-style-type: none"> ▪ To improve, renovate and modernize public social infrastructure in urban areas ▪ To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	1.1. Degree of compliance with the objectives of the operation and the current grant scheme	✓✓		
		1.2. Relevance and realism of proposed framework in the mid-term investment program actions to achieve the objectives.	✓✓		
		1.3. Available system management and control of the proposed Framework Programme projects	✓		
		1.4. Ensuring the sustainability (financial and institutional) of the program results	✓		
		1.5. Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓		
		2.1.1 Degree of compliance with the objectives of the operation / this grant scheme	✓✓		
		2.1.2 Achieving compliance with EC horizontal policies (promoting equality and social inclusion, sustainable development and environmental protection, there shall be added value used innovative approaches)	✓✓		
		2.2.1 Compliance of the project fiche with the specific needs and problems of the target area	✓		
		2.2.2 Clearly defined beneficiaries and target groups.	✓		
		2.2.3 The project proposal addresses the needs and problems of disadvantaged people, incl. roma	✓✓		
		2.2.4 Clearly defined activities to ensure quality of results expected from the project	✓		
		2.2.5 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓		
		2.2.6 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓		
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓		
		1.1-4 Infrastructure of Labour offices	GO: To ensure adequate and effective infrastructure for the labour offices contributing to the development of sustainable urban habitats SO: <ul style="list-style-type: none"> ▪ To improve, renovate and modernize the 	1.1 Degree of compliance with the objectives of the operation and this grant scheme	✓✓
				1.2 Relevance and realism of the proposed mid-term investment program framework for action objectives	✓✓
1.3 Available system management and control of the proposed Framework Programme	✓				

Grant scheme	Call objective	Evaluation criteria	Consistency
	infrastructure of the "Labour Office" Directorates to the Employment Agency in urbanized areas <ul style="list-style-type: none"> To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	projects	
		1.4 Ensuring the sustainability (financial and institutional) of program results	✓
		1.5 Economic efficiency and effectiveness of the proposed interventions in the Framework Programme Investment	✓
		2.1.1 Degree of compliance with the objectives of the operation / this grant scheme	✓✓
		2.1.2 Achieving compliance with EC horizontal policies (promoting equality and social inclusion, sustainable development and environmental protection, there shall be added value used innovative approaches)	✓
		2.2.1 Compliance of the project fiche with the specific needs and problems of the target area	✓
		2.2.2 Clearly defined beneficiaries and target groups.	✓
		2.2.3 The project proposal addresses the needs and problems of disadvantaged people, incl. roma	✓✓
		2.2.4 Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.5 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.6 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓
1.1-5 Public infrastructure cultural	GO: To ensure appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas SO: <ul style="list-style-type: none"> To improve, renovate and modernize public cultural infrastructure in urban areas To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	1.1. Degree of compliance with the objectives of the operation and the current grant scheme	✓✓
		1.2. Relevance and realism of proposed framework in the mid-term investment program actions to achieve the objectives	✓✓
		1.3. Available system management and control of the proposed Framework Programme projects	✓
		1.4. Ensuring the sustainability (financial and institutional) of the program results.	✓
		1.5. Economic efficiency and effectiveness of proposed interventions in the Framework	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		Programme Investment	
		2.1.1. Degree of compliance with the objectives of the operation / current scheme to provide grants	✓✓
		2.1.2. Achieving compliance with EC policies (encouraged equality and social inclusion, sustainable development and environmental protection, to create added value, used innovative approaches)	✓
		2.2.1. Compliance of the project fiche to the specific needs and problems of the target area	✓
		2.2.2. Clearly defined beneficiaries and target groups.	✓
		2.2.3. Project fiche address the needs and problems of disadvantaged people, incl. Roma	✓✓
		2.2.4. Clearly defined activities to ensure quality of results expected from the project.	✓
		2.2.5. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.6. Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1. Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓
1.1-6 Public establishments	health GO: To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban habitats SO: <ul style="list-style-type: none"> ▪ To improve, renovate and modernize public health infrastructure in urbanized areas ▪ To ensure social inclusion and equal access of disadvantaged groups, including the Roma 	1.1 Degree of compliance with the objectives of Operation 1.1 Social infrastructure and the current grant scheme	✓✓
		1.2 Relevance and realism of proposed framework in the mid-term investment program actions to achieve the objectives	✓✓
		1.3 Reliable management and control of the proposed mid-term Framework Programme projects	✓
		1.4 Sustainability (financial and institutional) of program results and effective implementation of activities included in it.	✓
		1.5 Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓
		2.1.1 Degree of compliance with the objectives of the operation / current scheme to provide grants	✓✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		2.1.2 Achieving compliance with EC policies (encouraged equality and social inclusion, sustainable development and environmental protection, to create added value, used innovative approaches)	✓
		2.2.1 Compliance of the project fiche to the specific needs and problems of the target area	✓
		2.2.2 Trends in performance indicators of the hospital - the utilization of beds	✓✓
		2.2.3 Clearly defined beneficiaries and target groups.	✓
		2.2.4 The project proposal addresses the needs and problems of disadvantaged people, incl. roma	✓✓
		2.2.5 Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.6 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.7 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓
1.1-7 Infrastructure of universities	<p>GO: To improve conditions for the provision of educational services in state universities, contributing to the development of sustainable urban areas</p> <p>SO:</p> <ul style="list-style-type: none"> ▪ Introduction of energy efficiency measures in the educational infrastructure of the higher education institutions ▪ Ensuring equal access of disadvantaged groups to educational services offered in state universities ▪ Modernization of information services in state universities' libraries 	1.1 Was there a clearly formulated project objective and does it meet the goals of the Operation 1.1 "Social Infrastructure" of this scheme to provide grants, are the target groups correctly formulated?	✓
		1.2 How does the project proposal address the specific needs, constraints and problems of the candidate and target groups?	✓
		1.3 Are the project activities clearly defined and justified? Is the plan of action realistic?	✓
		1.4 Are there clearly defined outcomes and deliverables? Does the project proposal realistic and objective measurable indicators?	✓
		2.1 Does the applicant with sufficient managerial, technical and financial capacity to implement the project?	✓
		3.1 How necessary are the cost categories and are they financially justifiable?	✓
		3.2 Are comparable expenditure in a budget with the effect, which is expected to achieve (economic efficiency and effectiveness of the proposed intervention)?	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		3.3 What is the absolute number of students (full-time and part-time), using the buildings, subject to the interventions?	✓
		4.1 Is it expected as a result of the activities realized at the time of completion of the project to cover the overall problem of energy efficiency in buildings subject to the intervention?	✓✓
		4.2 Is it expected as a result of the activities realized at the time of completion of the project to cover the overall problem of accessible environment in buildings subject to the intervention?	✓✓
		4.3 Is it expected as a result of the activities realized at the time of completion of the project to provide the modernization of libraries in buildings subject to intervention by repair and reconstruction of premises, provision of modern and specialized equipment to service users in t.chislo and people with disabilities, as well as activities to ensure the security of library and health visitors?	✓✓
1.1-8 Public establishment	health GO: To ensure appropriate and effective public health infrastructure, contributing to the development of sustainable urban areas SO: <ul style="list-style-type: none"> ▪ To improve, renovate and modernize public health infrastructure in urban areas ▪ To ensure social inclusion and equal access of disadvantaged groups 	1.1 Degree of compliance with the objectives of operation 1.1 Social Infrastructure and the current scheme to provide grants	✓
		1.2 Relevance and realism of proposed framework in the medium-term investment program actions to achieve the objectives.	✓✓
		1.3 Reliable management and control system of the proposed in medium Framework Programme projects.	✓
		1.4 Ensuring the sustainability (financial and institutional) of the program results	✓
		2.1.1 Degree of compliance with the objectives of the operation/this scheme to provide grants	✓✓
		2.2.1 Compliance of the project fiche to the specific needs and problems of the target area	✓
		2.2.2. Need for development of high-tech hospital activities / high-tech equipment (for components 1 and 3)	✓
		2.2.3 Clearly defined beneficiaries and target groups.	✓
		2.2.4. The applicant has solved the problems of accessible environment in buildings subject to the intervention as a result of the activities realized at the time of completion of the project	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		2.2.5 Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.6 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.7 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓
1.1-9 Energy efficiency in municipal owned educational institutions	GO: To provide municipal educational infrastructure with a high level of energy efficiency, contributing to the development of sustainable urban areas SO: <ul style="list-style-type: none"> ▪ To increase the energy efficiency of municipal educational infrastructure in urban centres ▪ To ensure the use of renewable energy in municipal educational infrastructure 	1.1. Clarity of purpose of the project and compliance with the objectives of Operation 1.1 "Social Infrastructure" and the current grant scheme. Correct formulation of the target groups.	✓
		1.2. The project proposal addresses the specific needs, constraints and problems of the candidate and target groups.	✓
		1.3. The project proposal addresses the needs and problems of ethnic minorities, including Roma	
		1.4. Clearly defined and justified project activities. Realistic plan of action.	✓
		1.5. Clearly defined outcomes and deliverables. The project proposal contains realistic and objectively measurable indicators.	✓
		1.6. The project complements and builds on other activities projects on the target area	✓
		1.7. The project ensures sustainability of the results of the project: financial (how will activities be financed after the end provided funding) and institutional (I will keep the bodies to continue beyond the end of the project).	✓
		2.1. Does the applicant with sufficient managerial, technical and financial capacity to implement the project?	✓
		2.2. The project proposal contains mechanisms for internal monitoring and control on the performance of project activities and opportunities for self-assessment	✓
		3.1 How necessary are the cost categories and are they financially justifiable?	✓
		3.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
		4.1. After implementation of energy efficiency measures, based on technical parameters from the audit for energy efficiency, attained class energy consumption of objects of	✓✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		intervention meets the energy performance certificate with a particular category (art. 17, para. 4 of Ordinance RD- 16-1057 of 10.12.2009 on the procedures for conducting energy audits and certification of buildings, issuing certificates of energy performance certificates and categories).	
		4.2. The project proposal includes measures for the construction of installations for utilization of renewable energy sources (RES) to meet the energy needs of the building, subject to intervention	✓✓
1.4-1 Prevention of fire risk and damages	<p>GO: Limitation and maximum prevention of risks and damage to life and property from the fires of the population in urban agglomeration areas by providing a modern fire equipment</p> <p>SO:</p> <ul style="list-style-type: none"> ▪ To ensure fire safety and security of all citizens and their property from fires in urban agglomeration areas ▪ Limitation of the expansion and rapid eradication of fires in urban agglomeration areas by improving, upgrading and modernization of existing machinery by fire vehicles Metropolitan, Regional Directorates and District Fire Safety and Protection of Population to the Ministry of Interior ▪ Protect the environment and reducing emissions of greenhouse gases emitted by fire cars 	1.1 Degree of compliance with the objectives of the operation	✓✓
		1.2 Relevance and realism of proposed framework investment program actions to achieve the objectives	✓✓
		1.3 Available management and control of medium-term proposals in Framework Programme project	✓
		1.4 Ensuring the sustainability (financial and institutional) of the program results	✓
		1.5 Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓
		2.1.1. Degree of compliance with the objectives of the operation / the present grant scheme.	✓✓
		2.1.2. Achieving compliance with EC horizontal policies (promoting equality and social inclusion, sustainable development and environmental protection, there shall be added value used innovative approaches)	✓✓
		2.2.1 Compliance of the project fiche to the specific needs and problems of the target area	✓
		2.2.2 Clearly defined beneficiaries and target groups.	✓
		2.2.3 Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.4 Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.5 Clearly defined outcomes and outputs, realistic and objectively verifiable indicators	✓
		2.3.1 Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results is satisfactory	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
1.4-2 Improving environment	urban GO: To improve the physical and living environment of urban centres and agglomerations as a prerequisite for ensuring sustainable and green urban environment SO: <ul style="list-style-type: none"> ▪ To improve the physical aspect of Urban agglomeration areas ▪ To create conditions for the integration of disadvantaged groups through improving the physical and living environment, including improving access to administrative and social services ▪ To enhance safety and security of the urban environment 	1.1 There is a clearly formulated objective of the project and it meets the goals of Operation 1.4 "Improving the physical environment and risk prevention" and the current grant scheme	✓✓
		1.2 Clearly it is defined and justified in conformity with the planning document for the target area (municipal development plan, operational plan development, transport and communication scheme (if applicable), etc.)	✓
		2.1 How the project proposal addresses the specific needs limitations and problems of the target area and target groups and how are they justified?	✓
		2.2 Are the target groups and final beneficiaries clearly defined?	✓
		2.3 The project proposal addresses the needs and problems of ethnic minorities, including Roma	✓✓
		2.4 Are the project activities clearly defined and justified?	✓
		2.5 Does the nature of the project ensure territorial activities and address any major priorities of the scheme?	✓
		2.6 Does the project proposal have a clear methodology for implementing the project? Is the action plan clear and feasible?	✓
		2.7 Are the outcomes and deliverables clearly defined? Does the project proposal have realistic and objectively measurable indicators?	✓
		2.8 How the project complements and builds on other activities, projects on the target area?	✓
		3.1 Does the project offer opportunities for multiplying the effect achieved by the project?	✓
		3.2 Does the project offer sustainability of the results of the project: financial (how will activities be financed after the end provided funding) and institutional (keep the bodies to continue beyond the end of the project)?	✓
		4.1 Does the applicant have sufficient managerial, financial and technical capacity for project implementation?	✓
4.2 Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-esteem?	✓		

Grant scheme	Call objective	Evaluation criteria	Consistency
		5.1 How necessary are the cost categories and are they financially justifiable?	✓
		5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
1.4-3 Small case infrastructure for prevention against landslide	GO: Maximum limitation and prevention of the risks and damages to life and property in urban agglomeration areas through the establishment and strengthening of small-scale infrastructure facilities for the prevention of landslide processes SO: <ul style="list-style-type: none"> ▪ Protect life and property in urban agglomeration areas by supporting activities to strengthen and reinforce the landslides ▪ Restrict expansion/manifestation of landslide processes through development of automated monitoring systems 	1.1 Is there a clearly formulated objective of the project and does it meet the goals of Operation 1.4 "Improving the physical environment and risk prevention" and the current grant scheme	✓✓
		1.2 Is the conformity with the planning document for the target area (Municipal Development Plan 2007 - 2013) clearly defined and justified	✓
		2.1 How the project proposal addresses the specific needs, constraints and problems of the target area and target groups and how are they justified?	✓
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 Are the project activities clearly defined and justified?	✓
		2.4 Does the project proposal offer a clear methodology for implementing the project? Is the action plan clear and feasible?	✓
		2.5 Are the outcomes and deliverables clearly defined? Does the project proposal offer realistic and objectively measurable indicators?	✓
		2.6 How the project complements and builds on other activities, projects on the target area?	✓
		3.1 Does the project offer opportunities for multiplying the effect achieved by the project?	✓
		3.2 Does the project ensure sustainability of the results of the project: financial (how will activities be financed after finishing provided funding) and institutional (keep the bodies to continue beyond the end of the project)?	✓
		4.1 Does the applicant have sufficient managerial, financial and technical capacity for project implementation?	✓
		4.2 Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-esteem?	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
1.4-4 Small case infrastructure for prevention against landslide	GO: Limitation and prevention of the risks and the damages to life and property in urban agglomeration areas through building and strengthening small-scale infrastructure facilities for the prevention of landslide processes SO: <ul style="list-style-type: none"> ▪ Provide protection to life and property in urban agglomeration areas by supporting activities to strengthen and reinforce landslides ▪ Limit growth / manifestation of landslide processes through the development of automated monitoring systems 	1.1. Clear formulation of the project objective and consistency to the goals of Operation 1.4 "Improving the physical environment and risk prevention" and this scheme redostavyane grants.	✓✓
		1.2. Clearly defined and justified in compliance with the planning document for the target area (Municipal Development Plan 2007-2013)	✓
		2.1 Relevance and justification of the project proposal with the specific needs and problems of the target area and the targeted groups	✓
		2.2. Clear definition of the target groups and final beneficiaries	✓
		2.3. Clear definition and justification of the project activities	✓
		2.4. The project proposal contains clear methodology for implementation of the project. The plan of action is clear and feasible.	✓
		2.5. The outcomes and deliverables are clearly defined. The project proposal contains realistic and objectively measurable indicators.	✓
		2.6. The project complements and builds on other activities, projects on the target area	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 The project ensures the sustainability of the results of the project: financial (how will activities be financed after finishing provided funding) and institutional (keep the bodies to continue beyond the end of the project)?	✓
		4.1 Does the applicant have sufficient managerial, financial and technical capacity for project implementation?	✓
		4.2 Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-assessment?	✓
		5.1 How necessary are the cost categories and are they financially justifiable?	✓
5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓		
1.4-5	GO: To improve the physical and living environment	1.1. Clear formulation of the objective of the project and compliance with the goals of	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
Improving environment	urban of urban agglomeration as a prerequisite for ensuring sustainable and environmentally friendly urban environment with better quality of life and new opportunities for economic and social development SO: <ul style="list-style-type: none"> ▪ To improve the physical aspect of the urban environment in the agglomeration areas ▪ To create conditions for the integration of disadvantaged groups by improving physical and living environment, including through improved access to administrative and social services ▪ To increase the safety and security of the urban environment 	Operation 1.4 "Improving the physical environment and risk prevention" and the current scheme of granting financial assistance.	
		1.2. Clear definition and justification in compliance with the planning document for the target area (municipal development plan, operational plan development, transport and communication scheme - if applicable, etc.).	✓
		2.1 Relevance of the project proposal with the specific needs and problems of the target area and the targeted groups	✓
		2.2. Clear definition of the target groups and final beneficiaries	✓
		2.3. The project proposal addresses the needs and problems of ethnic minorities, including Roma	
		2.4. Clear definition and justification of the project activities	✓
		2.5. The activities ensure the territorial-integrated nature of the project and address any major priorities of the scheme	✓
		2.6. The project proposal contains clear methodology for implementation of the project. The plan of action is clear and feasible.	✓
		2.7. The outcomes and deliverables are clearly defined. The project proposal contains realistic and objectively measurable indicators.	✓
		2.8. The project complements and builds on other activities, projects on the target area	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 The project ensures the sustainability of the results of the project: financial (how will activities be financed after finishing provided funding) and institutional (keep the bodies to continue beyond the end of the project)?	✓
		4.1 Does the applicant have sufficient managerial, financial and technical capacity for project implementation?	✓
		4.2 Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-assessment?	✓
		5.1 How necessary are the cost categories and are they financially justifiable?	✓
5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓		

Grant scheme	Call objective	Evaluation criteria	Consistency
1.4-6 Small-scale measures to prevent flooding	GO: To improve the quality of life and the environmental conditions by preventing risks of flooding in urban centres and agglomerations as part of a comprehensive strategy for social and environmental regeneration SO: <ul style="list-style-type: none"> ▪ To protect the villages in the municipalities of the agglomeration areas from flooding to reduce potential adverse effects to human health and environment ▪ To prevent erosion processes in rivers riverbed crossing in villages or in urban agglomeration areas ▪ To prevent processes of erosion and abrasion on the beach in settlements municipalities in the agglomeration areas 	1.1 Is there a clearly formulated objective of the project and does it meets the goals of Operation 1.4 "Improving the physical environment and risk prevention" and this grant scheme.	✓✓
		1.2 Is the conformity with the planning document for the target area (municipal development plan, a plan for river basin management, the subject of intervention, etc.) clearly defined and justified.	✓
		2.1 How does the project proposal address the specific needs, constraints and problems of the target area and target groups and how are they justified?	✓
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 Are the project activities clearly defined and justified?	✓
		2.4 Does the project proposal offer clear methodology for implementing the project? Clear and feasible is a plan of action?	✓
		2.5 Are the outcomes and deliverables clearly defined? Does the project proposal offer realistic and objectively measurable indicators?	✓
		2.6 How the project complements and builds on other activities, projects on the target area?	✓
		2.7 Does the project offer sustainability of the results of the project: financial (how will activities be financed after finishing provided funding) and institutional (keep the bodies to continue beyond the end of the project)?	✓
		2.8 Does the project address the joint problems of flood prevention?	✓✓
		3.1 Does the applicant with sufficient managerial, financial and technical capacity for project implementation?	✓
		3.2 Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-esteem?	✓
		4.1 How necessary are the cost categories and are they financially justifiable?	✓
		4.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
1.4-7 Integrated plans for urban	GO: Elaboration of integrated urban development plan aimed at sustainable and permanent address of the	1. Did the applicant use the set application form and relevant applications, published for the purposes of this grant scheme?	

Grant scheme	Call objective	Evaluation criteria	Consistency
regeneration and development	<p>high concentration of economic, environmental and social problems in 36 city centres of agglomeration areas</p> <p>SO:</p> <ul style="list-style-type: none"> To establish zones of influence within the 36 town centres agglomeration areas, including a system of interrelated activities seek continuous improvement of the economic, material, social and environmental situation of the urban area and the city as a whole To develop integrated plans for urban regeneration and development of respective areas to promote the long-term vision for development of the city through the implementation of projects in urban areas and / or subsystems in unsatisfactory condition, negative trends in and / or unrealized potential in attracting, coordinated management diverse investment and supported by EU Structural Funds To achieve a synergy between existing or in process of update strategic planning documents for sustainable integrated regional and local development of sectoral policies, programs and documents structural schemes, of the zones of influence 	2. Are all sections of the Application Form along with checklists to it completed? Declaration on item 11 of application form is signed, sealed and applied?	
		3. The text of the proposal is printed in Bulgarian	
		4. The proposal includes 1 original and 2 copies.	
		5. Enclosed electronic version of the proposal (CD).	
		6. The budget and funding sources are presented according to required format (Annex B) and are listed in U.S. dollars. All tables of the budget is signed and stamped by the applicant	
		7. Enclosed statement that the project is not funded by other EU sources. (Appendix B1)	
		8. Enclosed resume of project manager.	
		9. Attached is a copy of the registration UIC (BULSTAT) certified by the seal of the applicant and the words "True Copy".	
		10. Attached is a copy of the VAT registration certified by the seal of the applicant and the words "True Copy".	
		11. Attached is the Decision of the Municipal Council to submit projects they will be guaranteed 5% own contribution.	
		12. The project proposal complies with the eligibility of the applicant.	
		13. The project proposal complies with the territorial scope of that scheme.	
		14. The project proposal complies with the criteria for a maximum duration of the project proposal.	
		15. The project proposal complies with the eligible activities under the scheme.	
		16. The project proposal complies with the maximum amount of the grant project.	
		17. The project proposal complies with the minimum contribution of the applicant.	
		18. Co-financing from OPRD to the maximum allowable threshold.	
		19. The project provides for measures relating to publicity and dissemination of information, as required for the project proposal.	

Grant scheme	Call objective	Evaluation criteria	Consistency
		20. The project proposal complies with the horizontal policies of the European Union (gender equality, social inclusion, sustainable development, environmental protection);	✓
		21. Technical Specification for selecting a contractor to develop IPGVR is filled entirely with the model in a package of application documents - Annex B1, which includes requirements to the contractor all required activities under item 4.2.2.3.	
		22. The aim of the project proposal is clearly and precisely formulated and fully consistent with the purpose of the operation 1.4 "Improving the physical environment and risk prevention" and this scheme grants.	✓
		23. Compliance with the planning document is clearly identified and justified; set is explained and the exact line with the objectives, priorities, measures of a document;	✓
		24. Clearly described the existence and current status of plans and schemes regulating urban area;	✓
		25. The project proposal demonstrates a clear and thorough understanding of the needs and problems faced by socio-economic development of the city and target groups;	✓
		26. Needs and concerns are well justified, adequate data are used by regional and local sources or documents, and official statistical data, studies by the applicant;	✓
		27. The project proposal addresses the needs of level urban areas (neighborhoods);	✓
		28. Target groups are clearly presented and quantified.	✓
		29. Activities are clearly described and sufficiently detailed and concrete, they are appropriate, necessary and sufficient to achieve the expected outputs and outcomes of the project.	✓
		30. Timetable detailed information and deadlines for implementation of all required activities according to section 4.2.2.3 "Eligible activities for funding" of the requirements for a project proposal.	✓
		31. The proposed methods are appropriately selected, well-structured and described in terms of the proposed activities, project results and team for the project;	✓
		32. Temporal extent of individual activities in the action plan is realistic distribution of activities over time is balanced and allows for seamless management and implementation;	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		33. Presented is accurate and comprehensive information on planned procedures for selection of contractors by the beneficiary (the PPA and RSPP)	✓
		34. The results and products are clearly defined: they are created by these activities and are necessary and sufficient to achieve the objectives (benefits for the target groups) are measurable and are presented in quantitative form.	✓
		35. Indicators and sources of information are clear, specific and comprehensive.	✓
		36. Sustainability of project results is clearly justified.	✓
		37. The project provides a clear institutional arrangement for management, given the team is project management, the positions of team members are detailed;	✓
		38. There are effective mechanisms for monitoring and control of contractors of outsourced activities;	✓
		39. There is an opportunity for self-assessment and periodic reporting of progress of project activities;	
		40. The applicant has chosen optimal path (cost - results - effect) to resolve the problem and present the benefits sought, provided costs are fully comparable with the expected results and impact.	✓
		41. The budget is clear, detailed and does not contain arithmetical errors, the relationship between costs and activities is visible.	✓
		42. Pledged funds are properly allocated for spending over time.	✓
1.5-1 Integrated urban transport in Burgas	GO: Development of sustainable and integrated urban transport system in the city Burgas, contributing to improving living and environmental conditions SO: <ul style="list-style-type: none"> ▪ Create more effective and rapid urban transport with less consumption energy; ▪ Building a more accessible secondary infrastructure of public transport networks and introduction of environmentally friendly modes of public transport; ▪ Increasing the attractiveness of public urban 	1. The application form is completed and submitted within the prescribed format duly signed and stamped	
		2 The applicant has completed and submitted all required documents to the models attached to the invitation for applications and the requirements for their preparation, fixed in the invitation / application requirements	
		3 The applicant is eligible beneficiary under the procedure	
		4 The project is planned to be implemented pursuant to that territorial scope of operation / specific scheme for providing grants	✓
		5 Requests funding (CCD, mandatory own contribution) is within the specified requirements and the call for applications	

Grant scheme	Call objective	Evaluation criteria	Consistency
	transport; <ul style="list-style-type: none"> ▪ The introduction of effective automated system for traffic management and control of transport processes; ▪ Ensuring social inclusion and equal access of disadvantaged groups' position. 	6 The project is within the limits stated in the call for applications and requirements	
		7 The scope of funding provided by the CCD project activities is consistent with the eligible activities of the operation / scheme specific	✓✓
		8 Requests CCD will finance only eligible expenditures in accordance with the requirements of the call	✓
		9 The project proposal is consistent with transport and communication scheme of the target territory or regional development strategy for 2005-2015 and / or municipal development plan for the period 2007 to 2013.	✓
		10 The project contributes to achieving the objectives of the operation and the specific objectives set out in the invitation / application requirements and objectives of the OP	✓✓
		11 Project is in line with the horizontal policies of the EC (to promote equality and social inclusion, sustainable development and environmental protection, to create added value, used innovative approaches)	✓
		12 The project proposal addresses the needs and problems of persons with disabilities	✓✓
		13 The indicators to monitor implementation and results included in the project are clearly defined and evaluated and meet the requirements for applying	✓
		14 The project target groups are clearly defined	✓
		15 The phases of the project are clearly and correctly identified and the timetable for implementation is reasonable	✓
		16 The contents of the feasibility study satisfies the range specified in the requirements for application	✓
		17 In the feasibility study are taken into account market and technological development, future demand and capacity constraints, specific location and competition, local conditions, nationally, the risk to the environment, etc.	✓✓
		18 The chosen alternative is most appropriate of the options considered in terms of technical limitations and risks that may affect the project or endanger its success	✓
		19 The cost-benefit analysis is developed in accordance with the requirements for applying	✓
21 The cost-benefit analysis demonstrates that the project is desirable from an economic	✓		

Grant scheme	Call objective	Evaluation criteria	Consistency
		perspective (economic net present value > 0)	
		22 The calculations in the analysis of costs and benefits are well founded and properly, use appropriate assumptions, data and methodology (scope of analysis, options, benefits taken into account and its valuation)	✓
		23 A correct risk analysis is presented, which is reflected in the cost-benefits and contingencies	✓
		24 Direct and indirect economic impacts are properly assessed using appropriate price methodology for forecasting and scenarios for growth	✓
		25 An analysis of costs and benefits is based on adequate market analysis and demand using an appropriate methodology for forecasting, incl. macroeconomic scenarios, affected population, appropriate indicators for environmental impact and pollution, health risks, savings and consumption in alternative schemes, affordability of tariffs and the implementation of the polluter pays principle "	✓✓
		26 The presented financial analysis demonstrates the financial sustainability of investment, including providing sufficient funds for necessary reinvestment throughout the reference period	✓
		28 The chosen funding scheme and the justification for the amount of aid is appropriate and adequate	✓
		29 The contribution of the EU complies with the results of financial analysis and the rules laid down in Art. 55 and Art. 56 of Council Regulation (EC) 1083/2006 and its amendments	✓
		30 the costs to be reimbursed under the project are not being financed by another project, program or scheme, funded by public funds, national budget and / or the EC budget	
		31 In the investment proposal is given a positive EIA decision or a decision is deemed not to carry out an EIA or an opinion that is not covered by the EPA and can be done in accordance with the Ordinance on procedures for evaluating compatibility of plans, programs, projects and investment proposals with the object and purpose of conservation of protected areas	✓
		32 the project is in line with the principles of preventive action and the environment (in the project all conditions of permits issued for the project are accounted for)	✓
		33 financial plan is detailed and clear and in accordance with the planned activities	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		34 objects of intervention on municipal property or on land that formed the right to build in favor of the municipality.	
		35 The purpose of the objects of interventions will not be changed for 5 years	
		36 The applicant has provided a source / s of funding for the project cost not covered by the operational program, including private participation	
		37 The applicant does not fall within the scope of Art. 93 paragraph 1, Art. 94 and Art. 96 paragraph 2 letter "a" of Regulation (EC) № 1605/2002	
		38 The applicant has provided an organizational structure / management unit project in accordance with the requirements specified in the call for applications, and has provided mechanisms to enable monitoring and monitoring of project implementation and timely take corrective measures	✓
		39 The applicant has provided activities carried out an independent audit of the project	
		40 activities are provided for information and publicity measures in accordance with Regulation (EC) № 1828/2006	
2.1-1 Rehabilitation and reconstruction of the second class and third class roads	GO: Improving accessibility to major traffic destinations within the planning regions through reconstruction and rehabilitation of secondary and third class roads	1.1 Degree of compliance with the objectives of Operation 2.1 Regional and local road infrastructure and the current grant scheme	✓✓
		1.2. Relevance and realism of the proposed mid-term framework program activities to achieve goals	✓
		1.3 Reliable management and control of the proposed mid-term Framework Programme projects	✓
		1.4 Sustainability (financial and institutional) of program results and effective implementation of activities included in it	✓
		1.5. Necessity of proposed expenditure for the implementation of the program	✓
		2.1.1. Degree of compliance with the objectives of this operation and the scheme for providing grants	✓✓
		2.1.2. Compliance with horizontal policies of the EC (An added value, used innovative approaches to promoting equality and social inclusion, sustainable development and environmental protection)	✓
		2.2.1. Relevance of the project proposal with specific needs and problems of the target	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		region / sector	
		2.2.2. Clearly defined beneficiaries and target groups	✓
		2.2.3. Clearly defined activities to ensure quality of results expected from project	✓
		2.2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.5. Clearly defined outcomes and outputs, realistic and objectively measurable indicators	✓
		2.3.1. Realistic budget, a satisfactory ratio between the estimated costs and expected results	✓
2.1-2 Rehabilitation reconstruction municipal roads	and of GO: Promotion of accessibility, connectivity and convergence within regions by improving and maintenance of regional and local roads SO: <ul style="list-style-type: none"> ▪ Improve accessibility, functional and socio-economic relations settlements with regional / municipal centre as well as within the relevant agglomeration areas ▪ Improving accessibility to areas of concentration of production / business activities, building projects of social and business infrastructure of municipal significance, tourist attractions and areas with potential for tourism development ▪ Sustainable improvement of the operational condition of municipal roads 	1.1. Degree of compliance with the objectives of the operation and the specific grant scheme.	✓✓
		1.2. Achieving compliance with EC policies (encouraged equality and social inclusion, sustainable development and environmental protection to create added value, used innovative approaches)	✓
		2.1. Relevance of the project proposal with specific needs and problems of the target area	✓
		2.2. Clearly defined beneficiaries and target groups	✓
		2.3. Clearly defined activities to ensure quality of results expected from project	✓
		2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.5. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.6. Complement and build on other projects on the target area	✓
		3.1. Ensuring the multiplier effect of the project results	✓
		3.2. Ensuring the sustainability (financial and institutional) of project results.	✓✓
		4.1. Sufficient managerial, financial and technical capacity of the applicant and / or partner (where partner).	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		4.2. Internal monitoring provided by the applicant in implementing the project activities subcontracted	✓
		5.1. Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results is satisfactory.	✓
		5.2. Economic efficiency and effectiveness of the proposed intervention	✓
3.1-1 Cultural monuments contributing to tourism development	GO: To support the development of the cultural monuments of national and global importance managed by the Ministry of Culture, which contribute to the development of the sustainable cultural tourism, diversification of the tourism supply and increase of the benefits from tourism SO: <ul style="list-style-type: none"> ▪ To develop a competitive tourist attractions based on monuments of culture of national and global importance ▪ To develop the less developed tourist locations within the country with cultural and historic heritage and significant tourism potential ▪ To support the conservation and protection of the national and global cultural heritage 	1.1. Degree of compliance with the objectives of the operation 3.1 "Improvement of tourist attractions and related infrastructure and the current grant scheme	✓✓
		1.2. Relevance and realism of proposed framework investment program actions to achieve the objectives.	✓✓
		1.3. Available system management and control of the proposed Framework Programme projects.	✓
		1.4. Ensuring the sustainability (financial and institutional) of program results	✓
		1.5. Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓
		2.1.1. Degree of compliance with the objectives of Operation Enhancement of tourism attractions and related infrastructure and the current scheme to provide grants	✓✓
		2.1.2. Achieving compliance with EC policies (encouraged equality and social inclusion, sustainable development and environmental protection, to create added value, used innovative approaches)	✓
		2.2.1. Compliance of the project fiche to the specific needs and problems in the sector	✓
		2.2.2. Clearly defined beneficiaries and target groups	✓
		2.2.3. Clearly defined activities to ensure quality of results expected from the project.	✓
		2.2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.5. Clearly defined outcomes and outputs, realistic and objectively measurable indicators	✓
		2.3.1. Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
3.1-2 Development of tourist attractions	<p>GO: To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product reduce the spatial concentration and uniform distribution of the benefits of tourism</p> <p>SO:</p> <ul style="list-style-type: none"> ▪ To develop competitive natural, cultural and historical attractions and / or groups of attractions with potential to attract significant numbers of visitors ▪ To support the less developed tourist locations within the country having significant tourism potential 	1. Accordance with the project planning document for the target area (municipal development plan and / or regional development strategy and / or plan / program / strategy for development of tourism)	✓
		2.1. How the project proposal addresses the specific needs, constraints and problems of the target area and target groups and how are they justified?	✓
		2.2. Are the project activities clearly defined and justified?	✓
		2.3. Does the project proposal offer clear methodology for implementing the project. Clear and feasible is a plan of action?	✓
		2.4. Are the outcomes and deliverables clearly defined? Does the project proposal have realistic and objectively measurable indicators?	✓
		2.5. How the project complements and builds on other activities / projects on the target area	✓
		3.1. Does the project offer opportunities for multiplying the effect achieved by the project?	✓
		3.2. Does the project have a lasting impact on target groups and regions and sustainability of the results - financial (how will activities be financed after the end provided funding) and institutional sustainability (Will the structures to continue beyond the end of project)	✓
		4.1. Does the applicant and / or partner have sufficient managerial, financial and technical capacity for project implementation	✓
		4.2. Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-esteem?	✓
		5.1 How necessary are the cost categories and are they financially justifiable?	✓
5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓		
3.1-3 Development of nature, cultural and historical attractions	<p>GO: To support the development of competitive tourist attractions, which contribute to the diversification of the tourism product, decrease of the spatial concentration and more even distribution of the benefits from the tourism activity</p>	1.1. Accordance with the objectives of the project operation 3.1 "Improvement of tourist attractions and related infrastructure and the current grant scheme.	✓✓
		1.2. Accordance with the project planning document for the target area (municipal development plan and / or regional development strategy and / or plan / program / strategy for development of tourism)	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
	SO: <ul style="list-style-type: none"> ▪ To develop competitive natural, cultural and historical attractions and / or groups attractions that have a potential to attract a significant number of visitors ▪ To support tourism sites with significant tourism potential 	2.1.1 Importance	✓
		2.1.2. Uniqueness of the site	✓
		2.1.3. Popularity (awareness and penetration of information on the site)	✓
		2.1.4. Location of the object (in terms of tourist flows and demand)	✓
		2.1.5. Transport accessibility	✓
		2.1.6 accommodation and ancillary services	✓
		2.1.7 Attendance of the site	✓
		2.2. How the project proposal addresses the specific needs, constraints and problems of the target area and target groups and how are they justified?	✓
		2.3. Clearly you have defined target groups and final beneficiaries?	✓
		2.4. Are the project activities clearly defined and justified?	✓
		2.5. Does the project proposal offer clear methodology for implementing the project. Clear and feasible is a plan of action?	✓
		2.6.1. Expected results and indicators	✓
		2.6.2. Estimated attendance of the site of intervention	✓
		2.6.3 Market feasibility of the intervention	✓
		2.6.4. Expected impact of the proposed intervention	✓
		2.6.5. Risks associated with project implementation	✓
		2.7. How the project complements and builds on other activities / projects on the target area	✓
		3.1. Does the project offer opportunities for multiplying the effect achieved by the project?	✓
		3.2. Does the project have a lasting impact on the region and the target groups and sustainability of the results - financial (how will activities be financed after the end provided funding) and institutional sustainability (Will the structures to continue beyond the end of project)	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		4.1. Does the applicant and / or partner have sufficient managerial, financial and technical capacity for project implementation	✓
		4.2. Does the project proposal offer mechanisms for internal monitoring and the performance of project activities and opportunities for self-esteem?	✓
		5.1 How necessary are the cost categories and are they financially justifiable?	✓
		5.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
3.2-1 Organizing events with regional and national scope and impact	GO: Organization of events with regional and national coverage and impact contributing to the development of sustainable cultural tourism, diversifying tourism supply and enhancing the benefits of the tourism SO: <ul style="list-style-type: none"> ▪ To ensure effective use of the cultural tangible and intangible heritage in order to develop sustainable cultural tourism. ▪ To support the tourist destinations, having cultural-historical heritage with significant tourist potential. ▪ To support conservation and preservation of national and world cultural heritage as tourism resource 	1.1. Degree of compliance with the objectives of the operation 3.2 Development of regional tourism product and marketing of destinations and the current grant scheme	✓✓
		1.2. Degree of compliance with specific needs and problems in the sector	✓
		1.3. Relevance and realism of proposed framework in the medium-term investment program actions to achieve the objectives.	✓✓
		1.4. Reliable management and control of the proposed medium-term Framework Programme projects.	✓
		1.5. Sustainability (financial and institutional) of program results and effective implementation of activities included in it.	✓
		2.1.1. Degree of compliance with the objectives of the operation 3.2 "Regional Tourism Product Development and Marketing of Destinations" and this grant scheme	✓✓
		2.2.1. Compliance of the project fiche to the specific needs and problems in the sector	✓
		2.2.2. Clearly defined beneficiaries and target groups	✓
		2.2.3. Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.4. Scope and impact of the envisaged activities / events.	✓
		2.2.5. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.6. Clearly defined outcomes and outputs, realistic and objectively measurable indicators	✓
		2.3.1. Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
3.3-1 National marketing of tourist product and Information services	GO: To increase the effectiveness of national marketing and promotion of tourism product information and improve information service sector. SO: <ul style="list-style-type: none"> ▪ To increase the effectiveness and efficiency of marketing activities and promotion of national and international markets; ▪ - To raise awareness and market information in relation to the tourist product of at national and supranational level; ▪ - To improve the quality of the tourism product through the introduction of appropriate standards and systems. 	1.1. Degree of compliance with the objectives of the operation 3.1 "Improvement of tourist attractions and related infrastructure and the current grant scheme	✓✓
		1.2. Relevance and realism of proposed framework investment program actions to achieve the objectives	✓✓
		1.3. Available system management and control of the proposed Framework Programme projects	✓
		1.4. Ensuring the sustainability (financial and institutional) of program results	✓
		1.5. Economic efficiency and effectiveness of proposed interventions in the Framework Programme Investment	✓
		2.1.1. Degree of compliance with the objectives of Operation Enhancement of tourism attractions and related infrastructure and the current scheme to provide grants	✓
		2.1.2. Achieving compliance with EC policies (encouraged equality and social inclusion, sustainable development and environmental protection, to create added value, used innovative approaches)	✓
		2.2.1. Compliance of the project fiche to the specific needs and problems in the sector	✓
		2.2.2. Clearly defined beneficiaries and target groups	✓
		2.2.3. Clearly defined activities to ensure quality of results expected from the project	✓
		2.2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.2.5. Clearly defined outcomes and outputs, realistic and objectively measurable indicators	✓
		2.3.1. Realistic budget and clear financial justification of the cost categories, the ratio between estimated costs and expected results satisfactory	✓
4.1-1 Support for educational infrastructure	GO: To provide grants to ensure appropriate and cost-effective educational infrastructure, contributing to local sustainable development SO: <ul style="list-style-type: none"> ▪ To improve, renovate and modernize the 	1.1. Degree of compliance with the objectives of the operation and the specific grant scheme	✓✓
		1.2. Achieving compliance with the horizontal EC policies (promoting to equality and social inclusion, sustainable development and environmental protection, creating added value, using innovative approaches)	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
	educational infrastructure in the territory of 178 municipalities <ul style="list-style-type: none"> To ensure social inclusion and equal access for disadvantaged groups, minorities, including Roma 	2.1 Relevance of the project proposal with the specific needs and problems of the target area	✓
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 The project proposal addresses the needs and problems of disadvantaged groups, including Roma.	✓
		2.4. Clearly defined activities to ensure quality of results expected from project	✓
		2.5. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.6. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.7 Complement and build on other projects on target territory	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 Ensuring the sustainability (financial and institutional) of project results	✓
		4.1 Sufficient managerial, financial and technical capacity the applicant and / or partner (where partner).	✓
		4.2 Internal monitoring provided by the applicant in implementation of project activities subcontracted	✓
		5.1 Realistic budget and clear financial statement categories of expenditure, the ratio between the estimated costs and expected results satisfactory	✓
		5.2 Economic efficiency and effectiveness of the proposed intervention	✓
4.1-2 Small case infrastructure for prevention against landslide	GO: To limit and prevent risks and damages for the life and the property of the population in 178 small municipalities by building and strengthening small-scale infrastructure facilities for prevention of landslide processes SO: <ul style="list-style-type: none"> To ensure protection to people and property through activities for strengthening and strengthening of landslides 	1.1. Clarity of purpose of the project and compliance with the objectives of Operation 4.1 "Small-scale local investments" and the current grant scheme. Correct formulation of the target groups	✓✓
		1.2. Is it clearly defined and justified the requirement for conformity with a planning document for the target area (municipal development plan, a plan for river basin management, the subject of intervention, etc.).	✓
		2.1 Relevance of the project proposal with the specific needs and problems of the target	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
	<ul style="list-style-type: none"> To limit the expansion/manifestation of the landslide processes by development of automated monitoring systems 	area	
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 Are the project activities clearly defined and justified?	✓
		2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.5. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.6. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.7 Complement and build on other projects on target territory	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 Ensuring the sustainability (financial and institutional) of project results	✓
		4.1 Sufficient managerial, financial and technical capacity of the applicant.	✓
		4.2 Internal monitoring provided by the applicant in implementation of project activities subcontracted	✓
		5.1 Realistic budget and clear financial statement categories of expenditure, the ratio between the estimated costs and expected results satisfactory	✓
		5.2 Economic efficiency and effectiveness of the proposed intervention	✓
4.1-3 Energy efficiency in municipal owned educational institutions	GO: To provide municipal educational infrastructure with a high level of energy efficiency, contributing to sustainable local development SO: <ul style="list-style-type: none"> To improve the energy efficiency of municipal education infrastructure in 178 small municipalities To ensure the use of RES in the municipal educational infrastructure. 	1.1. Clarity of purpose of the project and compliance with the objectives of Operation 4.1 "Small-scale local investments" and the current grant scheme. Correct formulation of the target groups.	✓
		1.2. The project proposal addresses the specific needs, constraints and problems of the candidate and target groups.	✓
		1.3. The project proposal addresses the needs and problems of ethnic minorities, including Roma	
		1.4. Clearly defined and justified project activities. Realistic plan of action.	✓
		1.5. Clearly defined outcomes and deliverables. The project proposal contains realistic	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		and objectively measurable indicators.	
		1.6. The project complements and builds on other activities projects on the target area	✓
		1.7. The project ensures sustainability of the results of the project: financial (how will activities be financed after the end provided funding) and institutional (I will keep the bodies to continue beyond the end of the project).	✓
		2.1. Does the applicant with sufficient managerial, technical and financial capacity to implement the project?	✓
		2.2. The project proposal contains mechanisms for internal monitoring and control on the performance of project activities and opportunities for self-	✓
		3.1 How necessary are the cost categories and are they financially justifiable?	✓
		3.2 Are the expenditure in the budget comparable to what is expected to be achieved (economic efficiency and effectiveness of the proposed intervention)?	✓
		4.1. After implementation of energy efficiency measures, based on technical parameters from the audit for energy efficiency, attained class energy consumption of objects of intervention meets the energy performance certificate with a particular category (art. 17, para. 4 of Ordinance RD- 16-1057 of 10.12.2009 on the procedures for conducting energy audits and certification of buildings, issuing certificates of energy performance certificates and categories).	✓
		4.2. The project proposal includes measures for the construction of installations for utilization of renewable energy sources (RES) to meet the energy needs of the building, subject to intervention	✓✓
4.1-4 Small-scale measures to prevent floods in 178 small municipalities	GO: Limitation and maximum prevention of risks and damage the lives of the population in the 178 "small" municipalities through the establishment and strengthening of small-scale infrastructure facilities for the prevention of floods SO: <ul style="list-style-type: none"> ▪ To protect from flood the settlements in 178 small municipalities, with the aim of reducing potential adverse effects on human health and the environment ▪ To limit the risks of floods in the settlements in the 178small municipalities by promoting 	1.1. Clarity of purpose of the project and compliance with the objectives of Operation 4.1 "Small-scale local investments" and the current grant scheme. Correct formulation of the target groups 1.2. Is it clearly defined and justified the requirement for conformity with a planning document for the target area (municipal development plan, a plan for river basin management, the subject of intervention, etc.). 2.1 Relevance of the project proposal with the specific needs and problems of the target area 2.2 Clearly defined beneficiaries and target groups	✓✓ ✓ ✓ ✓

Grant scheme	Call objective	Evaluation criteria	Consistency
	sustainable measures against floods	2.3 Are the project activities clearly defined and justified?	✓
		2.4. Existence of a clear methodology for implementing the project. Clear and feasible plan of action.	✓
		2.5. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators.	✓
		2.6. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.7 Complement and build on other projects on target territory	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 Ensuring the sustainability (financial and institutional) of project results	✓
		4.1 How necessary and financially justifiable are the categories costs?	✓
		4.2 Internal monitoring provided by the applicant in implementation of project activities subcontracted	✓
		5.1 Realistic budget and clear financial statement categories of expenditure, the ratio between the estimated costs and expected results satisfactory	✓
5.2 Economic efficiency and effectiveness of the proposed intervention	✓		
4.2-1 Interregional cooperation and exchange of best practice	GO: To support the exchange of know-how and best practices through inter-regional co-operation within the European territory SO: <ul style="list-style-type: none"> ▪ To establish contacts and develop partnerships for cooperation with the aim of the dissemination and exchange of information, knowledge, skills and best practices ▪ To establish new and/or innovative approaches and solutions in specific areas in which the process of regional development requires new and extended know-how and best practices 	1.1. Degree of compliance with the objectives of the operation and the specific grant scheme	✓✓
		1.2. Achieving compliance with the horizontal EC policies (promoting to equality and social inclusion, sustainable development and environmental protection, creating added value, using innovative approaches)	✓
		2.1 Relevance of the project proposal with the specific needs and problems of the target area	✓
		2.2 Clearly defined beneficiaries and target groups	✓
		2.3 Quality of partnership	✓
		2.4. Clearly defined activities to ensure quality of results expected from project	✓

Grant scheme	Call objective	Evaluation criteria	Consistency
		2.5. Existence of a clear methodology for implementing the project. Clear and feasible plan of action	✓
		2.6. Clearly defined outcomes and outputs, realistically and objectively verifiable indicators	✓
		2.7 Complement and build on other projects on target territory	✓
		3.1 Ensuring the multiplier effect results project	✓
		3.2 Ensuring the sustainability (financial and institutional) of project results	✓
		4.1 Sufficient managerial, financial and technical capacity the applicant and / or partner (where partner).	✓
		4.2 Internal monitoring provided by the applicant in implementation of project activities subcontracted	✓
		5.1 Realistic budget and clear financial statement categories of expenditure, the ratio between the estimated costs and expected results satisfactory	✓
		5.2 Economic efficiency and effectiveness of the proposed intervention	✓

Source: MRDPW

8.9 Annex to Partnership

Summary of the direct beneficiaries' interviews

The meetings with the representatives of OPRD direct beneficiaries took place in the premises of the Ministry of Regional Development and Public Works in the period 3 – 5 November 2010. The Consultant discussed the progress of the programme with representatives of the following public institutions:

- Employment Agency
- Social Assistance Agency
- Road Infrastructure Agency
- Ministry of Health
- Ministry of Education, Youth and Science
- Ministry of Economy, Energy and Tourism
- Ministry of Interior, and
- Ministry of Culture

The major findings from the meetings with the direct beneficiaries are listed below:

- The process of ex-ante control of the public procurement documentation takes much time, ranging from one month to one year. The major reasons for this are, inter alia:
 - The insufficient procurement capacity at beneficiaries' level
 - The use of various experts at MA level who carry out the ex-ante control over the same tender documentation. This involves the incorporation of different comments and remarks from various reviewers (from the Legislation, Risk Assessment and Irregularities department, and from the Monitoring department), and not necessarily at one time, which results in additional resubmissions of tender documentation from the side of the beneficiaries
- Some of the beneficiaries consider that they have sufficient project management and implementation capacity in terms of public procurement therefore should not be included in the list of risky beneficiaries which is used by the MA for the risk assessment.
- The majority of comments and remarks from the side of the MA as regards ex-ante control refer to weaknesses in the technical part of the tender documentation.
- The limitation for organization and management of the project amounting to 2% of the eligible direct costs under the project is considered inappropriate, as such costs usually amount to 10-15%.
- There has been identified a need for the Managing Authority to organize trainings for the beneficiaries regarding the preparation of the tender procedures as well as the reporting of the projects.
- Successful project applications need to be uploaded on the MA website as an example of good practice in the preparation of the projects.
- The overall assessment given by the direct beneficiaries for the support received from the Managing Authority is very satisfactory. The beneficiaries mainly use direct communication with representatives of the MA when assistance is needed.
- In general, the quality of application package, including the selection criteria, is considered satisfactory.
- The Application form and the supporting application documents are considered relevant and of satisfactory nature.
- The Guidelines for Applicants in the common case is coordinated in advance with the beneficiaries.
- The indicators at call level, as set by the MA, are generally considered relevant and feasible.
- The general view of the MA website is that it contains and is updated with all necessary information, and is user-friendly.
- The beneficiaries find that the MA's approach to cease contracts or extend calls deadlines in cases of objective reasons, e.g. factors beyond the scope of the beneficiaries' powers, is relevant and appropriate.

8.10 Annex to Information and publicity

Table 74 - Coordination of communication activities

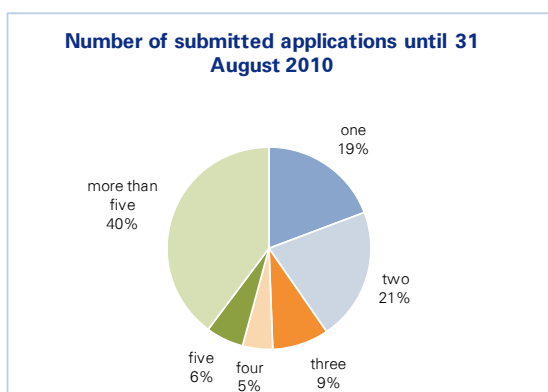
Body	Responsibilities
MA of OPRD, Organizational Development, I&P Unit	<ul style="list-style-type: none"> ▪ Coordinate I&P activities at central and regional level; ▪ Implement CP ▪ Inform about OPRD opportunities ▪ Inform the general public and popularize EU role ▪ Inform about progress of implementation ▪ Manage communication activities among MA staff, the Ministry press-centre, and the responsible I&P structures of other OPs ▪ Provide instructions to “Implementation of Programme priorities” Department as regards I&P activities at regional level; ▪ Plan I&P activities and prepare financial calculations ▪ Take part in the preparation of key messages, speeches, publications, etc ▪ Update and develop OPRD website ▪ Publish materials related to OPRD ▪ Manage press-conferences and briefings, participate in media broadcasts and gives interviews; ▪ Collect requests for information provides answers; ▪ Draft reports on I&P requirements ▪ Assist in publication and promotion of rules and selection criteria ▪ Manage I&P campaigns and events ▪ Maintain relations and provide information to media at central and regional level ▪ Disseminate information for successful projects ▪ Implement EU information and publicity requirements ▪ Coordinate, monitor and evaluate I&P activities of Regional Development Councils ▪ Manage general public awareness researches ▪ Manage media briefings ▪ Manage advertising campaigns on national media ▪ Prepare publications ▪ Popularize OPRD logo
Spokesperson	<ul style="list-style-type: none"> ▪ Provide information to the wide public about the implementation ▪ Answer on behalf of the MA, give interviews.
Six info desks in the Regional Departments of the MA in the centres of planning regions	<ul style="list-style-type: none"> ▪ Provide information about OPRD and its procedures to potential beneficiaries at regional and local level.
Monitoring Committee	<ul style="list-style-type: none"> ▪ Monitors I&P implementation information ▪ Provides information of its work ▪ Informs on the progress achieved in areas for which it bears joint responsibility
Secretariats of the Regional Development Councils (RDC)	<ul style="list-style-type: none"> ▪ Provide assistance to the beneficiaries concerning their responsibilities ▪ Help the regional departments of MA in organizing I&P activities ▪ Manage regional media relations and help connecting the MA with municipality's PR persons ▪ Monitor the information about the projects in development

Source: Communication Plan for Information and Publicity of OPRD

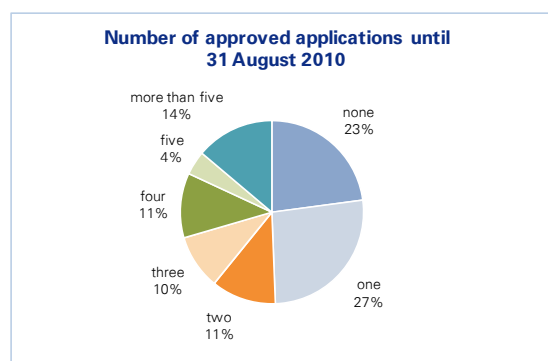
8.11 Summary of the beneficiary survey results

8.11.1 Organization

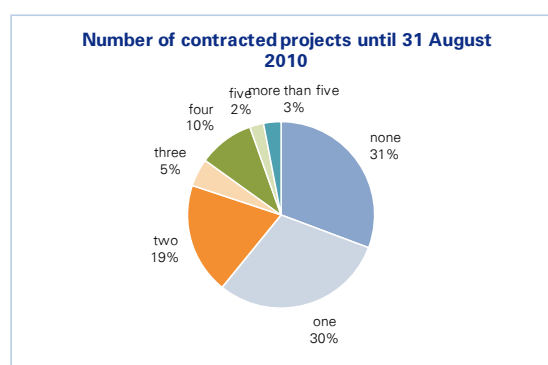
All of the beneficiaries who answered the questionnaire are municipalities. In terms of location of the beneficiaries who answered the questionnaire, there is almost equal distribution among the six regions. Most of them are located in the South-east and South-central part of the country.



- 40 per cent of the beneficiaries have submitted more than five applications until the end of August, 2010.
- Another 40% have submitted one or two applications for the period.



- 23 per cent of the beneficiaries, who have answered the questionnaire, do not have an approved application.
- The answers show that most of the beneficiaries have only one approved application while 14% have more than five approved applications.



- The number of contracted projects nearly corresponds to the number of approved applications for the period. However, even though 14% of the beneficiaries have more than five approved applications, only three per cent have contracted all of them by the end of August 2010.
- One-third of the beneficiaries who submitted in the survey the date of contracting, have approved and financed projects since 2008.
- Nearly half of the projects are contracted in 2009, while only 16 of the answers are 2010.

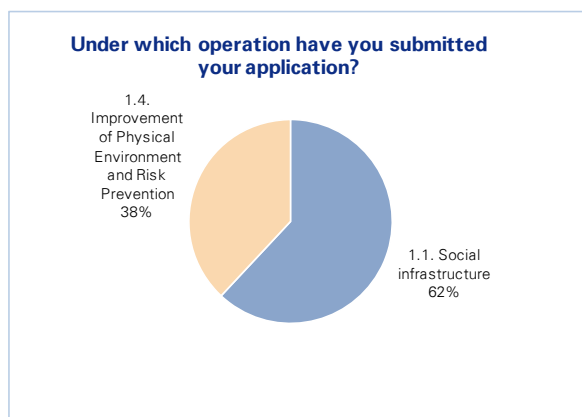
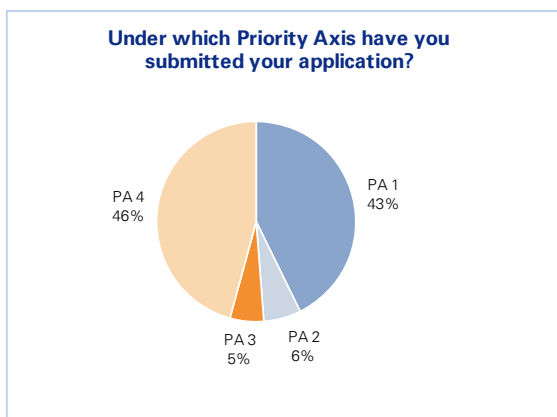
On average, the beneficiaries who have answered the questionnaire have one physically started project but none which is physically finished. Only two of the beneficiaries have 5 physically completed projects. Most of the beneficiaries, who have physically finished projects, have only one completed project.

8.11.2 About the application

Priority axes

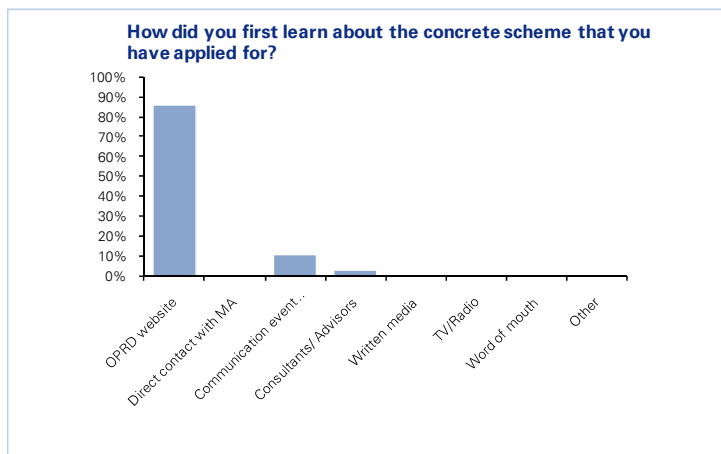
The majority of the applications submitted fall under Priority axis 1 and Priority axis 4. Only 11% of the beneficiaries who answered the questionnaire have applied under Priority axis 2 and Priority axis 3. Nearly half of the beneficiaries have applied under Priority axis 4.

Two-thirds of the beneficiaries have submitted application under operation 1.1. Social Infrastructure and 38% under 1.4 Improvement of physical environment and risk prevention



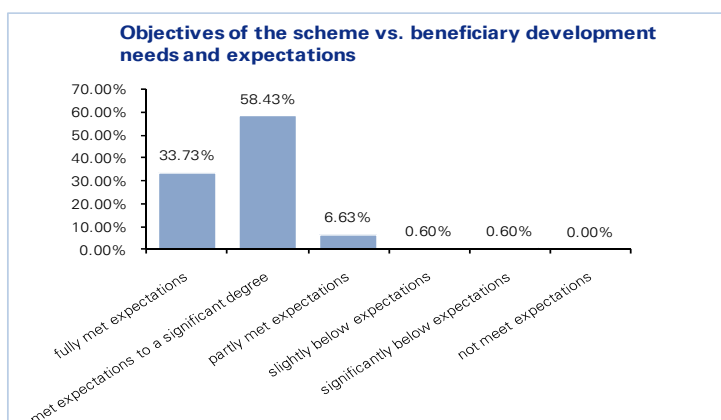
8.11.3 Before submitting application

Source of information for new schemes



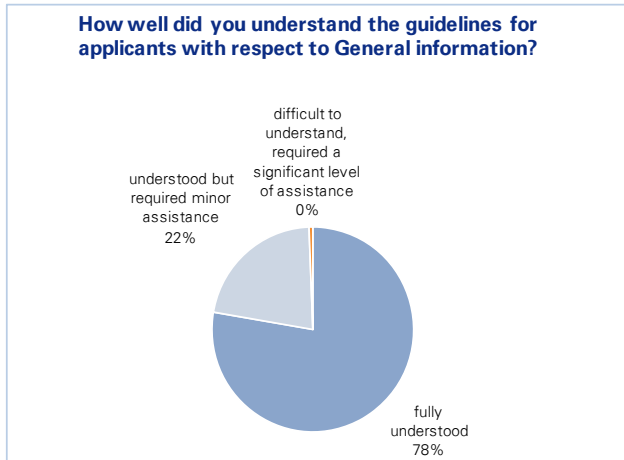
- The majority of the beneficiaries (86%) who have answered the questionnaire use the OPRD website as a main source of information for new schemes.
- As a result of communication events organized by the MA, more than 10% have first learnt about the specific scheme they have applied for.
- Only 0.6% of the beneficiaries use direct contact with MA when interested in specific scheme.
- The beneficiaries did not list any other sources of information regarding the initiation of concrete schemes.

Objectives vs. beneficiary needs



- For 58% of the beneficiaries the objectives of the referred scheme met the expectations to a significant degree.
- One-third (34%) of the beneficiaries who answered the questionnaire found the objectives of the calls fully in line with their expectations.
- Only 7% of the beneficiaries stated that the objectives of the calls partly met their expectations

Clarity of calls

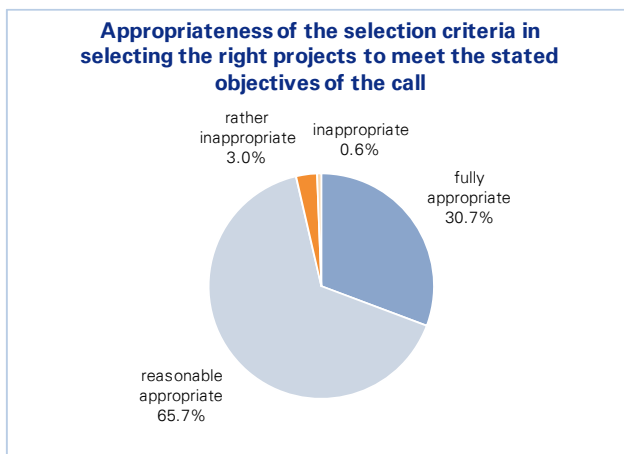


- Almost all of the beneficiaries consider the guidelines complete/rather complete, rather clear and well structured. According to the beneficiaries self-assessment 78 per cent of the applicants have fully understood the general information of the calls.

- This rate showed a downward trend regarding the eligibility criteria and the criteria for technical and financial evaluation where only 61 and 44 per cent of the beneficiaries have fully understood these conditions.

- 5% of the beneficiaries required significant level of assistance from the MA because of non-understanding the eligibility criteria and the criteria for technical and financial evaluation.

Selection criteria



- 30 per cent of the beneficiaries found the selection procedure fully appropriate in selecting the right projects to meet the stated objectives of the call.

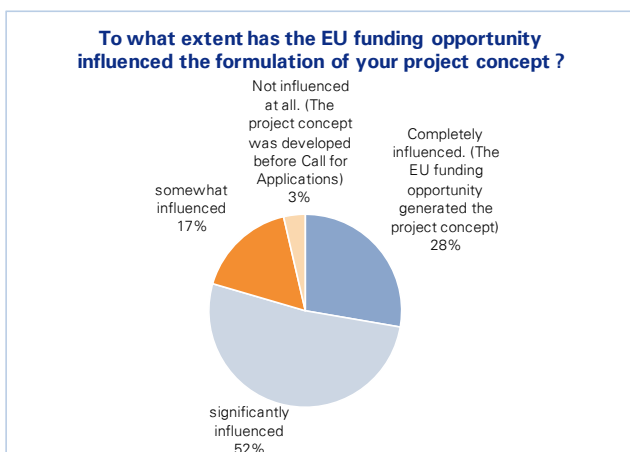
- Another 65 per cent assessed that aspect „relatively appropriate“.

- This positive judgment is a positive attestation for the project selection procedure.

Project concept

According to the beneficiaries' self-assessment, nearly 90% of the applicants have fully developed their concept by the time the call for applications was published.

Nearly all the applicants who had a developed project concept before the call for applications was published consider their ideas reasonably or very well structured. Only 12 per cent of the beneficiaries who have answered the questionnaire have developed their project concept upon announcement of the call for applications.



- The majority of the beneficiaries (80%), who have answered the questionnaire, consider that the EU funding opportunity has significantly or completely influenced the project concept.

- Only 3 per cent of the applicants stated that their project concept has been developed independent of the EU funding opportunity.

- These results reflect the significance of the OPRD funding opportunity in the developing of project ideas within the Municipalities.

Changes in the project concept

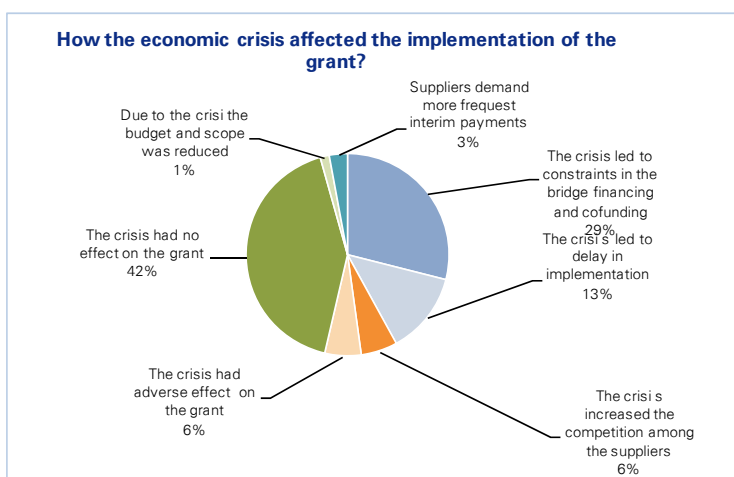
Even though the project concepts have been significantly influenced by the EU funding opportunity, most of the ideas needed to be modified during the preparation of the application form, while 18 per cent of the project concepts did not require any changes.

Those project concepts which needed to be changed in the application process needed mainly modifications in the budget or the size. Almost 1/4 of the applicants had to change the financing structure, the resource level or the project duration.

About 75 per cent of the beneficiaries had to change their project concepts in order to meet the eligibility and selection criteria. Another common reason for modification of the concepts was the insufficient budget of the project. Some of the beneficiaries answered, that inconsistencies between their design and technical projects, as well as changes in the planned works, also changed their initial projects.

More than half of the beneficiaries who answered the questionnaire had to change their budgets. Nearly half of the beneficiaries had to decrease their budget by a significant or reasonable amount.

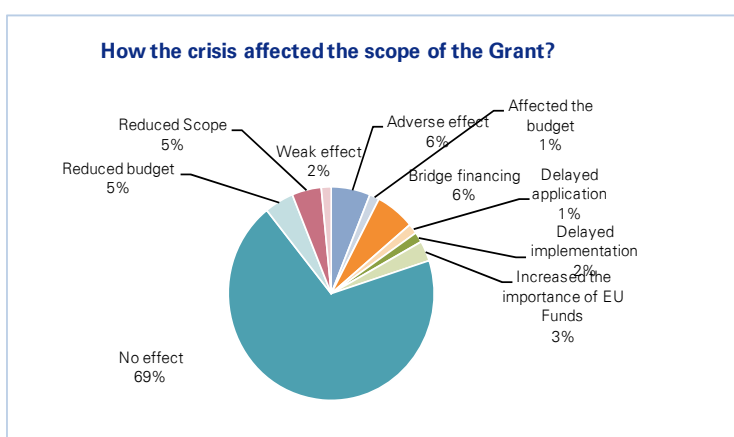
Effects of the economic crisis



- The majority of the beneficiaries (42 %) believe that the crisis had no effect on the scope of their grant.

- Another third (29 %) believe that the crisis led to constraints in the allocation of bridge financing and cofunding. In order to bridge this gap some of these beneficiaries applied for credits from FLAG.

- Further 13 % of the respondents experienced considerable delays in the implementation of the grants due to lack of sufficient funding and could not complete their projects within the contracted period.



- Two thirds of the beneficiaries (69%) believe that the crisis has no effect whatsoever on the scope of their grant.

- A vast majority of those projects, however, were approved or implemented by the end of 2009 when the effects of the economic crisis were not so pronounced.

- The second largest group (10 %) think that the crisis led to reduction in either budget or grant scope and prompt them to seek external bridge financing due to lack of own resources.

Ideas for improvement of the eligibility and selection criteria of the schemes

Overall, the beneficiaries do not have specific suggestions for improvement of the selection criteria, 27 % of all respondents. However, the recommendations expounded by the beneficiaries in this respect are as follows:

- The MA should reduce the technical requirements to the applicants;
- The selection criteria should not be so restrictive towards the smaller municipalities;

- The guidelines for revenue generating project should take into consideration the current economic situation;

The recommendations provided by the beneficiaries related to extension of the scope of the eligible expenditures are mainly related to the following type of expenditures:

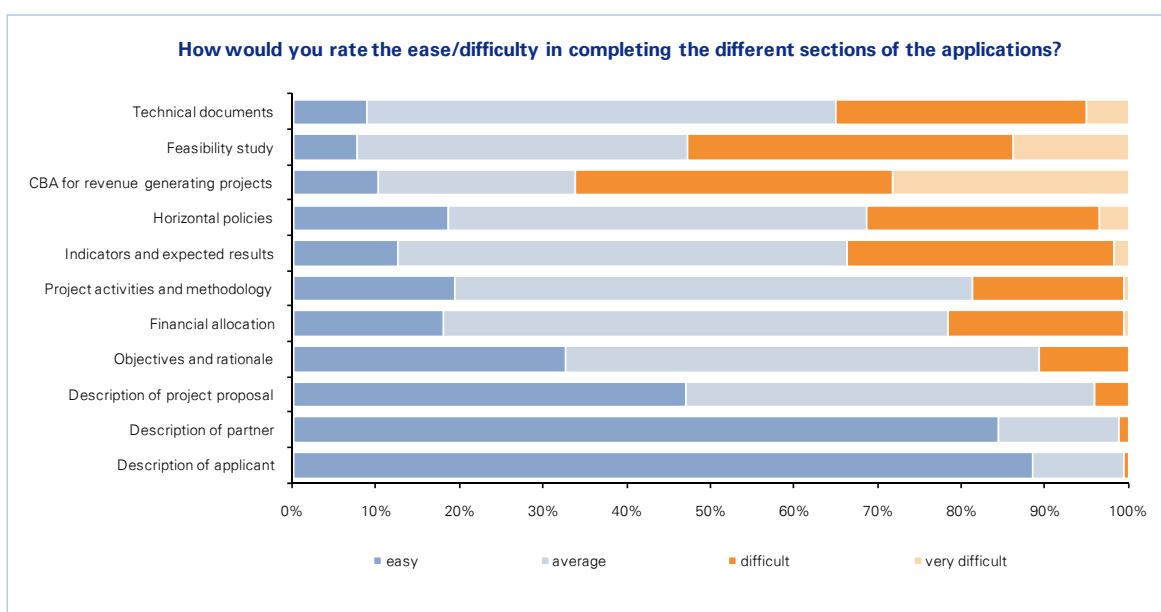
- New construction works;
- Unforeseen expenditures which do not exceed 2-3 % of the overall project value;
- The percentage of co-funding should be reduced.

8.11.4 *Preparing / Submitting application*

Preparation of applications

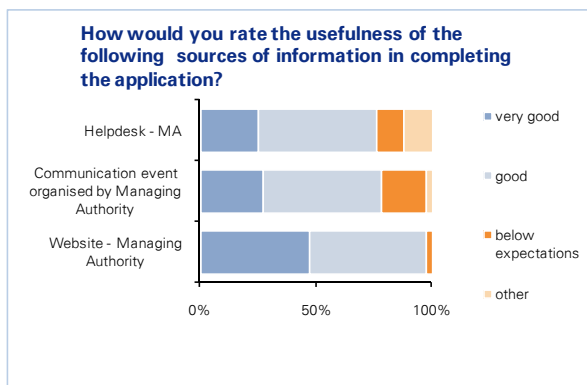
One-third of the municipalities used their own resources in the preparation of their project applications. 20% of the beneficiaries have used consultants or advisors from external organizations when preparing the application forms. The majority of the applicants have used both the assistance of internal and external resources.

The main background policy documents which served as a basis for the applications were the Municipal or Regional Development Plans. One of the beneficiaries used specifically the Strategy for tourism development in the Municipality which is part of the Development Plan.



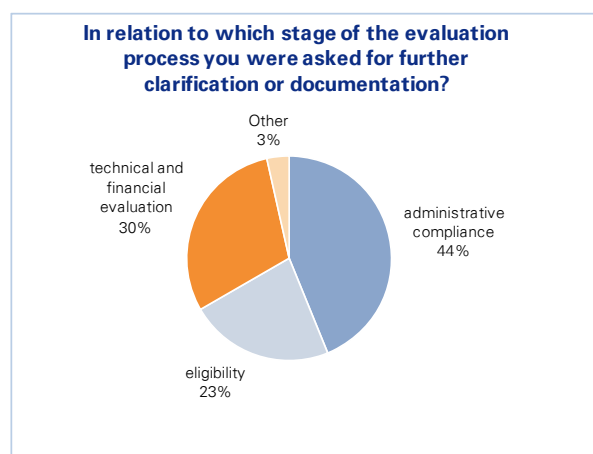
- Almost all applicants rated the section where applicants and partners need to be described as easy or average.
- The majority of the beneficiaries who have answered the questionnaire find the description of the project proposal easy or of average difficulty.
- The rate shows a downward trend regarding the ease of filling the sections describing the objectives, financial allocation, methodology and indicators, which are considered to be of average difficulty.
- The most difficult part of the application package seems to be the Cost-benefit analysis required for revenue-generating projects.
- The technical documents required in the application process are also rated by the beneficiaries as not easy to be provided. More specifically these are the technical specifications, Bill of Quantities, analysis of prices and the financial allocation analysis.
- As other difficult parts in the application process, the beneficiaries pointed the additional information and supporting documents and permits which have to be provided within short time limits. According to the beneficiaries, usually issuing these documents takes more time as it depends on other state authorities.

Assistance during application



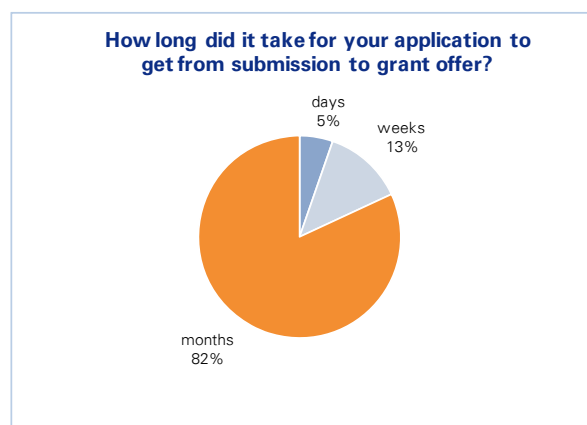
- More than ¾ of the beneficiaries rated the usefulness of the MA helpdesk in completing the applications as good/very good, only 20% found it below expectations.
- More than 90% of the beneficiaries find usefulness of the MA Website good or very good.

8.11.5 Evaluation of the application



- During the evaluation process, one-third of the beneficiaries have been asked for further clarifications or for additional documentation and most of the requests for clarification have arisen during the administrative compliance part of the evaluation process.
- 30% of the requests for clarification have been asked during the technical and financial evaluation while 23% during the eligibility evaluation.

One-fourth of the beneficiaries which answered the questionnaire stated that their project was not selected for financing. 60 per cent of the municipalities answered that their applications have been rejected after eligibility/administrative compliance, and 40% - after technical and financial evaluation.



- More than 80 per cent of the beneficiaries with financed projects answered that the period from submission of the application to grant offer lasted months.
- More than 90 per cent of the beneficiaries who did not receive financing of their projects, did not embark on the activities but rather preferred to wait for the outcome of the evaluation.

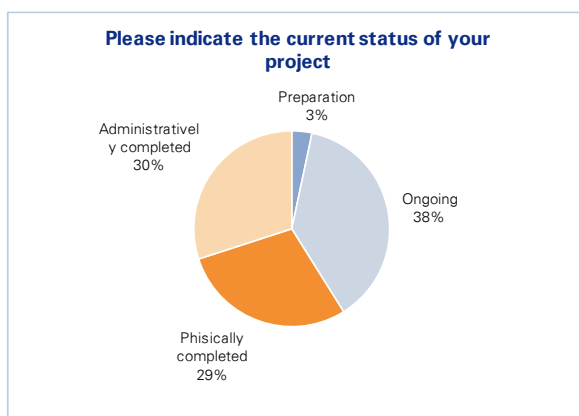
8.11.6 Contracting stage

All beneficiaries who have experienced delay during the contracting stage, state that this cannot be partly or fully attributed to their organizations.

None of the beneficiaries has withdrawn their project after signing the contract for financing. Only one project has been revoked after signing the contract for financing, due to rejection of one of the partners of the beneficiary to participate in the implementation of the project.

8.11.7 Implementation

Projects status



- The distribution among the beneficiaries who have answered the questionnaire is equal in terms of status of their projects - ongoing, physically completed and administratively completed.

- Three of the beneficiaries expect their projects to start within 90, 180 and 55 days respectively.

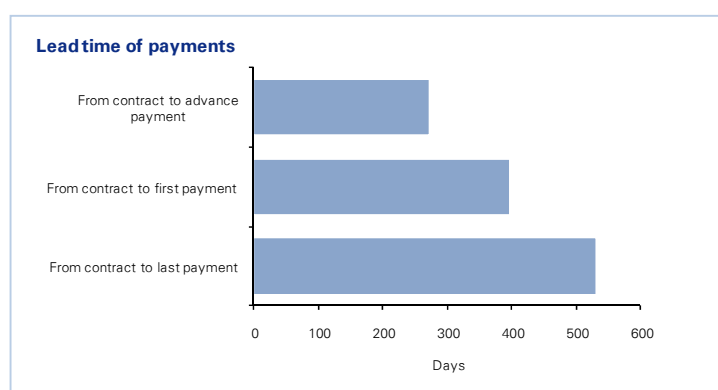
- Only 3% of the beneficiaries who took part in the questionnaire are still in preparatory status of their projects.

- Out of the ongoing projects, one-third is still in the beginning, having implemented up to 25% of the activities. Around 20% of the ongoing projects are nearly finished with more than 75% physical readiness.

Delays

One quarter of the projects are experiencing some delay, while the rest are on schedule. None of the beneficiaries reported project implementation ahead of schedule. One third of the delayed projects are 60 days behind schedule. Most delays are around 100 days and more. Two of the projects are delayed by 200-210 days.

As a primary cause of the delay, the beneficiaries with projects behind schedule, point out the public procurement procedures. One-third of the beneficiaries think there are other reasons for the delay of their projects, different than the ones listed, i.e. problems with the partners, delay in the preparation and approval of the procurement documentation, additional costs which imposed changes in the budget.

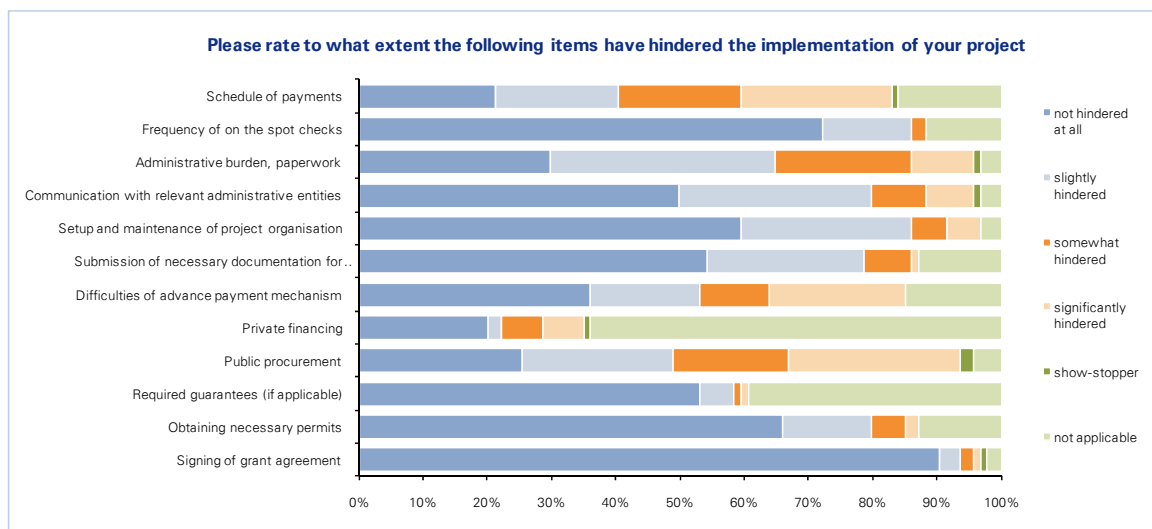


- The beneficiaries answering the beneficiary questionnaire reported an average of 273 days regarding the lead time from contracting to receive an advance payment.

- The average time from contacting to the first payment took 396 days.

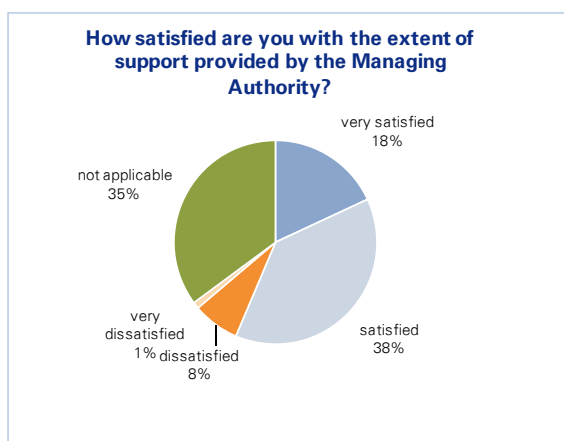
- From contracting to last payment showed an average lead time of 531 days.

Obstacles



- As major obstacles in the projects implementation, the beneficiaries rated the public procurement procedures, followed by the schedule of payments, including the difficulties of advance payment mechanism, and the administrative burden and paperwork.
- Other items which have hindered the implementation of the beneficiaries' projects include the delay of payments, the unforeseen changes in the budgets, problems with the partners and delays due to appealing procedures.
- One beneficiary, answering the questionnaire, shared that the Municipality could not submit an advance payment request, as such was not envisaged in the agreement with the contractor, which caused difficulties during the implementation of the project.
- The items which have not hindered at all the implementation of the projects according to more than 90% of the beneficiaries are the signing of the grant agreement and the frequency of on the spot checks.

Assistance and support during implementation

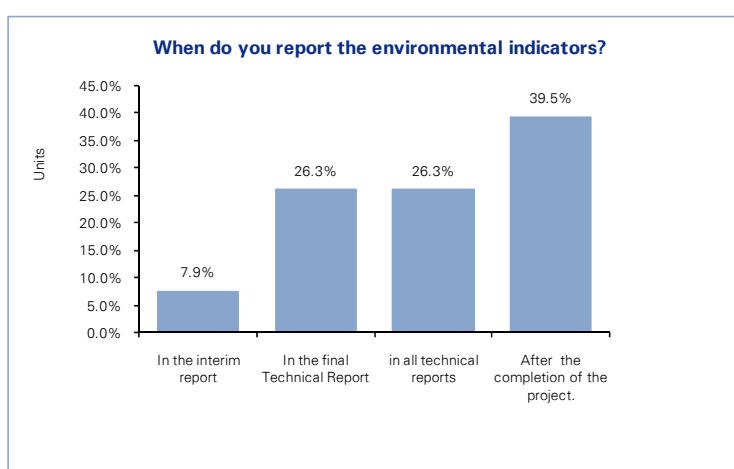


- More than half of the beneficiaries are satisfied/very satisfied with the support of the MA during project implementation.
- 70% of the beneficiaries who answered the questionnaire did not use any support from external consultants to meet the administrative obligations.
- More than half of the beneficiaries, who have used support from external consultants, are satisfied or very satisfied.

Indicators

The majority of the beneficiaries did not experience any difficulty in capturing data for outputs and results, and disseminating it to the Managing Authority. The results are the same when the beneficiaries had to achieve the set outputs and results. The outputs and results indicators set out in the application form are considered easy to achieve or reasonably within reach by most of the beneficiaries. The main determining factors for not achieving them include the term for implementation as well as the lack of information for measuring the indicators.

For more than 90% of the beneficiaries, project performance is solely driven by the attainment of the output and result indicators. The answers show that this does not pose a risk, as the attainment of these indicators fully or partly will satisfy the identified needs.



Environmental indicators

- 40% of the beneficiaries answered that they report environmental indicators.
- Most of the beneficiaries, who report environmental indicators, stated that they report them after the completion of the project.
- Half of them report environmental indicators either in the final Technical report or in all technical reports.
- Only 7.9% of the beneficiaries reporting environmental indicators do that in the interim report.

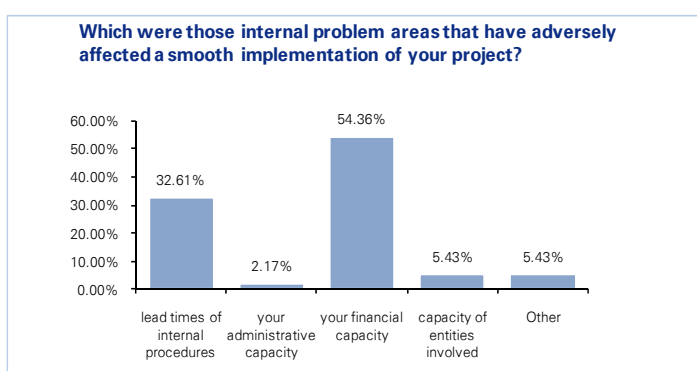
Financing

40% of the beneficiaries stated that there was significant difference between budget and actual expenditures. Nearly one-fourth of the beneficiaries, who experienced cost escalations, reported that they had to provide contingency for physical and financial costs. 3/4 of the beneficiaries with financed projects were not required to provide private funding. In case the beneficiaries had to provide such, more than half of them used bank credits. Another popular funding source is the FLAG fund.

14% of the beneficiaries who had non-eligible costs listed bank credits as a financing source of these costs. 80% of the beneficiaries facing non-eligible costs answered that they have mainly used the funds from the Municipal budget.

Nearly 80% of the beneficiaries with financed projects answered that they would not have financed it without the EU funds.

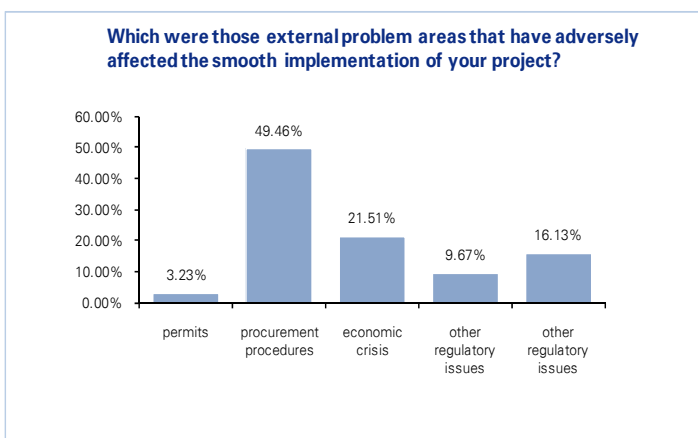
Internal and external factors of the implementation



- In terms of internal problem areas that have adversely affected the smooth project implementation, more than half of the beneficiaries answered that their financial capacity is the main problem.
- Second, with 32.6% is the lead time of the internal procedures.
- The administrative capacity of the beneficiaries was rated by them as the

problematic area with the least adverse impact.

- One of the beneficiaries also pointed the duration of internal procedures as another internal hindrance.



- Procurement procedures are the main external problematic area according to half of the beneficiaries.

- 21.5% point out the economic crisis as the second most problematic area for the smooth project implementation, followed by regulatory and other issues.

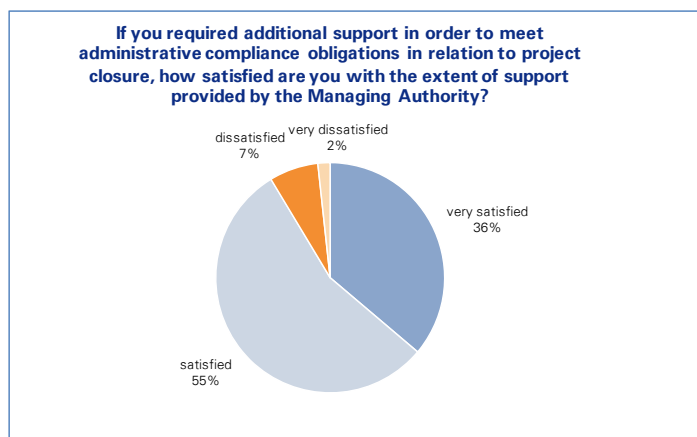
- The least problematic area of the external factors, according to the beneficiaries is the permits obtaining.

- Other external factors that have adversely affected the smooth implementation of the beneficiaries' projects include delay of payments, partner problems, unforeseen

expenditures and insufficient clarity on VAT issues.

Beneficiaries have been asked to list any other factors which have not been covered by the questionnaire but might have adversely affected the project progress. Most of the answers include delay in payments, unforeseen works; delay caused by appeal procedures and force majeure circumstances like bad weather.

Assistance during project closure

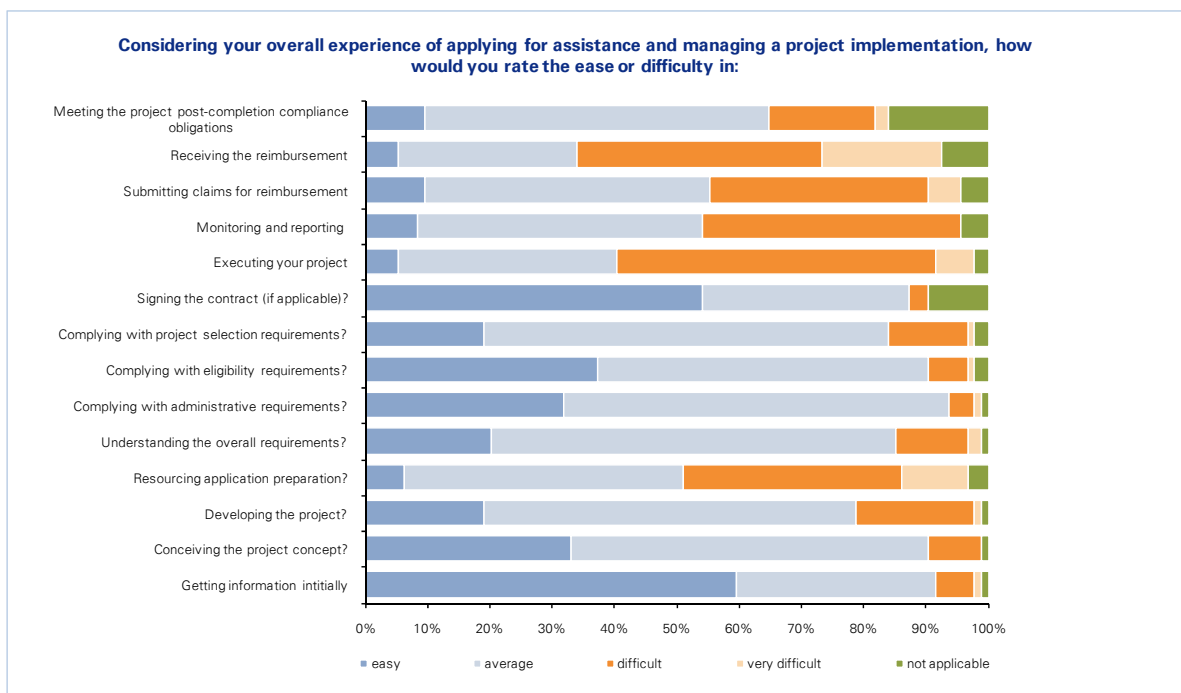


- More than 90% of the beneficiaries rated the support provided by the Managing Authority during project closure as satisfying/very satisfying.

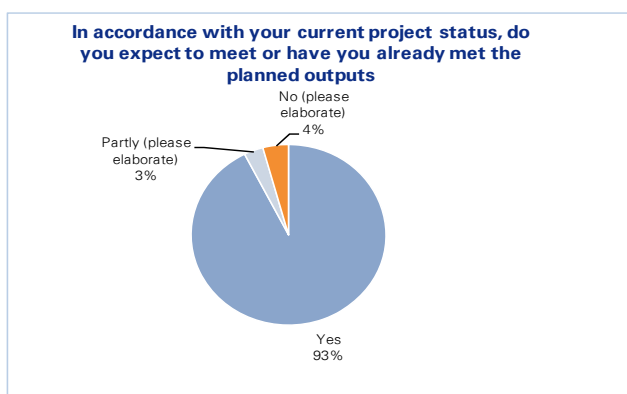
- The support provided by external advisors has lower ratings in terms of satisfaction, where more than 20% of the beneficiaries are dissatisfied/ very dissatisfied.

8.11.8 Overall assessment

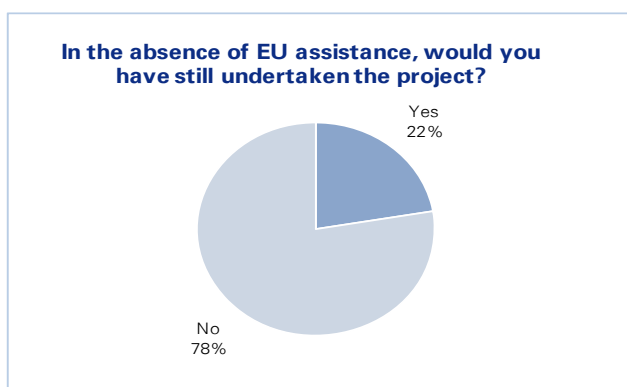
The beneficiaries gave an overall assessment of the project application and managing process.



- They rated getting initial information and signing the contract the easiest stages.
- The difficult/very difficult steps are the receiving reimbursement, overall execution of the projects and resourcing the preparation of the applications.
- Submitting claims for reimbursement as well as the monitoring and reporting process were also rated difficult by the beneficiaries.



- Around 90% of the beneficiaries expect to fully meet the planned outputs, results and impacts.
- The beneficiaries' answers show the same positive opinion about the planner results and impact.



EU assistance

78% of the beneficiaries answered that they would not have undertaken their project in the absence of EU assistance. The rest of the beneficiaries' answers divide equally among the use of credit, their own or other resources for financing the projects.

All of the beneficiaries who already have a financed project answered that they would consider submitting future applications for funding. More than 90% of these beneficiaries

also stated that now after implementing their project, they would still submit an application for funding of the same project. Those beneficiaries, who gave negative answers, rated as main reason the fact that their projects achieved the desired objectives and results. Two answers were related to the burdensome administrative procedures set by the Managing Authority for preparing, reporting and verification of reports and requests for reimbursement, which block the normal performance of their projects.

Only 14% of the beneficiaries, who would implement their project in the absence of EU assistance, replied that they would need a larger budget. Half of the beneficiaries answered that the same budget would be enough for the implementation. More than 70% of the beneficiaries would undertake the project within the same technical specifications. Those beneficiaries who would not have undertaken the project in the absence of EU assistance, list as a main reason the lack of financial resource in the municipal budgets. Some answers also include the economic crisis as an obstacle.

Half of the beneficiaries, who would not have undertaken their project in the absence of EU assistance, point out the same reasons. Two of the beneficiaries answered that EU funding is a much better financing opportunity than loans. Another beneficiary thinks that a credit with favorable conditions would be useful for the financing of another prioritized project.

8.12 List of interviews

Table 1 – List of interviews and meetings

Name of person	Position	Organization
Experts meeting with Managing Authority of Operational Program Regional Development (OPRD) held on 7th September 2010		
Denitsa Nikolova	General Director of Programming of Regional Development Directorate	MRDPW
Snejina Slavcheva	Deputy General Director of Programming of Regional Development Directorate	MRDPW
Ivan Popov	Head of Programming and Evaluation department	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Tatiana Milanova	Chief Expert, Programming of Regional Development Directorate	MRDPW
Asia Agova	Assistant to Head of Managing Authority	MRDPW
Kick-off meeting with Managing Authority of Operational Program Regional Development (OPRD) held on 13th September 2010		
Lilyana Pavlova	Deputy Minister of Regional Development and Head of Managing Authority	MRDPW
Ivan Popov	Head of Programming and Evaluation Department	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Tatiana Milanova	Chief Expert, Programming of Regional Development Directorate	MRDPW
Interviews with the Managing Authority held on 14th September 2010		
Snejina Slavcheva	Deputy General Director of Programming of Regional Development Directorate	MRDPW
Elitsa Nikolova	Deputy General Director of Programming of Regional Development Directorate	MRDPW
Maria Stanevska	Head of Implementation of Programme Priorities Department	MRDPW
Violetka Doneva	Head of Monitoring Department	MRDPW
Silvia Boncheva	State expert in the Organizational development, information and publicity department	MRDPW
Plamenka Kodova	Head of unit in the Financial Management and Control department	MRDPW
Milena Atanasova	Head of Legislation, Risk Assessment and Irregularities Department	MRDPW
Ivan Popov	Head of Programming department	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Meeting for Activity 4 Environment Impact Assessment of Operational Program Regional Development (OPRD) held on 17th September 2010		
Ivan Popov	Head of Programming and Evaluation Department	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Interviews with representatives of the MA held on 28 - 29th September 2010		
Maria Stanevska	Head of Implementation of Programme Priorities Department	MRDPW
Alexander Genchov	Expert, Financial Control Unit, Financial Management and Control Department	MRDPW
Georgi Stoev	State Expert, Monitoring Department	MRDPW
Julia Spiridonova	Director in the National Centre for Regional Development	NCRD
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Ivan Popov	Head of Programming and Evaluation department	MRDPW

Name of person	Position	Organization
High-level meeting held on 28th September 2010		
Denitsa Nikolova	General Director of Programming of Regional Development Directorate	MRDPW
Lilyana Pavlova	Deputy Minister of Regional Development and Head of Managing Authority	MRDPW
High-level meeting with the Head of the Managing Authority of Operational Program Regional Development (OPRD) held on 25th October 2010		
Lilyana Pavlova	Deputy Minister of Regional Development and Head of Managing Authority	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Meeting with Denitsa Nikolova held on 25th October 2010		
Denitsa Nikolova	General Director of Programming of Regional Development Directorate	MRDPW
Lyudmila Tozeva	Head of Evaluation Unit	MRDPW
Meetings with Direct beneficiaries held on 3-5th November 2010		
Adriana Kaisheva	Senior Legal expert	Agency for Social Assistance
Stoyko Ivanov	Junior expert	Agency for Social Assistance
Management team of Employment Agency		Employment Agency
Radmila Koteva	Head of department "Projects under OPRD"	Agency "Road Infrastructure"
Nikolina Chapova	Project coordinator	Agency "Road Infrastructure"
Katya Gaydarova	Project coordinator	Agency "Road Infrastructure"
Tony Mileva	Department "Projects"	Ministry of Culture
Borislava Kuzmanova	Project coordinator	Ministry of Culture
Desislava Dimitrova	Deputy Minister of Health	Ministry of Health
Krasimir Hristov	Head of International activities and protocol Directorate	Ministry of Health
Maria Nedyalkova	Public Health Directorate	Ministry of Health
Boyana Dimitrova	Senior expert	Ministry of Education
Diyana Cvetkov	Head of the mid-term investment programme	Ministry of Education
Yovko Yovchev	Legal expert	Ministry of Education
Nikolay Nikolov	Head of "Fire and Rescue" Directorate	Ministry of Interior
Toshko Barzilov	Head of sectors in Fire brigade	Ministry of Interior

Name of person	Position	Organization
Sergey Krastev	Legal department	Ministry of Interior
Stefan Mirchev	Expert, Tender procedures	Ministry of Interior
Iva Yakimova	Coordinator of the Mid-term framework programme	Ministry of Economyq Energy and Tourism
Vladimir Tudzharov	Secretary General of MoE	Ministry of Economyq Energy and Tourism
Stoyan Georgiev	Project coordinator	Ministry of Economyq Energy and Tourism

Source: KPMG