



REPUBLIC OF BULGARIA

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

ANNUAL REPORT ON THE IMPLEMENTATION
OF
OPERATIONAL PROGRAMME
REGIONAL DEVELOPMENT 2007–2013
FOR 2012



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LIST OF ABBREVIATIONS

NEA	National Employment Agency
RIA	Road Infrastructure Agency
SAA	Social Assistance Agency
GA	Grant Assistance
RES	Renewable Energy Sources
DG “PRD”	Directorate General Programming of Regional Development
GIS	Geographic Information System
SACP	State Agency for Child Protection
SG	State Gazette
VAT	Value added tax
MSCIC	Medical and Social Care Institution for Children
EIB	European Investment Bank
EC	European Commission
EU	European Union
ERDF	European Regional Development Fund
ESF	European Social Fund
PP Act	Public Procurement Act
LRAI	Legislation, Risk Assessment and Irregularities
SD Act	Spatial Development Act
EA ECNIS	Executive Agency Electronic Communications Networks and Information Systems
IPP	Implementation of programme priorities
MMIS	Management and Monitoring Information System
MC	Monitoring Committee
CP	Communication Plan
MUPT	Mass urban public transport
MoEET	Ministry of Economy, Energy and Tourism
MoEYS	Ministry of Education, Youth and Science
MoEW	Ministry of Environment and Water
MoRDPW	Ministry of Regional Development and Public Works
MoTITC	Ministry of Transport, Information Technology, and Communications
MoF	Ministry of Finance
NIICH	National Institute for Immovable Cultural Heritage
OSPPA	Ordinance for Small Public Procurement Award
NSDC	National Spatial Development Concept
NGO	Non-governmental organisations
OPRD MIM	OPRD Management and Implementation Manual
OP	Operational Programme
OPRD	Operational Programme “Regional Development” 2007–2013
OP HRD	Operational Programme Human Resource Development 2007–2013
ODIP	Organisational Development, Information and Publicity
BIR	Base interest rate
EAC	Ex-ante Control
CMD	Decree of the Council of Ministers
RDP	Rural Development Programme
PE	Programming and Evaluation
RD	Regional Department
GBUA	Gross built-up area
MFIP	Medium-term Framework Investment Programme

SSO	Standalone site owner
SF	Structural Funds
MA	Managing Authority
PME	Programme Management and Evaluation
FA	Financial Activities
FMC	Financial Management and Control
HF	Holding Fund

ANNUAL IMPLEMENTATION REPORT

1. IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned	COHESION
	Eligible area concerned	Republic of Bulgaria
	Programming period	2007–2013
	Programme number (CCI No)	2007BG161PO001
	Programme title	REGIONAL DEVELOPMENT 2007–2013
ANNUAL IMPLEMENTATION REPORT	Reporting year	2012
	Date of approval of the annual report by the monitoring committee	28.05.2013

2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

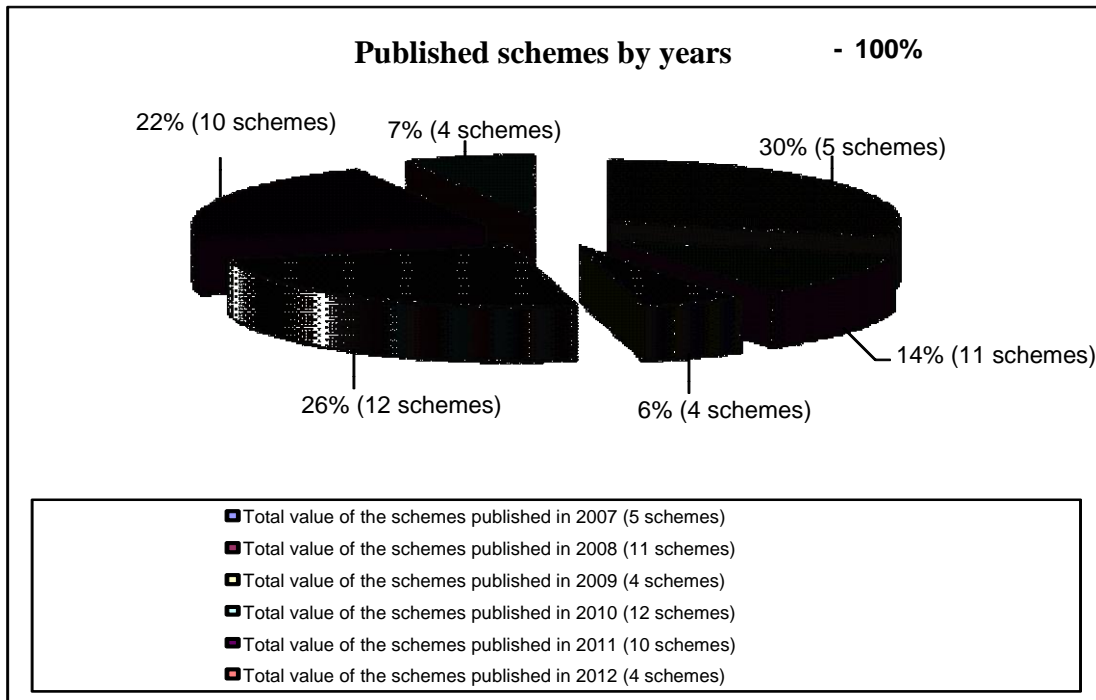
2.1. Achievement and analysis of the progress

In 2012, the MA of OPRD focused its efforts on accelerating the contracting, verification, enhancement, and optimisation of procedures, as a result of which on 14.02.2012 Version 8 of the OPRD Management and Implementation Manual was approved by the Head of the MA of OPRD. The improved and streamlined procedures enabled high-quality ex-ante and ex-post control over the contract award procedures to be exercised by the PPA/OSPC/DCM 55 beneficiaries, and accelerated the verification, which in turn resulted in a considerable increase in the volume of payments under the programme.

Implementing the 2012 Indicative Annual Working Programme **3 grant schemes were launched** with a total value of **EUR 109,161,477.52 million**, or **3.5%** of the OPRD budget, respectively under priority axes 1, 3 and 5. A public procurement procedure under the Public Procurement Act (PP Act) was conducted within Operation “Housing Policy” for the purposes of establishing a Housing Renovation Fund, with a total amount of the grant EUR 6,374,421.

In order to provide actual and correct information in this report, all decisions for reallocation of financial resources between operations and/or priority axes, taken by the OPRD Monitoring Committee in 2012 (after the second revision of OPRD was sent via the SFC system on 20.03.2012), are reported. The budgets of the individual operations and priority axes have been updated in line with the decisions made in 2012 and will be reflected in the third revision of OPRD with a view to its official transmission via the SFC system in 2013 for approval by the EC.

With the publishing of the three schemes in 2012 and the public procurement under the PP Act, the total amount of the schemes published as from the launching of the operational programme till the end of 2012 reached 100% of the OPRD budget.



During the reporting period a total of **128 project proposals** were submitted. **132 project proposals were evaluated, including proposals submitted in 2011 but evaluated in 2012. A total of 198 project proposals were approved**, including project proposals from reserve lists, which have been ranked but have not been financed because of insufficient available financial resources under the corresponding schemes.

The schemes launched in 2012 were orientated at the third scheme for improvement of the urban environment in 36 towns, centres of agglomeration areas; the second scheme for development of regional tourist products and increasing the effectiveness of regional marketing, and a scheme under the technical assistance for developing ready investment projects, with which the 36 municipalities – centres of urban agglomerations – will be able to apply for financing during the next programming period 2014–2020 within integrated plans for urban regeneration and development.

In 2012, **257 contracts** with a total amount of the grants (pursuant to the grant award decisions) of EUR **411,639,504.88** were concluded in the following thematic areas:

- 115 contracts under Priority Axis 1, of which: 18 contracts with the Social Assistance Agency targeted at support for provision of adequate and effective state social infrastructure in urban areas; 3 contracts with the National Employment Agency for provision of adequate and effective infrastructure of labour offices in urban areas; 1 contract with the Ministry of Culture for repair and reconstruction of the National museum complex in support of the provision of adequate and effective state cultural infrastructure in urban areas; 2 contracts with the Thracian University and the National Art Academy for provision of adequate and cost-effective infrastructure of universities in urban agglomerations; 23 contracts from the reserve list for application of energy efficiency measures in municipal educational infrastructure of urban agglomerations; 38 contracts in support of the deinstitutionalisation of social institutions providing services to children at risk; 19 contracts for reconstruction, renovation and equipment of municipal medical facilities in urban agglomerations; 1 contract in support of energy efficiency in multifamily residential buildings; 2 contracts for providing modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups; 1 contract with the Corporate Commercial Bank for establishing a Housing Renovation Fund; 2 contracts from the reserve list for small-scale interventions to

prevent floods in urban agglomerations; 5 contracts for integrated urban transportation in the five larger cities;

- 4 contracts under Priority Axis 2, of which: 3 contracts for rehabilitation/reconstruction of Grade 2/3 road network; 1 contract for development of public ICT infrastructure;
- 53 contracts under Priority Axis 3, of which: 19 contracts for development of tourist attractions; 1 contract with the Council of Ministers for restoration and conservation of the palace of Evksinograd and the adjoining park; 28 contracts for development of regional tourist product and marketing of destinations; 5 contracts with the Ministry of Economy, Energy and Tourism in support of effective national marketing of the tourist product and improved information services;
- 70 contracts under Priority Axis 4, of which: 32 contracts from the reserve list for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities; 33 contracts from the reserve list for small-scale measures for prevention of floods in 178 small municipalities; 5 contracts for reconstruction, renovation and equipment of municipal medical and healthcare facilities in municipalities outside urban agglomeration areas;
- 15 contracts under Priority Axis 5 – Technical Assistance.

Table 1: Allocation of contracted amounts per programme Priority Axes during the reporting period:

Priority Axis	Total Budget by Priority Axis in Euros	Total Priority Axis Budget after MC Decisions in 2012 in Euros	Number of projects approved for financing	Grant Value under the approved projects (EUR)	Number of concluded contracts	Grant value under the concluded contracts (EUR)
1. Sustainable and integrated urban development	923,881,442.00	949,963,391.00	76*	226,849,989.97	114	276,129,556
2. Regional and local accessibility	338,309,627.00	330,614,043.00	4	35,045,778.67	4	35,045,778.67
3. Sustainable tourism development	170,939,183.00	159,061,617.00	34	21,860,756.03	53	56,089,596
4. Local development and cooperation	114,051,118.00	107,542,319.00	70	29,192,716.61	70	29,067,453
Technical assistance	54,093,389.00	54,093,389.00	14	15,053,265.80	15	15,181,857
Total	1,601,274,759	1,601,274,759	198	328,002,507.08	257	411 514 240,67

Note:

The column “Total Priority Axis Budget in Euros” reflects the amount of the priority axis according to the second OPRD revision, submitted via the SFC system in February 2012 and approved by the EC in August 2012.

The column “Number of projects approved for financing” also includes project proposals from reserve lists, which have been evaluated and ranked in 2010/2011, but have not been financed because of insufficient available financial resources under the corresponding scheme.

The column “Number of contracts signed” also includes contracts for back-up projects approved in 2010/2011, for which contracts were concluded in 2012.

The “Grant Value under the Concluded Contracts” column includes only the grant amount under contracts concluded in 2011 in accordance with the Grant Award Decisions issued by the Head of the OPRD Managing Authority, excluding the amounts on the annexes executed in 2012.

* Each number includes 1 project / tender under Scheme BG161PO001/1.2-03/2011 “Support for Creation of Financial Engineering Instrument – Housing Renovation Fund”, manager for housing policy, approved after the conducting of a procedure under the PP Act.

2.1.1. Information on the physical progress of the operational programme

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

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

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

➤ Completed projects

All projects with completed project activities, submitted final technical and financial reports, submitted requests for final payment, verified and actually paid, are considered completed.

In 2012, **152 projects were entirely completed under grant contracts**, distributed between the Priority Axes, as follows:

Priority Axis	Number of completed projects in 2012
Priority Axis 1	82
Priority Axis 2	19
Priority Axis 3	8
Priority Axis 4	34
Priority Axis 5	9

Out of the projects completed within Priority Axis 1, 10 projects are related to the improvement of municipal educational infrastructure – schools and kindergartens; 4 projects are orientated at applying energy efficiency measures in municipal educational infrastructure; 2 projects are related to renovation of the infrastructure of universities; 10 projects are targeted at improving the cultural infrastructure; and 10 projects – at renovation of social infrastructure. In addition, 8 projects related to support for provision of adequate and effective infrastructure of labour offices with beneficiary the National Employment Agency, as well as 10 projects related to improving state cultural sites (theatres, opera houses, galleries, etc.), contributing to the sustainable development of urban areas, with beneficiary the Ministry of Culture, were completed.

Within operation 1.4, 13 projects were completed related to urban agglomeration landslide prevention and 19 project on urban environment improvement.

As a result of the completed projects under Priority Axis 1, 226 buildings of the educational, cultural and social infrastructure were renovated. The population which benefited from the prevention measures from landslides is about 480,685 people in urban areas.

In 2012 under Priority Axis 2, 17 projects were completed, resulting in the rehabilitation/renovation of 340.255 km national and municipal roads.

Under Priority Axis 4, a total of 34 projects were completed, of which 18 were targeted at improvement of the educational infrastructure in municipalities outside agglomeration areas, 6 were aimed at strengthening small-scale infrastructure for landslide prevention, and the remaining 10 projects supported interregional cooperation and exchange of best practices. Among the more important results of the Priority Axis 4 projects completed are 35 buildings improved educational infrastructure, 7,267 pupils benefiting from the renovated educational institutions, 35,607 people benefiting from landslide prevention, 30 innovative practices, exchanged and applied on interregional cooperation basis, 35 interregional events held with 1,869 participants.

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

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

Table 2 – Financial information

	Total funding of the operational programme (from the EU and from the Member States)	Basis for calculating the RU contribution (Public or Total cost)	Total amount of certified eligible expenditure paid by beneficiaries (1)	Corresponding public contribution (1)	Implementation rate in %
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = c/a if T or e = d/a if P</i>
Priority Axis 1	923,881,442.00			193,441,001.31	20.94%
Specify the Fund		public	194,389,355.33		
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- oOf which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A

<i>Priority Axis 2</i>					33.76%
Specify the Fund	338,309,627.00	public	114,564,946.52	114,225,357.43	
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure(2)					N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
<i>Priority Axis 3</i>	170,939,183.00	public	16,632,826.95	16,630,401.91	9.73%
Specify the Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
<i>Priority Axis 4</i>	114,051,118.00	public	29,532,334.42	29,504,498.33	25.87%
Specify the					

Fund					
- Of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- Of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
<i>Priority Axis 5</i>	54,093,389.00	public	6,973,779.02	6,973,779.02	12.89%
<i>Technical Assistance</i>					
Specify the Fund					
- of which ESF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- of which ERDF-type expenditure (2)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions not receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
- expenditure for regions receiving transitional support (3)	N/A	N/A	N/A	N/A	N/A
GRAND TOTAL	1,601,274,759.00	public	362,093,242.24	360,775,038.00	22.61%

(1) Cumulative numbers. The value of the expenditure, certified by the CA during the period 01.01.2007 – 31.12.2012, is reported.

(2) Data in this field is only entered in the final implementation report, when the operational programme is co-financed by the ERDF or ESF, and when the option under Article 34, Paragraph 2 of Regulation 1083/2006/EC has been exercised.

(3) Data in this field is only entered in the final implementation report, when the operational programme includes support both for regions receiving transitional support and for ones not receiving such support. For operational programmes, for which contribution from ERDF exists as special allocations for the remotest regions: operating expense and infrastructure investment expenditure breakdown.

During the reporting period, prefinancing, interim and final payments have been executed under OPRD. For 2012, a total amount of **EUR 154 053 117.35 were paid**, including:

prefinancing payments – EUR 112,280,869.79

interim payments – EUR 70,256,024.71

final payments – EUR 52,504,108.58

Therefore the percentage of payments made in 2012 towards the programme budget amounts to 14.68%.

The payment rate as at 31.12.2012 compared to the payments executed as at 31.12.2011 was doubled (the cumulative amount of the payments executed as at 31.12.2011 was EUR 323,246,020.82, and the payments executed as at 31.12.2012 amounted to EUR 558,287,023.91).

Certified expenditure in 2012 was **EUR 183,236,465.98**.

➤ **Applying the N+3/N+2 rule**

For the purposes of automatic decommitment (*the N+2, N+3 rule*), pursuant to Article 93 of Council Regulation (EC) No 1083/2006 of 11 July 2006, amended with Regulation 539/2010 of the European Parliament and the Council, the Commission automatically decommits the corresponding part of a budget commitment by adding one-sixth of the annual budget commitment, related to the total amount of the annual contribution for financial year 2007, to each of the budget commitments for financial years 2008 through to 2013 (*as can be seen below*).

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

In January 2012 the MA of OPRD updated the “frozen” forecast in the Lothar system for the purpose of following up the implementation of the N+3 rule and current monitoring of the implementation of Operational Programme “Regional Development” 2007–2013.

The certified cumulative estimated expenditure in the Lothar system as at 31 December 2012 amounted to EUR 299,699,342.14 – co-financing from the ERDF.

According to the updated Lothar system, as at 31 December 2012 the certified cumulative expenditure under OPRD amounted to EUR 306 658 782,23 – co-financing from the ERDF, or 102.32% of the estimated expenditure. Only in 2012 expenditure in the amount of EUR 154 697 933,49 – co-financing from the ERDF, was certified, whereby the objective for acceleration by the end of 2012 was achieved and no loss occurred as a result of applying the N+3/N+2 rule.

2.1.3. Information about the breakdown of use of the Funds

Table 3: Allocation of the contracted funds by category

Combination of codes from dimensions 1 – 5					
Code * Dimension 1 Priority Theme	Code * Dimension 2 Form of financing	Code * Dimension 3 Territory	Code * Dimension 4 Economic activity	Code * Dimension 5 Location	Total in Euros **
10	1	1	0	BG	
10	1	5	0	BG	
11	1	1	0	BG	
11	1	5	0	BG	17,003,055.21
22	1	1	0	BG	206,515,364.71
22	1	5	0	BG	
23	1	1	0	BG	45,522,817.80
24	1	1	0	BG	3,645,915.69
25	1	1	0	BG	78,395,386.38
28	1	1	0	BG	26,077,992.55
36	1	0	0	BG	723,666.05
40	1	1	0	BG	3,170,917.18
40	1	5	0	BG	1,055,496.12
42	1	1	0	BG	
42	1	5	0	BG	
43	1	1	0	BG	72,511,812.60
43	1	5	0	BG	21,377,183.47
44	1	5	0	BG	
50	1	1	0	BG	
50	1	5	0	BG	
52	1	1	0	BG	70,519,994.77
53	1	1	0	BG	30,844,792.80
53	1	5	0	BG	28,091,200.38
55	1	1	0	BG	
55	1	2	0	BG	
55	1	5	0	BG	
56	1	1	0	BG	2,580,940.95
56	1	5	0	BG	0.00
57	1	0	0	BG	26,347,904.09
57	1	1	0	BG	
57	1	5	0	BG	0.00
58	1	1	0	BG	77,322,746.35
58	1	5	0	BG	24,028,617.60
59	1	1	0	BG	25,589,927.88
60	1	1	0	BG	8,060,008.60
61	1	1	0	BG	123,918,856.14
61	1	5	0	BG	
75	1	1	0	BG	42,109,388.83

75	1	5	0	BG	9,964,348.84
76	1	1	0	BG	98,651,017.58
76	1	5	0	BG	14,869,983.33
77	1	1	0	BG	82,571,698.38
77	1	5	0	BG	9,964,348.84
78	1	1	0	BG	31,063,357.78
79	1	1	0	BG	12,929,595.59
79	1	5	0	BG	
81	1	0	0	BG	2,294,319.29
81	1	10	0	BG	3,568,908.38
85	1	0	0	BG	25,988,675.23
86	1	0	0	BG	4,028,055.80
				Total	1,231,308,295.20
* For each modification categories shall be coded according to their classification by type					
** Amount of the Community grant for each combination of categories					

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

1) Codes by priority area:

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

- 75 – Educational infrastructure
- 76 – Health infrastructure
- 77 – Childcare infrastructure
- 78 – Housing infrastructure
- 79 – Other social infrastructure
- 81 – Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
- 85 – Preparation, implementation, monitoring and inspection
- 86 – Evaluation and studies; information and communication

2) Codes by form of financing:

- 01 – grant

3) Codes by territory type:

- 00 – not applicable
- 01 – urban environment
- 02 – mountain regions
- 05 – rural regions
- 10 – interregional cooperation areas

4) Codes by economic activity

- 00 – not applicable

5) Codes by location

- BG – Bulgaria

2.1.4. Assistance by target groups

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

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

2.1.5. Assistance repaid or re-used

During the reporting period, 5,256,780.27 were reimbursed under financial corrections imposed, as follows:

- EUR 1,921,686.45 reimbursed by beneficiaries, including principal in the amount of EUR 1,853,100.28 and interest in the amount of EUR 68,586.17;
- EUR 3,335,093.82 withheld financial corrections, including principal in the amount of EUR 3,195,333.33 and interest in the amount of EUR 139,760.49;

- National Fund Directorate monthly increases the limit for payments according to the tenth digital SEBRA code together with the reimbursed expenses from the OPRD beneficiaries. MA initiates payments for the approved payment amounts concerning all axis of the OP within the stated limit.

2.1.6. Qualitative analysis

The grant schemes launched in 2012 under Operational Programme Regional Development and the implementation of the grant contracts executed will help achieve the objectives set for the period until 2013, as follows:

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

For the purpose of implementing Objective 1, during the reporting period a call for proposals under 1 grant scheme was launched within *Operation 1.4. "Improvement of the Physical Environment and Risk Prevention"* with a total amount of EUR 92,032,538.62 or 5.75% of the priority axis' budget, whereby the total amount of all launched schemes reached 100 % of the axis' budget. The evaluation of project proposals and the contracting within the schemes launched in 2008 with specific beneficiaries and the schemes launched in 2011 continued. The total number of project proposals received in 2012 amounted to 24, of which 1 was withdrawn during the evaluation. During the reporting period a total of 56 project proposals (including proposals submitted in 2011) were evaluated. 115 contracts were concluded with a total amount of the grant assistance of EUR 276,129,556.47 (including for projects from the reserve lists prepared in 2010 and 2011 for support for energy efficiency on municipal educational infrastructure and prevention of floods in urban agglomerations). In 2012, 1 contract was concluded within operation 1.2 "Housing Policy" by conducting a public procurement in accordance with the procedure of the Public Procurement Act for establishing a Housing Renovation Fund with a total grant amount of EUR 6,374,421.

By 31.12.2012 the total grant amount awarded under Priority Axis 1 was EUR 835,352,672.16, representing 88% of the size of the Priority Axis.

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

For the completion of Objective 2, during the reporting period a call under 1 grant scheme was launched within Operation 2.2 "Information and Communication Network" with a budget of EUR 20,015,934, whereby achieving 100% coverage of the priority axis. Within the deadline for application, 1 project fiche was submitted by the specific beneficiary Executive Agency Electronic Communications Networks and Information Systems, and was evaluated and approved. One grant contract was concluded with a value of EUR 20,003,287.52.

The evaluation and contracting of project proposals under scheme BG161PO001/2.1-01/2007 "Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads" with specific beneficiary the Road Infrastructure Agency, falling within the scope of Operation 2.1 "Regional and local infrastructure", launched in 2007, continued. During the period 7 project fiches (stage V) were submitted as a result of release of financial resources under the scheme. Of these, 3 projects were approved for financing and 3 grant contracts were concluded with a total value of EUR 15,042,491.15.

By 31.12.2012 the total grant amount awarded under Priority Axis 2 was EUR 3,317,365,606.93, representing 96% of the size of the Priority Axis.

- ***Implementation of Objective 3: Increasing the potential of regional tourism for development and marketing of sustainable, diverse, and region-specific tourist products of***

higher added value.

In pursuance of Objective 3, during the reporting period 1 grant scheme was announced within the scope of Operation 3.2 “*Development of the Regional Tourist Product and Destination Marketing*”. The total grant value for the scheme launched was EUR 3,093,976.76, whereby achieving 100% coverage of the priority axis.

During the reporting period 76 project proposals were submitted, of which 8 after the deadline for application, and 1 project proposal was withdrawn before the evaluation and resubmitted. 72 project proposals were evaluated, including 5 project fiches under scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services” with specific beneficiary the Ministry of Economy, Energy and Tourism, submitted at the end of 2011. Thirty-four project proposals were approved for financing.

Fifty-three (53) contracts were concluded with a total value of grants EUR 56,089,595.84.

By 31.12.2012 the total grant amount awarded under Priority Axis 3 was EUR 155,967,640.86, representing 98% of the size of the Priority Axis.

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

In 2012, 5 project proposals for reconstruction, renovation, and equipment of municipal medical and healthcare facilities in municipalities outside urban agglomeration areas were submitted. All 5 project proposals were approved and evaluated.

During the period 70 contracts were concluded with a total amount of the grant assistance of EUR 29,192,716.61, of which 5 contracts for municipal medical and healthcare facilities in municipalities outside urban agglomeration areas and 65 contracts under projects from the reserve lists prepared in 2010 and 2011 for support for energy efficiency on municipal educational infrastructure and prevention of floods in urban agglomerations.

By 31.12.2012 the total grant amount awarded under Priority Axis 4 was EUR 104,576,595.15, representing 97% of the size of the Priority Axis.

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

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

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

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

The partnership principle has been included in the process of programming, implementation, monitoring and evaluation of OPRD. The useful and constructive partnership with the European Commission continued in 2012. The OPRD Monitoring Committee consists of both members with the right to vote, as well as social and economic partners, and NGOs – representatives of the civil society. Representatives of the EC and JASPERS took part in all meetings and events together with representatives of the municipalities of the 7 larger cities for open discussions, consideration and decision-making with regard to the activities related to urban transportation modernisation.

The Managing Authority also involved its partners in the multiplying and dissemination of information addressed at OPRD beneficiaries and the public at large. In 2012, the MA organised a number of events with the participation of various interested parties – information days on the launched grant schemes, press conferences, an annual conference on the progress under OPRD, meeting-training with representatives of the beneficiaries, as described in Section 5 *Information and Publicity*.

In accordance with the requirements of Operation 3.2, the two schemes for development of regional tourist product and marketing of destinations are based on the principles of partnership and regional approach. The combination of partners is meant to develop regional tourist products based on the natural, cultural, and historical heritage. Applicants under this scheme are obliged to apply in partnerships with at least two other municipalities, and each municipality may apply as an applicant or partner in only one project proposal. When selecting its municipal partners, applicants had to use a strategically relevant approach and make sure that a number of conditions are fulfilled:

- each municipality in a partnership shall have a common territorial border with at least one of the other municipalities in the partnership;
- the territory of the municipalities in a partnership shall have similar and/or complementing features allowing the creation of a common regional tourist area and a common regional tourist product.

Where the need to do so was identified, applicants could include as a partner a local, regional or national tourist association or a branch thereof.

Two more grant schemes published in 2012 are based on the principle of partnership with the civil society, namely scheme “Green and Accessible Urban Environment” within Operation 1.4 “Improvement of the Physical Environment and Risk Prevention”, and scheme “In support of the next programming period” within Operation 5.3 “Building the Capacity of OPRD Beneficiaries”.

Pursuant to the requirements for applying under the two schemes, the contracting and development of technical or working investment designs shall be preceded by selection of an idea for the best volume and spatial solution. The selection shall be carried out through a wide public discussion, and information shall be published in the web site of the specific beneficiary. Beneficiaries shall be obliged to submit to the OPRD MA information and evidence that the selection has been carried out through wide public discussion (invitations to the discussions, extracts from the web site of the municipality – specific beneficiary, copies and summaries of survey forms, protocols, lists of participants and photographs of the meetings, round tables, presentations and other forms of wide discussion held).

An example of successful application of the partnership principle is the implementation of Scheme BG161PO001/1.1-12/2011 “*Support for deinstitutionalisation of social institutions providing services to children at risk*” under OPRD in pursuance of the “*Vision for the Deinstitutionalisation of Children in Republic of Bulgaria*” and the *Action Plan to it*, developed by an interinstitutional working group and adopted by the Council of Ministers in 2010. This scheme aims at securing a suitable and effective social infrastructure to help provide a new type of residential and auxiliary services within the community as a replacement for the institutional care. The funds are directed towards building, repair, equipment, and furnishing of family-type housing centres and secure homes. Based on the infrastructure built under OPRD, with the support of Operational Programme Human Resources Development, all social services identified as suitable to satisfy the needs of every child will be developed gradually. With a view to tracking the progress of the implementation of the contracts concluded under the scheme and coordinating the integrated approach, with a letter dated 21 June 2012 the OPRD MA requested from all 54 beneficiary municipalities with concluded grant contracts up to this date to provide information statements about the progress under the projects. The information statements shall contain information related to the planned dates for launching procedures for selection of contractors for works / supplies, dates of starting the works / supplies,

dates of completion of the works / supplies, as well as problems encountered in the process of implementation. As a result an **analysis of the deadlines for implementation of the construction and installation works under the individual projects** was carried out with a view to achieving a reserve of time for the fastest completion of the implementation of the works contracts. The aim is to achieve synchronisation between the investment component under OPRD and the services offered under OP “Human Resources Development”, which will start only after the construction of the buildings. The beneficiary municipalities were required to mobilise all available resources, as well as review the time-schedules for implementation of project activities and, where possible, shorten the deadlines for preparation and construction with a view to ensure completed buildings by the end of 2013.

In July 2012 under the auspices of the Minister charged with European Union Funds Management a meeting was held of the Information and Publicity Experts of the Managing Authorities for Operational Programmes, responsible for the process of deinstitutionalisation in Bulgaria, with a view to implementing a single vision of a communication campaign. It was decided that all information films, videos and other advertising materials that promote the process of deinstitutionalisation shall have a single message, which reads: “This project is implemented in pursuance of the Vision for Deinstitutionalisation of the Children in Bulgaria National Strategy”.

Another example of the applying of the partnership principle is the implementation of scheme BG161PO001/1.2-02/2011 “Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups” under OPRD in pursuance of the concept for integrated projects for development of housing for disadvantaged groups as a result of the work of the interinstitutional working group under the auspices of the Minister charged with European Union Funds Management in 2011. In June 2012, 2 grant contracts were concluded, with Vidin and Dupnitsa. An integrated approach shall be implemented in the course of project implementation through the joint operation of two funds, the ERDF and the ESF, whereby, together with the construction of social housing under OPRD, programmes for qualification and employment, children education quality improvement, measures to raise the level of community self-organisation, etc. need to be created under OP Human Resources Development.

The programming process related to the next period 2014–2020 fully applies the partnership principle. In July 2012 a thematic working group was set up for the development of Operational Programme Regional Development for the next programming period, “Growing Regions” 2014–2020. Representatives of the institutional and social and economic partners, the Managing Authorities of operational programmes, the National Statistical Institute, the National Council of People with Disabilities, the academia, the employers and trade unions in Bulgaria, NGOs working in the field of social policy, environment, regional development, education, science and culture, the National Association of Municipalities in the Republic of Bulgaria, the regional development boards, the official denominations in Bulgaria and other stakeholders participated in the working group. In 2012 six meetings of the working group were held. In July 2012 a seminar was held to present the results from Stage 2 of Project “Social and Economic Analysis for the Needs of Operational Programme Regional Development during the Period 2014–2020”, in which the stakeholders participated widely. Representatives of the contractor also participated with presentations in the subsequent discussions at meetings of the working group for development of Operational Programme “Growing Regions” 2014–2020, as well as in informal meetings at high management level regarding the programming for the period 2014–2020.

In 2012 at one of its sessions the Council of Ministers approved a National Spatial Development Concept 2014–2025. The contractor prepared and submitted the following 5 progress reports, accepted by the Contracting Authority: 1 induction report, 3 interim reports and 1 final report. Representatives of the contractor also participated with presentations in the subsequent discussions at meetings of the working group for development of Operational Programme “Growing Regions”

2014–2020, as well as in informal meetings at high management level regarding the programming for the period 2014–2020.

2.2. Information about compliance with Community law

In 2012 the amendments in the PP Act, promulgated in SG, No. 93 of 25 November 2011, effective as from 26 February 2012, entered into force. Changes were made to the regime for ex-ante control under Article 19, paragraph 2, sub-paragraph 22 of the PP Act for public procurement, financed fully or partially with European Union funds.

During the reporting period there was active participation in the work related to the coordination of the regulations defining the provisions of the European Structural and Investment Funds during the period 2014–2020.

2.3. Significant problems encountered and measures taken to overcome them

➤ *Delays in the implementation of some grant contracts*

There has been a delay in the implementation of some of the projects, which in turn leads to changes to the time-schedule stipulated in the respective contract. The main reasons for the delay are related to the procedures for the award of public procurement contracts. Appeals have been filed under a considerable portion of the procedures by rejected applicants, or the Commission for Protection of Competition has issued a decision for unlawfulness of the procedure held, appealed in turn by the beneficiary before the Supreme Administrative Court, which has further delayed the implementation of the contract. On many occasions the period of delay resulting from appeals is over 9 months. Some of the procedures have been terminated by the Employer and subsequently launched again.

Measures taken: The MA took measures for the *temporary suspension of the grant contracts or separate activities therein*, as the result of objectively existing circumstances in the meaning of Article 10.1 of the General Conditions of the grant contracts, which would hinder implementation within the deadline of some of the activities laid down in the project timetable. In accordance with Article 10.4 of the General Conditions of Grant Contracts, the implementation period for activities shall be extended by a period equal to the period of suspension, under the condition that the restriction laid down in Article 10.1 of the General Conditions of Grant Contracts concerning the maximum period of contract implementation – the operational programme execution period, is complied with.

Based on the analysis carried out by the MA in September 2012 of the public procurements of 217 OPRD beneficiaries (during the period 2010–2012) it was established that during the period 2010–2012 a total of 280 procedures have been appealed against. The period of delay of the contracting process as a result of appeals against the decisions of contracting authorities in some cases exceed 9 months. **The total amount of the estimated values of the 280 procedures appealed against is EUR 264,763,438.**

Measures taken:

- *Holding joint meetings with beneficiaries, whose projects are identified as high-risk ones, and discussing the possible scenarios for achieving the implementation of the planned objectives and results; this will also contribute to the achievement of the objectives of the programme*
- ***Regular monitoring of the implementation of OPRD projects – regular updates of the analysis for risk projects***

The following **streamlining** of processes was also made in order to accelerate the projects and the verification:

- ✓ *Contracts for **investor control** were concluded with external contractors for the purpose of ensuring quality implementation of infrastructural projects and sustainability of results;*
- ✓ *Contracts for **legal services** were concluded with external contractors for the purpose of speeding up the process of processing irregularity alerts*
- ✓ *Segregation of functions within the Legislation, Risk Assessment, and Irregularities Department by structuring two sectors – **Irregularities sector** for more focused and effective control and **Ex-ante/ex-post control sector** for faster and more effective processing of the dossiers.*

As a result the verification process was improved, the payment rates were accelerated and a more effective management and control system was achieved.

➤ ***Established omissions / weaknesses in the conducting of the public procurement procedures***

As a result of a summary analysis of the recommendations made in the opinions from the **ex-ante control** performed by the MA of the draft documentations for participation in public procurement procedures, the OPRD MA established that the most frequently detected material instances of non-compliance with the PP Act are as follows:

- *The contents of the draft procurement notice does not comply with the requirements of Article 25 (2) of the PP Act.*
- *Violations in the applying of the provision of Article 25 (6) of the PP Act.*
- *The developed methodology for evaluation is in contradiction with the provision of Article 28 (2) of the PP Act and with the principles of equal treatment and non-discrimination proclaimed in Article 2 of the PP Act.*
- *Discrepancies in the requirements in different parts of the documentation for participation.*

As a result of an internal analysis carried out of errors and violations established in the course of the performed **ex-post control** for legality of the conducted public procurement procedures, as well as with a view to the results specified in the diagram below, the following most frequent omissions / weaknesses and difficulties in the conducting of the public procurement procedures by beneficiaries were established:

- *Aligning requirements stipulated in different manners and/or introducing additional requirements and/or other corrections in the documentation for participation and the procurement notice by providing of explanations under Article 29 of the PP Act.*
- *Illegality of the decision of the committee responsible for conducting the procedure, and thus of the Contracting Authority, with regard to the eligibility of the participant or tenderer based on the requirements of the Contracting Authority, and the compliance of the submitted tenders.*

Measures taken: With the amendment to the PP Act, described in section 2.2. (SG, No. 93 of 25 November 2011, effective as from 26 February 2012), the statutory regulation of the ex-ante control regime was changed, and the competent authority exercising this control became the Public Procurement Agency. Ex-ante control covers the draft procurement notice, as well as the draft methodology for evaluation of tenders with the economically most advantageous offer being the selection criterion (Article 20a of the PP Act), and is conducted with respect to public procurement contracts financed with EU funds with a value of over BGN 2.6 million for works contracts and above the European thresholds for services and supplies (Article 19 (2), sub-paragraph 22, and Article 45a (2) of the PP Act). Simultaneously with the ex-ante control exercised by the PPA, the

MA continued exercising ex-ante control of the compliance of the technical specifications with the approved project and the corresponding statutory requirements for all procedures.

Based on an analysis of recommendations made by auditing authorities, as well as as a result of findings of the OPRD MA, in the internet site of OPRD in the «Contract Implementation» tab, «Guidelines for implementation of grant contracts» (<http://bgregio.eu/izpalnenie-na-dogovori/ukazaniya-za-izpalnenie-na-dogovori/finansovo-upravlenie-kontrol-i-monitoring.aspx>) up-to-date information is published about the most frequent irregularities in the implementation of projects co-financed by EU Structural Instruments, as well as information about violations in the course of awarding public procurement contracts, established by the auditing authorities in the course of audits of the OPRD MA, and the related recommendations.

On 7 December 2012, within a project under Priority Axis “Technical Assistance” following a conducted open procedure for awarding a public procurement contract, the MA concluded with external contractors contracts for the provision of legal services with a view to improve the quality of ex-ante and ex-post control over the public procurement procedures, as well as to streamline the process of processing alerts of irregularities and providing legal assistance for solving legal cases.

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

In the implementation of infrastructure projects, with regard to some projects weaknesses and omissions were established, such as poor quality implementation of the building and installation works at the objects of intervention. In these cases the MA demands that the defects be removed by sending instructions to the beneficiary. Subsequently the MA requires that the beneficiary sends photographs as evidence of the removed defects and, if deemed necessary, depending on the nature and significance of the established defects, carries out additional follow-up on-the-spot verifications in order to ensure the good quality of the construction of the object. In the event that the beneficiary fails to remove established defects, the Managing Authority implements *Methodological guidelines on determining the amount of the financial corrections for violations in the implementation of projects co-financed under Operational Programme “Regional Development” 2007–2013, approved with Order No. PД-02-14-1459/08.07.2011 of the Minister of Regional Development and Public Works.*

Corrective measures were undertaken to enhance the control over and the quality of project implementation. With Memo Outgoing No. 91-M-2535/24.08.2012 of the Head of the MA a procedure was introduced for carrying out «internal monitoring» by the beneficiaries in connection with contracts, and a standard form of a fact-finding protocol between beneficiary and contractor was approved. Beneficiaries are obliged prior to preparing a request for payment to carry out an on-the-spot verification of the completion of the corresponding activity, and prepare a fact-finding protocol. The fact-finding protocol is based on a quantitative and qualitative examination of the building and installation works as compared to the approved Bill of Quantities.

Contracts were concluded with specialised external firms, which perform investor control by monitoring the physical implementation of projects through on-the-spot verifications, provide expert opinions on the quality of materials used, etc. On 14 November 2011, 1 contract was concluded with an external contractor for on-the-spot verifications of projects related to road infrastructure, urban environment and public transport, and on 11 September 2012, 8 contracts were concluded with external contractors, of which 6 contracts for on-the-spot verifications of projects related to new development, repair, reconstruction of buildings in the six regions of Bulgaria, 1 contract for projects related to rehabilitation of tourist attractions and the related infrastructure, and 1 contract for projects related to strengthening of landslides, rockfalls and flood prevention measures. As a result of the contracts for investor control, concluded with external contractors, 97 on-the-spot verifications were carried out to ensure good quality of the performance of building and installation works within

infrastructure projects.

In addition to the Annual Plan of On-the-spot Verifications for 2012, the MA implemented a **Plan for On-the-spot Verifications of completed projects for checking the sustainability of results**, approved by the Head of the MA, which includes on-the-spot verifications of all projects completed during the previous year. A total of 76 on-the-spot verifications for ensuring the sustainability of investments were carried out.

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

In order to strengthen the capacity of the MA of OP Regional Development, in 2012 a total of 67 trainings were conducted both in Bulgaria and in European Union Member States.

The main topics covered by training are related to the following areas: prevention of irregularities and fraud in the absorption of resources from the Structural Funds, counteraction to corruption in the course of management and control of European Union Funds, financial engineering instrument with EU funds, awarding of public procurement contracts, cost-benefit analysis, project and risk management, Spatial Development Act, state aid and EU funded projects, general topics related to the management of EU funds – policies, EU regulations, etc.

In order to upgrade the knowledge and skills of all DG Programming of Regional Development employees, including the regional departments, in 2012 a working meeting-training was organised, related to the practical implementation of *Version 8 of the OPRD Management and Implementation Manual*.

In 2012 competitions were held to fill a total of 33 vacant staff positions at the MA. One expert was appointed at a management position and 32 experts at positions with analytic and/or control functions, of which 12 at regional level and 20 at the central level.

Pursuant to Order No. ПД-02-14-1675/02.07.2012 of the Minister of Regional Development and Public Works approving the staff complement of the MoRDWP, a new structure and number of staff of the Legislation, Risk Assessment, and Irregularities Department was approved – 16 permanent positions, with two sectors: Irregularities sector – 8 permanent positions, and Public Procurement Control sector – 7 permanent positions. By separating the Irregularities sector and Public Procurement Control sector within the LRAI department, a full separation was achieved of the functions and responsibilities related to the received irregularity alerts in the actual project performance.

Table 4. Organisational structure of the MA of OPRD by December 2012

OPRD Managing Authority – central level	Permanent staff 162
Director General, DG Programming of Regional Development	1
Deputy Director General – OPRD	2
Programming, Evaluation, Information, and Publicity Department	17, including
Programming sector	8, including
Chief assistant for European project and programme management	1
Senior assistant for European project and programme management	2
Evaluation sector	3
Information and Publicity sector	5
Implementation of Programme Priorities Department	18, including
Chief assistant for European project and programme management	1
Assistant for European project and programme management	4
Monitoring department	22, including
Assistant for European project and programme management	1
Financial Management and Control Department	29, including
Assistant for European project and programme management	1

Financial Control sector	15
Financial Planning and Payments sector	6
Accounting sector	6
Legislation, Risk Assessment, and Irregularities Department	16, including
Irregularities sector	8, including
Assistant for European project and programme management	3
Senior assistant for European project and programme management	2
Public Procurement Control sector	7, including
Assistant for European project and programme management	1
OPRD Managing Authority – regional departments	
North-Western Region Department	9, including
Senior assistant for European project and programme management	2
North-Central Region Department	10, including
Senior assistant for European project and programme management	2
North-Eastern Region Department	9, including
Senior assistant for European project and programme management	2
South-Western Region Department	9, including
Chief assistant for European project and programme management	2
South-Central Region Department	10, including
Senior assistant for European project and programme management	2
South-Eastern Region Department	10, including
Senior assistant for European project and programme management	2

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

In order to improve the capacity of the Programme beneficiaries, within the framework of the implementation of contract with the subject “*Development of Special Training on Operations for Beneficiaries and Consulting on OPRD Project Development and Implementation*” under the Priority Axis 5 project: “*Technical Assistance*” – BG161PO001/5-01/2008/014 “*Strengthening the OPRD Beneficiaries’ Capacity for Successful Participation in the OPRD Implementation and Absorption of Funds Granted by the Structural Funds through Implementation of the Training Plan*” a total of 68 training events were held related both with the applying under grant schemes within OPRD and with the implementation of the grant contracts, and a total of 828 representatives of beneficiaries were trained. Within these trainings, 21 training trips abroad were carried out, in which a total of 251 representatives of programme beneficiaries took part.

The conducted training events are related to the following grant schemes:

- BG161PO001/1.2-01/2011 “*Support for Energy Efficiency in Multi-Family Residential Buildings*”
- BG161PO001/1.1-09/2010 “*Support for the Application of Energy Efficiency Measures in Municipal Educational Infrastructure of Urban Agglomerations*”
- BG161PO001/4.1-03/2010 “*Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities*”
- BG161PO001/3.1-03/2010 “*Support for Development of Natural, Cultural, and Historical Attractions*”
- BG161PO001/1.1-12/2011 “*Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk*”
- BG161PO001/2.2-01/2011 “*Support for Development of Critical, Secure, Safe, and Reliable*”

Public ICT Infrastructure”

- *BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities”*
- *BG161PO001/1.5-02/2011 “Support for Integrated Urban Transportation in Sofia Municipality”*
- *BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas”*
- *BG161PO001/1.1-11/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations”*
- *BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”*
- *BG161PO001/4.1-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”*
- *Training related to JESSICA (Joint European Support for Sustainable Investment in City Areas) Holding Fund for Bulgaria*

Furthermore, in 2012 the Managing Authority organised and conducted information days for the potential beneficiaries of the Programme under the following grant schemes:

- BG161PO001/1.4-09/2012 “Green and Accessible Urban Environment”
- BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”

BG161PO001/3.2-03/2012 “Support for the Development of the Regional Tourist Product and Destination Marketing II”

- BG161PO001/5-02/2012 “In support of the next programming period”

The two schemes for development of the regional tourist product and destination marketing and the scheme “In support of the next programming period” are implemented with the help of a fully electronic application procedure in the Electronic Services Module of MMIS. Bearing in mind the lack of experience of applicants – municipalities in the field of electronic services and electronic applying, the OPRD MA provided all prerequisites required for the successful collecting of project proposals, including:

- The Guidelines for Applicants contain a detailed description of the procedure for electronic submission of project proposals, and the Manual for work with the Electronic Services Module of MMIS became an integral part of the guidelines for applicants.
- Training of applicant municipalities for work with the Electronic Services Module of MMIS were held with the participation of a representative of the Information and Management Systems for EU Funds Directorate.
- In the test version of the module test procedures for electronic applying were created to help potential applicants prepare for applying under the corresponding scheme;
- The Managing Authority designated a permanent contact person for applicants, who can receive alerts and inquiries in connection with the work in the system and communicate with

representatives of the Information and Management Systems for EU Funds Directorate for solving current problems and cases.

In February 2012 in the town of Shumen the MA organised and held a working meeting with the subject “Cooperation with municipalities in the implementation of scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings””.

In March 2012 the MA conducted a joint working meeting with beneficiaries regarding the updated guidelines on the implementation of OPRD grant contracts. The major topics covered during the event concerned the identification and reporting of irregularities; financial corrections; problems related to the award of public procurement contracts; ex-ante control over tender documentation – frequently occurring mistakes, etc.

In 2012 working and coordination meetings were held in connection with the preparation of the next programming period 2014–2020: two seminars with the subject “Operational Programme Regional Development 2014–2020 in the context of the preparation of a partnership agreement – beneficiaries, projects, operations and activities”.

In addition, in September 2012 during the official annual conference related to the presentation of the progress in the implementation of Operational Programme “Regional Development” 2007–2013 at the National Exhibition of Crafts and Art – Oreshak, village of Oreshak, Troyan Municipality, visits to OPRD objects (completed and in the process of implementation) were organised for journalists. Over 20 representatives of the media were trained. During the closing part of the event, certificates for active involvement in the OPRD were given.

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

In pursuance of the contract concluded on 08 December 2011 under a technical assistance project with the subject: “*Creation of Action Plans to Strengthen the Administrative Capacity of the OPRD Beneficiaries*”, the contractor carried out an analysis and assessment of the administrative, technical and financial capacity of 36 municipalities within the agglomeration areas and of the specific beneficiaries of OP “Regional Development” and developed action plans for strengthening the capacity of beneficiaries. At the beginning of 2013 the plans shall be approved by the OPRD MA, and the recommendations included therein shall be taken into consideration when developing the technical assistance axis of Operational Programme “Growing Regions” 2014–2020.

In addition, under Priority Axis 5 “Technical Assistance”, Operation 5.3 “Building the Capacity of OPRD Beneficiaries” specific beneficiaries – state institutions are supported by strengthening their capacity for preparation, management and implementation of their Medium-term Framework Investment Programmes and project fiches under OPRD. A large portion of the recommendations from audit missions carried out address the weaknesses and omissions of OPRD beneficiaries in the implementation of contracts, funded under OPRD grant schemes, resulting from the need for strengthening their administrative and technical capacity. This made it necessary to undertake urgent measures for strengthening the capacity of administrative structures – specific beneficiaries of OPRD, directly responsible for the processes of preparation, management and implementation of Medium-term Framework Investment Programmes and project fiches / project proposals under OPRD.

The financed projects aim at improving the capacity of beneficiaries – state institutions through the following activities:

- participation of beneficiaries in specialised training in the field of EU structural funds, including exchange of experience;
- financial incentives for the MFIP management and implementation team;

- development of ready (mature) projects at full level of project readiness (working projects in full volume, coordination, approvals, permits, etc.) (project pipeline), with which beneficiaries can apply for financing with funds from the regional development programme during the next programming period 2014–2020;
- development and introducing of monitoring and assessment system for the implementation of MFIP / projects;
- providing equipment for the implementation of MFIP / projects of beneficiaries;
- organising meetings for coordination of the process of management and implementation of MFIP / the OPRD projects;
- information and publicity with regard to MFIP of beneficiaries. Within the JASPERS initiative, at the end of 2010 an Integrated Urban Transportation Project Implementation Unit was created within the OPRD MA to provide support both to the Managing Authority and to the specific beneficiaries Bourgas, Sofia, Plovdiv, Stara Zagora, Rousse, Varna and Pleven municipalities in preparation of projects for modernisation of the urban transportation. The actual work of the unit started in 2011 with the following main activities: support for municipalities in determining the scope of the projects; reviewing, correcting and making recommendations on documentation related to feasibility studies, as well as on the entire package of application documents; providing methodological assistance to consultants and beneficiaries; meetings with stakeholders – coordination and working (the purpose of coordination meetings is to follow up on the progress of the projects, while in the course of working meetings in towns current problems faced by consultants and beneficiaries are solved). In the reporting period were not conducted coordination meetings between the PIU and the project beneficiaries for integrated urban transport.

In 2010, within the JASPERS initiative a Project Implementation Unit (PIU) was established to implement projects for integrated urban transport in the MA of OPRD to support both the MA and the specific beneficiaries Burgas, Sofia, Plovdiv, Stara Zagora, Rousse, Pleven and Varna for the preparation of projects for modernization of public transport. The actual work of the PIU started in 2011, with the following main activities: assisting municipalities in determining the scope of the project; review, corrections and recommendations on documentation related to feasibility studies, as well as the whole package of application documents; provide methodological assistance to consultants and beneficiaries; stakeholder meetings - coordination and working. In 2012, the feasibility studies were completed and the PIU started to implement functions related to approval and implementation of projects under Operation 1.5 „Integrated urban development systems: participation in evaluation committees; participation in preparation of grant contracts; checking the compliance and preparation of statements on submitted tender dossiers; ex-ante control on the technical specifications as part of the tender dossiers; examination and statements on the investment designs, conduction of working meetings and consulting beneficiaries.

With a view to the pilot implementation of the JESSICA initiative, as well as the preparation and accelerated implementation of other financial engineering instruments during the next programming period, the JESSICA Unit established at the end of 2010 continued operating and successfully performing its activities.

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

On 17.08.2012, via the SFC 2007 system, an EC decision was received approving the revised version of Operational Programme Regional Development, sent to the EC on 20.03.2012. The revised programme reflected all modifications adopted at the OPRD Monitoring Committee sessions and written procedures, held in 2011.

At sessions of the Monitoring Committee, as well as through written procedures of the MC, in 2012 new changes to the operational programme were initiated, made in compliance with Article 33 of Regulation No. 1083/2006 and prompted by: *taking into account the impact of the global financial and economic crisis; taking into account the changes in the national policy orientated at ensuring the energy safety of Bulgaria and higher energy efficiency; focus on the development of the growth poles – Sofia and the 6 large cities, in line with the Leipzig Charter on Sustainable European Cities, strengthening the capacity of specific beneficiaries, and other.*

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

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

Not applicable.

2.6. Complementarity with other instruments

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

With a view to preventing possible overlaps and double financing, the OPRD MA undertook the following measures:

- On the level of submitting project proposals and signing a grant contract, beneficiaries shall provide a declaration that at the time of the application the activities comprising the project proposal have not been financed under another project, programme or any other funding scheme of the national budget, the Community budget or another sponsoring programme;
- Before making a decision on the report of the evaluation committee, the MA performs a check for lack of double funding according to the list of projects proposed for financing by the evaluation committee. The check of the project proposals includes a check in MMIS, as well as a check for the lack of double funding under the PHARE Programme and other national and European funding programmes supporting similar activities. If doubts exist as to double funding, an official correspondence shall take place with the institutions providing the financial support. A check-list shall be filled in. In addition, before the conclusion of the grant contract, the approved applicants shall be obliged to submit a signed and sealed declaration of the lack of double funding for the project proposal or activities included in it.
- All OPRD projects have been entered into the single management and monitoring information system (MMIS).
- Furthermore, in compliance with the requirements of the European legislation, Article 14 of the General Conditions of the contract and the Contract Implementation Instructions under OPRD, in order to guarantee the provision of required data and reporting to the MA the beneficiary shall ensure the existence of an adequate accounting system at contract level by sources of funding (ERDF, NB and own contribution). An on-the-spot verification verifies if the beneficiary has fulfilled the requirement for keeping separate analytical accounts for each grant contract. If expenses have been correctly reported, a check is performed of the number of projects for which the beneficiary has received financing and whether the supporting documents (proof of expenditure) from the contractors under OPRD contracts have also been reported under other programmes, including the RDP, or whether the costs have been financed from the budget or other sources. The suppliers' accounts within accounts 4010 and 4020 are also checked by scrutinising the purchase logs.

- Before submitting a Request for Payment, the beneficiaries present to the OPRD MA the original primary supporting documents, based on which they want funds to be reimbursed. An expert from the OPRD MA places a formal stamp on their face, in the white margin, or on any area without meaningful symbols. If the Request for Payment is submitted with copies of supporting documents, on which no OPRD stamp placed on the originals is visible, these expenses are not recognised and reimbursed to the beneficiary.

➤ **An example for a joint initiative, illustrating the principle of complementarity between the ERDF and ESF, is the Deinstitutionalisation of Children from the Homes for Children with Disabilities and the MSCHC project**

On 24.02.2010 the Council of Ministers approved the strategic document “*Vision for Deinstitutionalisation of the Children in Bulgaria*”, developed by an interinstitutional working group with representatives of stakeholder institutions. In order to achieve the objectives of the “Vision for Deinstitutionalisation of the Children in Bulgaria”, on 24 November 2010 the Council of Ministers adopted an Action Plan for Implementation of the Vision for Deinstitutionalisation of the Children in Bulgaria National Strategy. The Action Plan provides for the development of a large number of social services in Bulgaria to replace the existing 130 institutions for children. Building a suitable infrastructure to provide the developed community services – *small group homes, secure homes and day care, transitional and monitored homes, children and mother health and consulting centres, etc.* – is very important to achieve the expected quality results. To this end, the interinstitutional working group adopted the **National Residential Care Map**.

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

The scheme “*Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk*” under OPRD aims at securing suitable and effective social infrastructure to help provide a new type of residential and auxiliary services within the community as a replacement for the institutional care. The funds are directed towards building, repair, equipment and furnishing of family-type housing centres and secure homes. With a view to tracking the progress of the implementation of the contracts concluded under the scheme and coordinating the integrated approach, with a letter dated 21 June 2012 the OPRD MA requested from all 54 beneficiary municipalities with concluded grant contracts up to this date to provide information statements about the progress under the projects. The information statements shall contain information related to the planned dates for launching procedures for selection of contractors for works / supplies, dates of starting the works / supplies, dates of completion of the works / supplies, as well as problems encountered in the process of implementation. As a result an **analysis of the deadlines for implementation of the construction and installation works under the individual projects** was carried out with a view to achieving a reserve of time for the fastest completion of the implementation of the works contracts. The aim is to achieve synchronisation between the investment component under OPRD and the services offered under OP “Human Resources Development”, which will start only after the construction of the buildings. The beneficiary municipalities were required to mobilise all available resources, as well as review the time-schedules for implementation of project activities and, where possible, shorten the deadlines for preparation and construction with a view to ensure completed buildings by the end of 2013.

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

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

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

The interinstitutional working group identified 4 pilot projects of municipalities, subsequently identified as specific beneficiaries under OPRD Scheme BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”. The scheme was published officially on 30 August 2011 and within the set deadline, 1 March 2012, 3 project proposals were submitted by Devnya, Dupnitsa and Vidin Municipalities. In 2012 the projects were evaluated and approved. Contracts were concluded with Dupnitsa Municipality and Vidin Municipality with a total grant amount of EUR 4.5 million. During the period a new deadline for submission of a revised project proposal by Bourgas Municipality was set – 30 April 2013.

2.7. Monitoring and evaluation

2.7.1. Monitoring

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

On 12.06.2012, the 10th session of the OPRD MC was held, where the following more important decisions were adopted:

- MC approved the Annual Report on the Implementation of OPRD for 2011 and authorised the OPRD MA to make the necessary changes in order to implement the adopted recommendations and comments.
- MC approved that the released financial resources under the current grant schemes in the amount of EUR 17,316,443 shall be reallocated to the forthcoming new scheme BG161PO001/1.4-09/2012 “Green and Accessible Urban Environment” within the scope of Operation 1.4 “Improvement of the Physical Environment and Risk Prevention”;
- The MC gave the Head of the OPRD Managing Authority a mandate to regularly reallocate the released financial resources under the following current grant schemes:
 - BG161PO001/1.1-02/2008 “Support for provision of adequate and cost-effective state educational infrastructure contributing to development of sustainable urban areas”;
 - BG161PO001/1.1-03/2008 “Support for provision of adequate and cost-effective state social infrastructure contributing to development of sustainable urban areas”;
 - BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk”;
 - Scheme BG161PO001/1.5-01/2010 “Support for Integrated Urban Transportation in Bourgas Municipality”;
 - BG161PO001/1.5-02/2011 “Support for Integrated Urban Transportation in Sofia Municipality”to Priority Axis 1 “Sustainable and integrated urban development”, Operation 1.4, to launch a new scheme BG161PO001/1.4-09/2012, “Green and Accessible Urban Environment”.

- The MC approved reallocation of financial resources in the amount of EUR 3,189,617 from Priority Axis 3 Sustainable Tourism Development, Operation 3.2 “Regional Tourist Product Development and Marketing of Destinations”, scheme BG161PO001/3.2-01/2010 “Support for Organisation of Events of Regional and National Scope and Impact” with specific beneficiary the Ministry of Culture to Priority Axis 1 Sustainable and Integrated Urban Development, Operation 1.1 “Social Infrastructure”, for the purposes of scheme BG161PO001/1.1-05/2008 “Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Social Areas” with specific beneficiary the Ministry of Culture.
- The MC gave the Head of the OPRD Managing Authority a mandate to make amendments to OP “Regional Development” 2007–2013 in line with the decisions made at the 10th session of the MC when initiating the next revision of the programme, as well as to change the values of indicators where necessary.

On 04.12.2012, the 11th session of the MC was held, where the following more important decisions were adopted:

- The MC gave the Head of the OPRD Managing Authority a mandate to identify as specific beneficiaries under Operation 5.3 “Building the Capacity of OPRD Beneficiaries”, grant scheme “Support for Integrated Urban Regeneration and Development Plans II”, the municipalities of the towns from hierarchical levels 3 and 4, currently not included as beneficiaries to be supported under scheme BG161PO001/1.4-07/2010 “Support for Integrated Urban Regeneration and Development Plans”, in accordance with Annex 2 “Towns to be supported under OPRD during the period 2014–2020” included in Annex II to the National Spatial Development Concept when the latter is approved by the Council of Ministers.
- The MC gave the Head of the OPRD Managing Authority a mandate to make amendments to OP “Regional Development” 2007–2013 in line with the decisions made at the 11th session of the MC and the conducted written procedures when initiating the next revision of the programme, as well as to change the values of indicators where necessary.
- The MC adopted the 2013 Indicative Annual Working Programme of OPRD.

Information on written procedures conducted by the MC of OPRD

As a result of the 7 written procedures conducted by the MC, the following more important decisions were adopted:

- The MC approved an expanding of the eligible activities under Operation 1.5 “Sustainable urban transportation systems”, Priority Axis 1 Sustainable and Integrated Urban Development, by including the following additional activity:
«Carrying out studies and development of strategic documents, including related to the next programming period, on the implementation of a single policy in the field of transport and transport infrastructure, and on the introduction of adequate management models»
- The MC approved that the 36 municipal centres of agglomeration areas according to Annex 3a to OPRD shall be specific beneficiaries under Operational Programme “Regional Development”, Priority Axis 5, Operation 5.3 “Building the Capacity of OPRD Beneficiaries” for the development of investment projects at full level of project readiness

(project pipeline), with which beneficiaries can apply for financing during the next programming period 2014–2020 within the regional development programme;

- The Technical Rules and Standards Directorate at the MoRDPW will be a specific beneficiary under Priority Axis 5 “Technical Assistance”, Operation 5.1 “Programming, management, monitoring, evaluation and control”;
- Expanding the scope of the eligible activities under Operation 5.1 by including a new activity: “carrying out analyses, studies and updating statutory instruments in support of the future operational programme for regional development 2014–2020, developing modern statutory regulations in the field of design and construction of buildings for public services and energy efficiency”;
- From the financial resources available within Operation 5.1, financial resources in the amount of EUR 255,645.94 shall be reallocated for the Technical Rules and Standards Directorate at the MoRDPW for activities related to the carrying out of analyses, studies and updating statutory instruments in support of the implementation of the future operational programme for regional development 2014–2020 by developing modern statutory regulations in the field of design and construction of buildings for public services and energy efficiency;
- Under Operation 1.1 “Social infrastructure” and Operation 4.1 “Local development and cooperation”, the MC approved as specific beneficiaries the municipalities on whose territory the municipal medical facilities are located in accordance with the Amendment and Supplement to the Concept for the Restructuring of Hospital Care System in the Republic of Bulgaria, adopted with a Decision by the Council of Ministers session held on 14 December 2011.
- The MC approved that the available released financial resources in the amount of EUR 3,982,774 from Priority Axis 2, Operation 2.1, scheme BG161PO001/2.1-02/2007 “Support for Sustainable and Integrated Local Development through the Rehabilitation and Reconstruction of the Municipal Road Network” shall be reallocated to Priority Axis 1, Operation 1.4, scheme BG161PO001/1.4-09/2012 “Green and Accessible Urban Environment”, and that the reallocation shall be reflected in the revision of OP “Regional Development” (2007–2013), forthcoming at the beginning of 2012;
- The MC approved that the reallocated financial resources in the amount of EUR 1,537,121 from scheme BG161PO001/4.2-01/2008 “Support for Interregional Cooperation and Exchange of Best Practices” within Operation 4.2 “Interregional Cooperation” to Operation 4.1, scheme BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities” shall be reflected in the revision of OP “Regional Development” (2007–2013), forthcoming at the beginning of 2012;
- The OPRD MC approved the reallocation of financial resources in the amount of EUR 3,438,408 from Operation 5.1 “Programming, management, monitoring, evaluation and control” to Operation 5.3 “Building the Capacity of OPRD Beneficiaries” for the purposes of launching scheme BG161PO001/5-03/2013 “Support for Integrated Urban Regeneration and Development Plans II
- The MC gave the Head of the OPRD Managing Authority a mandate to reallocate financial resources in the amount of EUR 6,368,651 to Operation 5.3 “Building the Capacity of OPRD Beneficiaries” for the purpose of increasing the total financial resources under scheme BG161PO001/5-02/2012 “In support of the next programming period” to EUR 14,034,962, as follows:
 - from Operation 5.1. “Programming, management, monitoring, evaluation and control” financial resources in the amount of EUR 2,397,220 shall be reallocated

- from Operation 5.2 “Communication, Information and Publicity” financial resources in the amount of EUR 448,160 shall be reallocated;
 - The MC approved within Priority Axis 5 “Technical Assistance”, Operation 5.1 “Programming, management, monitoring, evaluation and control”, a budget line in the amount of EUR 1,782,000 including VAT for a period of 3 years (2013–2014) for renting a suitable building outside the MoRDPW for moving and accommodating DG Programming of Regional Development for the purpose of ensuring the normal and successful completion of all working processes related to the OPRD implementation;
 - The MC gave the Head of the OPRD Managing Authority a mandate to regularly reallocate the released financial resources under the following current grant schemes:
 - BG161PO001/1.1-04/2008 “Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas” with specific beneficiary the National Employment Agency, after the project from the reserve list is financed
 - BG161PO001/1.1-05/2008 “Support for provision of adequate and cost-effective state cultural infrastructure contributing to development of sustainable urban areas” with specific beneficiary the Ministry of Culture
 - BG161PO001/1.5-03/2011 “Support for integrated urban transport in 5 cities” with specific beneficiaries Varna, Pleven, Plovdiv, Rouse, and Stara Zagora Municipalities
 - BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure” with specific beneficiary EA ECNIS
 - BG161PO001/2.3-01/2010 “Preparation, Research and Design of the Construction of an Intersystem Gas Connection Bulgaria-Serbia” with specific beneficiary the Ministry of Economy, Energy and Tourism
 - BG161PO001/3.1-01/2008 “Support for Cultural Heritage of National and Global Significance to Help Sustainable Development of Tourism” with specific beneficiary the Ministry of Culture
 - BG161PO001/3.1-04/2011, Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park” with specific beneficiary the Council of Ministers
 - BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”
 - BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services” with specific beneficiary the Ministry of Economy, Energy and Tourism
- to Priority Axis 1 “Sustainable and integrated urban development”, Operation 1.4, “Improvement of the Physical Environment and Risk Prevention”, to launch the new urban environment improvement scheme BG161PO001/1.4-09/2012, “Green and Accessible Urban Environment”.

The monitoring of the implementation of contracts under projects in 2012 was carried out through:

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

The technical and financial monitoring of the implementation of all projects under OPRD was performed by the Regional Departments, the Monitoring Department and FMC at the central

administration of the Managing Authority. The Regional Departments checked for the implementation of physical indicators based on the results of the on-the-spot verifications, the data in technical reports on project progress and the financial reports, submitted by the beneficiaries. The on-the-spot verifications were conducted within contracts for investor control, concluded with external contractors, by the MA regional departments or experts at the central administration of the MA: the Monitoring Department for the technical monitoring and FMC for the financial monitoring.

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

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

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

- **Scheduled on-the-spot checks:**
 - in line with the Annual Plan for On-the-spot Verifications
- **Unscheduled on-the-spot checks:**
 - when the beneficiaries submit a request for payment
 - upon suspected irregularity
 - by decision of the Managing Authority
- **Checks after the completion of the projects**, where applicable, in compliance with the requirements of Article 57 of Regulation (EC) No 1083/2006.

In 2012 the control over the public procurement procedures for contractor selection was exercised through:

1. Ex-ante control of the documentation for participation in procedures for the selection of contractors;
2. In addition to the mandatory ex-ante control under item 1, carried out by the PPA, the OPRD Managing Authority exercises ex-ante control of the entire documentation for procedures conducted in accordance with the so-called simplified rules;
3. Sending observers to the committees selecting the contractors;
4. Ex-post control of the contractor selection procedures.

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

Documentation of beneficiaries selecting a contractor in accordance with Decree of the Council of Ministers No 55 of March 12, 2007 (DCM No 55/2007), the Minutes of the Evaluation Committee on the procedure held, the decision on the selection of a contractor, as well as the contract with the selected contractor are subject to ex-ante control by the respective Regional Department, in coordination with the “Legislation, Risk Assessment and Irregularities” Department and, where necessary, by the “Monitoring” Department.

The documentation for participation in a public procurement procedure of all specific beneficiaries of OPRD, subject to ex-ante control, is carried out by the “Legislation, Risk Assessment and Irregularities” Department (concerning legality) and the “Monitoring” Department (concerning the technical specification).

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

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

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

In the OPRD Management and Implementation Manual, a detailed procedure is described on detecting, registering, reporting and following up of irregularities that is applied both at central and regional level. By Order RD-02-14-1459/08.07.2011 the Minister of Regional Development and Public Works adopted Methodological Guidelines **on determining the size of the financial corrections for violations in the (physical) implementation of projects, co-financed from the Structural Fund and the Cohesion Funds of the European Union.**

Irregularities were reported:

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

During the period between 01.01.2012 and 31.12.2012 the MA has processed in the Register of Irregularity Alerts a total of 455 alerts related mainly to:

- violations and mistakes made in the course of conducting public procurement procedures under the PP Act and related by-laws, such as: introduced discriminative criteria in the documentation; subjective indicators in the methodologies for evaluation of tenders; incorrect reduction of deadlines for receipt of tenders; violations and mistakes in defining selection criteria, as well as in the proceedings of evaluation committees; errors in concluding contracts with contractors after conducted public procurement procedures; discrepancies in the dates and information contained in various documents in contractor selection procedures; illegal separation of public procurements with the aim of using a less strict procedure in violation of the requirements of Article 15 (6) of the Public Procurement Act; conflict of interests.

- failure to comply with the requirements set in the contracts with beneficiaries, such as: replacement of project management teams without following the procedures set out in the grant contracts; non-compliance with texts from contracts, specifying the mandatory content of the contracts with contractors; failure to submit documentation for public procurement procedures for ex-ante control by the MA; failure to comply with the information and publicity measures under OPRD, failure to comply with the requirements for sustainability of the project, failure to achieve the indicators set, not using the object of the investment in accordance with its designation; inaccurate implementation of contracts from technical point of view – failure to follow the work designs; absence of construction supervision.

Out of the **total number of 455 alerts**, specified above, **256** have been registered in prior periods and processed in 2012. Of these:

- the inspections related to **105 alerts** were terminated because no irregularity was established;

- the inspections related to **151 alerts** were completed with irregularities established.

Out of the total number of alerts processed in 2012 (455 alerts), the newly-registered alerts only during the period 01.01.2012 – 31.12.2012 were **284**, of which:

- the inspections related to **125 alerts** were terminated because no irregularity was established;

- the inspections related to **74 alerts** were completed with irregularities established.

- the inspections related to **85 alerts** were still active as at 01.01.2013.

Of all irregularity alerts filed with the MA during the period 01.01.2012 – 31.12.2012, **193** were from within the MA as a result of exercised ex-post control of requests for payment under contracts, and **91** were from sources external to the MA.

During the period 01.01.2012 – 31.12.2012 a total of **395** irregularities existed in the National Register of Irregularities, of which

- **114** irregularities have been established in prior periods;

- **281** irregularities were established during the period 01.01.2012 – 31.12.2012.

Out of the total number of irregularities registered in prior periods and during the period 01.01.2012 – 31.12.2012 (**395**), these closed in prior periods are **31**, these closed in 2012 are **281**, and these remaining to be followed up in 2013 are **83**.

During the period 01.01.2012 – 31.12.2012, **73** irregularities were reported to OLAF, and **308** irregularities were reported to the AFCOS Directorate at the MoI (reporting at national level), since they fall within the exemptions from reporting to the EC. Out of all irregularities reported as at 01.01.2013, **83** are subject to follow-up. These are the irregularities to be followed up in 2013.

A large portion of the newly-registered irregularity alerts and established irregularities resulted from the February 2012 updates of the Manual of Procedures, which lead to strengthening the ex-ante control carried out of public procurement procedures and developing and streamlining the procedure for administering irregularity alerts.

The information published in connection with the number of irregularity alerts and established irregularities is presented in summarised form in **Annex 1 «Statistics of irregularity alerts and established irregularities at the MA during the period 01.01.2012 – 31.12.2012»**

2.7.2. Programming 2014–2020

In 2012 the process of programming for the period 2014–2020 continued with the implementation of project “*Programming of Regional Development for the 2014–2020 Period*”. The main goal of the project is to ensure timely, correct, and effective planning, awarding, and implementation of the activities and the stages of the process of programming the Operational Programme “Regional Development” for the 2014–2020 programming period. The project has a duration of 43 months and contains interconnected activities, for which it is planned to award separate public procurement contracts.

In 2012 under the project two open public procurement procedures in accordance with the Public Procurement Act were conducted and two contracts for development of National Spatial Development Concept 2013–2025 and for acquisition of software for geographic information system for the needs of the operational programme for regional development during the programming period 2014–2020 were concluded. The contractor of the National Spatial Development Concept prepared and submitted the following 5 progress reports, which were accepted by the Contracting Authority: 1 induction report, 3 interim reports and 1 final report. In pursuance of the contract, in 2012 an analysis was carried out and forecasts were made of the condition of the national territory and the processes in it, as well as of the problems of spatial development and development of the national territory; a methodology was developed for defining territories with specific territorial characteristics; proposals were made for identifying such territories and functional zones and the relationships among them were examined; a vision and model of future spatial development and development of the national territory were formulated; a strategy for spatial development of the territory was developed containing analyses and forecasts, as well as models for its enhancement; GIS layers, working graphical applications and database for the needs of the NSDC were created. Five seminars for presenting the interim and final results from the implementation of the stages in the concept development to stakeholders and the public, including a seminar for representatives of the Council of Ministers, were held. Representatives of the contractor also participated with presentations in the subsequent discussions at meetings of the working group for development of Operational Programme “Growing Regions” 2014–2020, as well as in informal meetings at high management level regarding the programming for the period 2014–2020. At a session of the Council of Ministers held on 19 December 2012 the National Spatial Development Concept for the period 2013–2025 was approved.

The contractor under contract “Acquisition of software for geographic information system for the needs of the operational programme for regional development during the programming period 2014–2020” has completed two of the stages included in the contract, as follows: first stage – “Installing of GIS software on a server device in an internal network of the MoRDPW. Providing access to the full functionalities of the GIS modules for 11 (eleven) work stations. Installing a desk GIS software at one work station”. The fourth stage was also completed – “Providing a help desk by phone and e-mail for a period of 12 months”. Two trainings were carried out under stage two of the contract – “Training of MoRDPW officials to use the full functionalities of the GIS software and its modules”. A server GIS application and GIS database were created, in which digital layers and attributive data, prepared by the contractor of the social and economic analysis for the needs of OPRD for the period 2014–2020, as well as available and maintained at the MoRDPW layers under the third stage of the contract – “Integration of digital layers and attributive data, prepared by the contractor of the social and economic analysis for the needs of OPRD for the period 2014–2020, in the digital geographic base, and development of NSDC by 2025”, were integrated.

In 2012 the implementation of the stages under the contract for preparing a social and economic analysis for the needs of OPRD for the period 2014–2020, concluded in 2011, continued. The Contractor and the Contracting Authority held three regular meetings to coordinate activities and discuss key points in the contract implementation. The Contractor has submitted two interim and one

specific report in connection with the analysis, as follows: second interim report – Stage 2, Focusing of the analysis, one specific report on the contents of the SWOT analysis and the steps for its carrying out within Stage 3 of the contract, and third interim report – Stage 3 SWOT Analysis. Meetings were held with representatives of the managing authorities of the other operational programmes and the Central Coordination Unit. In July 2012 a seminar was held to present the results from Stage 2 of Project “Social and Economic Analysis for the Needs of Operational Programme Regional Development during the Period 2014–2020”, in which the stakeholders participated widely. Representatives of the contractor also participated with presentations in the subsequent discussions at meetings of the working group for development of Operational Programme “Growing Regions” 2014–2020, as well as in informal meetings at high management level regarding the programming for the period 2014–2020.

In July 2012 with an order of the Minister of Regional Development and Public Works a thematic working group was set up for the development of Operational Programme “Growing Regions” 2014–2020. Representatives of state institutions and social and economic partners, the Managing Authorities of operational programmes, the National Statistical Institute, the National Council of People with Disabilities, the academia, the employers and trade unions in Bulgaria, NGOs working in the field of social policy, environment, regional development, education, science and culture, the National Association of Municipalities in the Republic of Bulgaria, the regional development boards, the official denominations in Bulgaria and other stakeholders participated in the working group. Six meetings of the thematic working group were held. During the meetings the progress in the development of Operational Programme “Growing Regions” 2014–2020, as well as the stages of implementation of its preliminary evaluation and environmental assessment, the interim results from the development of the social and economic analysis and the National Spatial Development Concept, the decisions made at the informal meetings at high management level, and the progress in the programming of the Partnership Agreement were presented. As a result of the work of the working group, in December 2012 a draft version of Operational Programme “Growing Regions” 2014–2020 was prepared and sent to the Working Group responsible for the drafting of the Partnership Agreement.

2.7.3. Evaluation

At the beginning of 2012, as a continuation of the first triennial report on the monitoring and control of the implementation of OPRD 2007–2013, approved by the MoEW on 25.07.2011, including the measures for prevention, mitigation or elimination of environmental damages resulting from the programme implementation, the correspondence with the MoEW in connection with assessing the need for carrying out environmental assessments (EA) of the already approved up to 31.12.2010 and undertaken in 2011 amendments to OPRD 2007–2013 continued:

- Request for assessing the need for EA No. 99-00-6-599/19.01.2012 by the Head of the OPRD MA to the Minister of Environment and Waters;
- Letter No. EO-1341/16.02.2012 with Decision No. EO-4/2012 dated 13.02.2012 of the Minister of Environment and Waters that no EA shall be carried out of the amendments of OPRD 2007–2013;
- Summary information under Article 29 (1) of the EA Ordinance No. 90-05-327/20.02.2012 from the Head of the OPRD MA containing a proposal for measures for fulfilling the conditions in Decision No. EO-4/2012 dated 13.02.2012 of the Minister of Environment and Waters;
- Letter No. EO-1341/27.02.2012 from Mrs. Evdokia Manova, Deputy Minister of Environment and Waters, regarding the approval of the summary information.

At the beginning of 2012 the Evaluation Plan of OPRD and Section 16 “Evaluation of the Implementation of the Operational Programme” of the OPRD 2007-2013 Management and Implementation Manual were updated. The envisaged evaluations for the period 2012–2015 were merged into 2 evaluations, and 2 new evaluations were added: evaluations related to the preparation of OPRD 2014–2020 (preliminary evaluation and environmental assessment), and evaluation of the Communication Plan for Information and Publicity of OPRD 2007–2013 (Table 5).

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

Planned evaluation	Period
1. Evaluations related to the preparation of OPRD 2014–2020 (preliminary evaluation and environmental assessment)	2012–2013
2. Evaluation of the contribution of the OPRD 2007–2013 interventions to the EU horizontal policy implementation	2013
3. Evaluation of the impact of the OPRD interventions	2014
4. Evaluation of the Communication Plan for Information and Publicity of OPRD 2007–2013	2014

On 01.02.2012 a public procurement procedure was launched with the subject “Evaluations related to the preparation of OP Regional Development 2014–2020” and 2 lots:

- lot No. 1 “Preliminary evaluation of OPRD for the programming period 2014–2020”
- lot No. 2 “Environmental assessment (EA) and evaluation of the compatibility (EC) with the subject and the goals on preserving the protected areas of OPRD for the next programming period 2014–2020”

The public procurement procedure is under project BG161PO001/5-01/2008/065 “Evaluations related to the preparation of OP Regional Development 2014–2020”, financed under Priority Axis 5 “Technical Assistance” of OPRD 2007–2013, approved with order No. PД-02-14-789/26.03.2012 of the Minister of Regional Development and Public Works. The time-period for the implementation of the project is 22 months. On 01.06.2012 contract No. PД-02-29-118 was concluded with a contractor for the preliminary evaluation. The contract implementation period is 14 months (until 31.07.2013). The preliminary evaluation shall cover the following sub-evaluations:

- Evaluation of the external coherence of the programme;
- Evaluation of the internal coherence of the programme;
- Evaluation of the horizontal principles and objectives included in the operational programme;
- Assessment of the system of indicators;
- Evaluation of the programme budget;
- Assessment of the management and control systems and the administrative capacity for the programme implementation;
- Evaluation of the validity, relevance, coherence, feasibility and reflecting the results from the environmental assessment of OPRD 2014–2020.

The stages under the contract are as follows:

- Stage 1. Holding an induction meeting;
- Stage 2. Preparing a draft version of the preliminary evaluation of OPRD 2014–2020;
- Stage 3. Preparing and submission of a draft final version of the preliminary evaluation of OPRD 2014–2020;

- Stage 4. Preparing and submission of a final version of the preliminary evaluation of OPRD 2014–2020.

By the end of 2012 two of the stages under the contract were completed. An induction report and a first interim report, containing a draft version of the preliminary evaluation including the first four sub-evaluations, were submitted and approved. The contractor also carried out an on-line questionnaire with representatives of OPRD 2007–2013 beneficiaries, the Managing Authority and the working group for the development of OPRD 2014–2020.

On 01.06.2012 contract No. ПД-02-29-119 was concluded for carrying out an environmental assessment. The contract implementation period is also 14 months. The contractor shall perform the following tasks:

- Prepare a request for assessing the need for and scope of the EA and the EC with the subject and the goals on preserving the protected areas;
- Prepare an EA report;
- Assist the Contracting Authority in the consultations with the public, institutional stakeholders and third parties, which might be affected by the programme, in accordance with the requirements of the Ordinance on the conditions and procedure for carrying out environmental assessments of plans and programmes (the EA Ordinance);
- Prepare an opinion on the measures for monitoring and control, identified by the competent authority, and make proposals for their implementation;
- Make a proposal for reflecting the decision and opinion of the authority competent for EA and EC.

The stages and deadlines under the contract are as follows:

- Stage 1. Holding an induction meeting;
- Stage 2. Preparing an EA report;
- Stage 3. Organising consultations and public discussions;
- Stage 4. Preparing and submission of a final version of EA.

By the end of 2012 two of the stages under the contract were completed. An induction report and a first interim report were submitted and approved. Throughout the period for carrying out of the environmental assessment, the OPRD MA was in constant correspondence with the competent authority for EA – the MoRDPW:

- letter No. 99-00-6-6207/26.07.2012 of the Head of the OPRD MA regarding the determining of the applicable procedure for the EA of OPRD 2014–2020;
- letter No. EO-220/03.08.2012 of the MoEW regarding guidelines for follow-up actions in connection with the procedure for EA and EC of OPRD 2014–2020;
- letter No. 99-00-6-6207/22.08.2012 of the Head of the OPRD MA, with which part of the mandatory consultations under Article 19a, item 1 of the EA Ordinance are sent:
 - *Scheme for conducting consultations with the public, institutional stakeholders and third parties, which will probably be affected by the implementation of OPRD 2014–2020;*
 - *Terms of Reference setting out the scope and contents of the EA report in connection with OPRD 2014–2020;*

- *Notification under Article 10 (1) and (2) of the Ordinance on the evaluation of the compatibility of plans, programmes, projects and investment proposals with the subject and the goals on preserving the protected areas (the EC Ordinance);*
- The scheme for conducting consultations and the terms of reference were also sent to the Ministry of Health, the Regional Inspectorates on Environment and Waters and the Basin Directorates for water management for mandatory consultations under Article 19a, item 2 of the EA Ordinance. As a result, 9 opinions containing proposals and recommendations were received;
- letter No. EO-220/17.09.2012 of the MoEW, whereby the terms of reference were approved and instructions were given for follow-up actions for correcting the scheme and submission of draft OPRD 2014–2020 for the purpose of assessing the possible impact of the programme on protected areas and the need for EC;
- letter No. 99-00-6-6207/02.01.2012 of the Head of the OPRD MA, with which the draft OPRD 2014–2020, approved at the sixth session of the Thematic Working Group for the development of the programme, is sent to the MoEW;
- letter No. EO-220/21.01.2012 of the MoEW, whereby the MoEW decides that it is unlikely that OPRD 2014–2020 will have a considerable negative impact on natural habitats, populations, and habitats and species, subject to protection in the NATURA 2000 protected zones, and no EC needs to be carried out as part of the EA report.

In addition, in December 2012 the “Evaluations” sector started the preparation for a new project under “Technical Assistance”, technical specification and a package of documents for a public procurement procedure, which will combine all evaluations envisaged in the updated Evaluation Plan and will be completed by November 2015:

1. Studies for collecting information on the progress under the result and impact indicators of OPRD 2007–2013, which cannot be provided based on the final technical reports of beneficiaries and by MMIS;
2. Evaluation of the impact of the OPRD 2007–2013 interventions, including preparing the second triennial report on the monitoring and control of the implementation of OPRD 2007–2013, including the measures for prevention, mitigation or elimination of environmental damages resulting from the programme implementation;
3. Evaluation of the contribution of the OPRD 2007–2013 interventions to the EU horizontal policy implementation;
4. Evaluation of the effect from the activities within the Communication Plan for Information and Publicity of OPRD 2007–2013;

2.8. National performance reserve (where applicable and only for the annual implementation report submitted for 2012)

Not applicable.

3. IMPLEMENTATION BY PRIORITY AXES

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

Under the second revision of OPRD, approved on 17 August 2012 by the EC, the financial resources for Priority Axis 1 amount to **EUR 923 881 442**, of which **EUR 785 299 226** co-financing from the European Regional Development Fund. The total amount makes up 58% of the programme budget.

In accordance with the decisions of the OPRD Monitoring Committee, adopted in 2012, on reallocation of funds between operations and/or priority axes, the financial resources of Priority Axis 1 are updated and amount to **EUR 949 963 391.40**, of which **EUR 807 468 882.69** co-financing from ERDF. The total amount makes up **59%** of the programme budget.

3.1.1. Achievement of targets and analysis of the progress

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

Table 6. Launched grant schemes and received project proposals:

Operational Programme “Regional Development”	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF (85%), EUR	National financing, (15%), EUR	Projects received between 1.01.2012 and 31.12.2012
Operation 1.1 “Social Infrastructure”						
<i>BG161PO001/1.1-01/2007 “Support for Provision of Adequate and Cost-Effective Educational, Social and Cultural Infrastructure Contributing to Development of Sustainable Urban Areas”</i>	14 November 2007	129,587,384	112,384,205	95,526,574	16,857,631	<i>The procedure for the collection of project proposals was cancelled.</i>
<i>BG161PO001/1.1-02/2007 “Support for Provision of Adequate and Cost-Effective State Educational Infrastructure Contributing to Development of Sustainable Urban Areas”</i>	29 February 2008	5,884,684	4,684,785	3,982,067	702,718	- <i>Specific beneficiary: MoEYS</i>
<i>BG161PO001/1.1-03/2008 “Support for provision of adequate and cost-effective state social infrastructure contributing to development of sustainable urban areas”</i>	29 February 2008	2,802,231	2,723,655	2,315,106	408,549	<i>Specific beneficiary: SAA</i>
<i>BG161PO001/1.1-04/2008 “Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas”</i>	29 February 2008	2,802,231	2,211,636	1,879,891	331,745	<i>4 project fiches Specific beneficiary: EA</i>

BG161PO001/1.1-05/2008 "Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Social Areas"	25 June 2008	25,377,735	25,632,280	21,787,438	3,844,842	1 project fiche Specific beneficiary MC
BG161PO001/1.1-06/2009 "Support for Renovation and Modernisation of State Healthcare Facilities in Urban Agglomerations"	29 April 2009	75,660,233	0.00	0.00	0.00	The procedure is cancelled
BG161PO001/1.1-07/2009 "Support for Provision of Adequate and Cost-Effective Infrastructure of Universities in Urban Agglomerations"	30 September 2009	22,751,673	21,388,123	18,179,904	3,208,219	-
BG161PO001/1.1-08/2010 "Support for Reconstruction, Renovation, and Equipment of State Medical and Healthcare Facilities in Urban Agglomerations"	30 January 2010	75,660,233	75,660,233	64,311,198	11,349,035	Specific beneficiary MoH
BG161PO001/1.1-09/2010 "Support for the Application of Energy Efficiency Measures in Municipal Educational Infrastructure of Urban Agglomerations"	22 February 2010	40,000,000	58,778,265	49,961,525	8,816,740	-
BG161PO001/1.1-10/2010 "Support for Design and Promotion of Innovative Cultural Events"	09 November 2010	10,000,000	10,000,000	8,500,000	1,500,000	-
BG161PO001/1.1-11/2011 "Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations"	31 January 2011	50,440,155	53,077,158	45,115,584	7,961,574	-
BG161PO001/1.1-12/2011 "Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk"	26 January 2011	54,696,185	50,440,155	42,874,132	7,566,023	8 project proposals.
Under Operation 1.2 "Housing Policy"						
BG161PO001/1.2-	18 July 2011	25,620,396	25,620,393	21,777,334	3,843,059	Specific

<i>01/2011 "Support for Energy Efficiency in Multi-Family Residential Buildings"</i>						<i>beneficiary: DHP 1 project fiche</i>
<i>BG161PO001/1.2-02/2011 "Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups"</i>	<i>30 August 2011</i>	<i>8,006,374</i>	<i>8,006,374</i>	<i>6,805,418</i>	<i>1,200,956</i>	<i>3 project proposals</i>
<i>BG161PO001-1.2-03/2012 "Support for Energy Efficiency in Multi-Family Residential Buildings, Housing Renovation Fund"</i>	<i>16 November 2011</i>	<i>6,405,099</i>	<i>6,374,421</i>	<i>5,418,258</i>	<i>956,163</i>	<i>2 tenders</i>
Under Operation 1.4 "Improvement of the Physical Environment and Risk Prevention"						
<i>BG161PO001/1.4-01/2007 "Support for Reduction and Prevention of Risks and Damages Caused by Fire in Urban Agglomeration Areas"</i>	<i>15 December 2007</i>	<i>7,000,000</i>	<i>15,716,436</i>	<i>13,358,971</i>	<i>2,357,465</i>	<i>Specific beneficiary: MoI</i>
<i>BG161PO001/1.4-02/2008 "Support for Improvement of the Urban Environment"</i>	<i>20 August 2008</i>	<i>61,453,631</i>	<i>57,556,412</i>	<i>48,922,950</i>	<i>8,633,462</i>	<i>-</i>
<i>BG161PO001/1.4-03/2008 "Support for Construction and Consolidation of Landslide Prevention Small-Scale Infrastructure in Urban Agglomerations"</i>	<i>13 October 2008</i>	<i>6,046,231</i>	<i>5,185,965</i>	<i>4,408,070</i>	<i>777,895</i>	<i>-</i>
<i>BG161PO001/1.4-04/2009 "Support for Landslide Prevention Small-Scale Infrastructure in Urban Agglomerations"</i>	<i>15 July 2009</i>	<i>4,253,830</i>	<i>3,765,758</i>	<i>3,200,894</i>	<i>564,864</i>	<i>-</i>
<i>BG161PO001/1.4-05/2009 "Support for Integrated and Sustainable Development through Improvement of Urban Environment"</i>	<i>25.09.2009</i>	<i>55,660,430</i>	<i>49,674,758</i>	<i>42,223,544</i>	<i>7,451,214</i>	<i>-</i>
<i>BG161PO001/1.4-06/2010 "Support for Small-Scale Interventions to Prevent Floods in Urban"</i>	<i>01.07.2010</i>	<i>21,856,975</i>	<i>20,335,712</i>	<i>17,285,355</i>	<i>3,050,357</i>	<i>-</i>

<i>Agglomerations</i>						
BG161PO001/1.4-07/2010 "Support for Integrated Urban Regeneration and Development Plans"	04.08.2010	10,992,778	9,842,731	8,366,321	1,476,410	
Scheme BG161PO001/1.4-08/2010 "Joint European Support for Sustainable Investment in City Areas (JESSICA)"	19.10.2010	33,000,000	33,000,000	28,050,000	4,950,000	EIB Holding Fund
BG161PO001/1.4-09/2012 "Green and Accessible Urban Environment"	03.09.2012	0.00	92,032,539	78,227,658	13,804,881	-
Operation 1.5 "Sustainable Urban Transportation Systems"						
BG161PO001/1.5-01/2010 "Support for Integrated Urban Transportation in Bourgas Municipality"	10.06.2010	56,000,000	51,816,427	44,043,963	7,772,464	-
BG161PO001/1.5-02/2011 "Support for Integrated Urban Transportation in Sofia Municipality"	04 February 2011	-	50,000,000	42,500,000	7,500,000	-
BG161PO001/1.5-03/2011 "Support for Integrated Urban Transportation in the 5 Larger Cities"	15 November 2011	0.00	104,054,973	88,446,727	15,608,246	5 project proposals

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the OPRD MC decisions, adopted in 2012, on reallocation of funds between operations and/or priority axes.

3.1.1.1. Information on the physical progress of the priority All priority-axis indicators presented are consistent with the revised OPRD adopted by EC decision on 17.08.2012.

Table 7. Information on the physical progress of the priority

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 1											
Impact Indicator											
Reduction of greenhouse emissions (CO ₂ and equivalents, kt) Core indicator⁽¹⁾	Value achieved	N/A	N/A	0	0	0	0 ⁽²⁾				0
	Target value	N/A	N/A	21 ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	56 ⁽¹⁾	56
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Energy savings from refurbished	Value achieved	N/A	N/A	0	0	17,789	38,103 ⁽³⁾				38,103
	Target value	N/A	N/A	44,400	N/A	N/A	N/A	N/A	N/A	245,000	245,000

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
buildings (MWh)	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of benefiting students Core indicator⁽⁴⁾	Value achieved	N/A	N/A	0	8,827	33,786	57,488				57,488
	Target value	N/A	N/A	6,300	N/A	N/A	N/A	N/A	N/A	20,000	20,000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patients benefiting from improved healthcare infrastructure (number)	Value achieved	N/A	N/A	0	0	0	0 ⁽⁵⁾				0
	Target value	N/A	N/A	200,000	N/A	N/A	N/A	N/A	N/A	600,000	600,000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population benefiting from refurbished buildings (except educational and healthcare institutions) (number)	Value achieved	N/A	N/A	18,165	18,165	565,346	2,740,355 ⁽⁶⁾				2,740,355
	Target value	N/A	N/A	100,000	N/A	N/A	N/A	N/A	N/A	230,000	230,000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Children benefiting from the deinstitutionalisation process (persons)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	800	800
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional population served with improved urban transport Core indicator⁽⁷⁾	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90,000 ⁽⁷⁾	90,000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Number of projects ensuring sustainability and improving the attractiveness of towns and cities Core indicator⁽⁸⁾	Value achieved	N/A	N/A	0	0	1	20 ⁽⁹⁾				20
	Target value	N/A	N/A	40 ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	130 ⁽⁸⁾	130
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of risk prevention projects Core indicator⁽⁸⁾	Value achieved	N/A	N/A	0	2	6	19 ⁽⁹⁾				19
	Target value	N/A	N/A	40 ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	70 ⁽⁸⁾	70
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Renovated multi-family buildings and social housing (number)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	20
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health facilities improved (number)	Value achieved	N/A	N/A	0	0	0					0
	Target value	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	32	32
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Educational facilities improved (number)	Value achieved	N/A	N/A	0	29	101	214 ⁽¹⁰⁾				214
	Target value	N/A	N/A	20	N/A	N/A	N/A	N/A	N/A	45	45
	Baseline	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
	value										
Cultural facilities improved (number)	Value achieved	N/A	N/A	2	2	20	66 ⁽¹¹⁾				66
	Target value	N/A	N/A	35	N/A	N/A	N/A	N/A	N/A	90	90
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social services facilities improved (number)	Value achieved	N/A	N/A	0	0	8	75 ⁽¹²⁾				75
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social homes/centres constructed/reconstructed as a result of deinstitutionalisation of children (number)	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A				N/A
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10	10
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Integrated urban plans elaborated/implemented (number)	Value achieved	N/A	N/A	0	0	0	0 ⁽¹³⁾				0
	Target value	N/A	N/A	7	N/A	N/A	N/A	N/A	N/A	36	36
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) This indicator corresponds to Core Indicator No. 30. In the operational programme it is measured both at Priority Axis 1 and Priority Axis 2 level. In the SFC system the target values for 2009 and 2015 are indicated cumulatively at programme level.

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

(3) As at 2012 the value of the indicator is achieved as follows:

- Values are reported for the projects completed in 2009 and 2010; in 2013 the value of the indicator will be reported for the projects completed in 2011 after the end of 2 heating seasons and carrying out energy audits by beneficiaries;

(4) The indicator corresponds to Core Indicator No. 37 "Number of benefiting students (Education)"

(5) Achievement on this indicator is not reported for 2012 because there were no contracts completed and therefore no implementation of relevant activities to contribute to progress on the indicator.

(6) Population benefiting from the renovated buildings is reported as follows:

- Achieved value of the indicator according to completed projects under schemes BG 161 PO 001/1.1-01/2007 "Support for Provision of Adequate and Cost-Effective Educational, Social and Cultural Infrastructure Contributing to Development of Sustainable Urban Areas" with regard to cultural and social infrastructure; BG161PO001/1.1-04/2008 "Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas"; BG161PO001/1.1-07/2009 "Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations", and scheme BG161PO001/1.1-09/2010 "Support for the application of energy efficiency measures in municipal educational infrastructure of urban agglomerations";

(7) The indicator corresponds to Core Indicator No. 22 "Additional population served with improved urban transportation". In the SFC system it is measured in numbers and the corresponding target for 2015 is 90,000 people.

(8) The indicator corresponds to two core indicators – Core Indicator No. 31 "Number of Projects (risk prevention)", and Core Indicator No. 39 "Number of Projects Ensuring Sustainability and Improving the Attractiveness of Towns and Cities". The corresponding target values for 2009 and 2015 are, respectively, 40 and 70 projects for Core Indicator 31, and 40 and 130 projects for Core Indicator 39.

(9) As at 2012 there were 13 completed contracts for risk prevention and 19 completed contracts for improvement of the urban environment. The indicator was common under the two indicators, but following a revision of OPRD in

2012 it was split.

(10) The number of buildings in the improved educational infrastructure from projects completed by 2012 is reported.

(11) The number of buildings in the improved cultural infrastructure from projects completed by 2012 is reported.

(12) The number of buildings in the improved social infrastructure from projects completed by 2012 is reported.

(13) Achievement on this indicator is not reported for 2012 because there were no contracts completed and therefore no implementation of relevant activities to contribute to progress on the indicator

3.1.1.2. Information on the financial progress of the priority

Table 8. Contracted, disbursed and certified funds for the period between 01.01.2012 and 31.12.2012

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified expenditure EUR
1. Sustainable and integrated urban development	276 129 556	120 673 021.95	102 885 864.04

The Contracted Value column includes only the grant amount under contracts concluded in 2012 in accordance with the Decisions for the award of grants issued by the Head of the OPRD MA, excluding the amounts on the annexes executed in 2012.

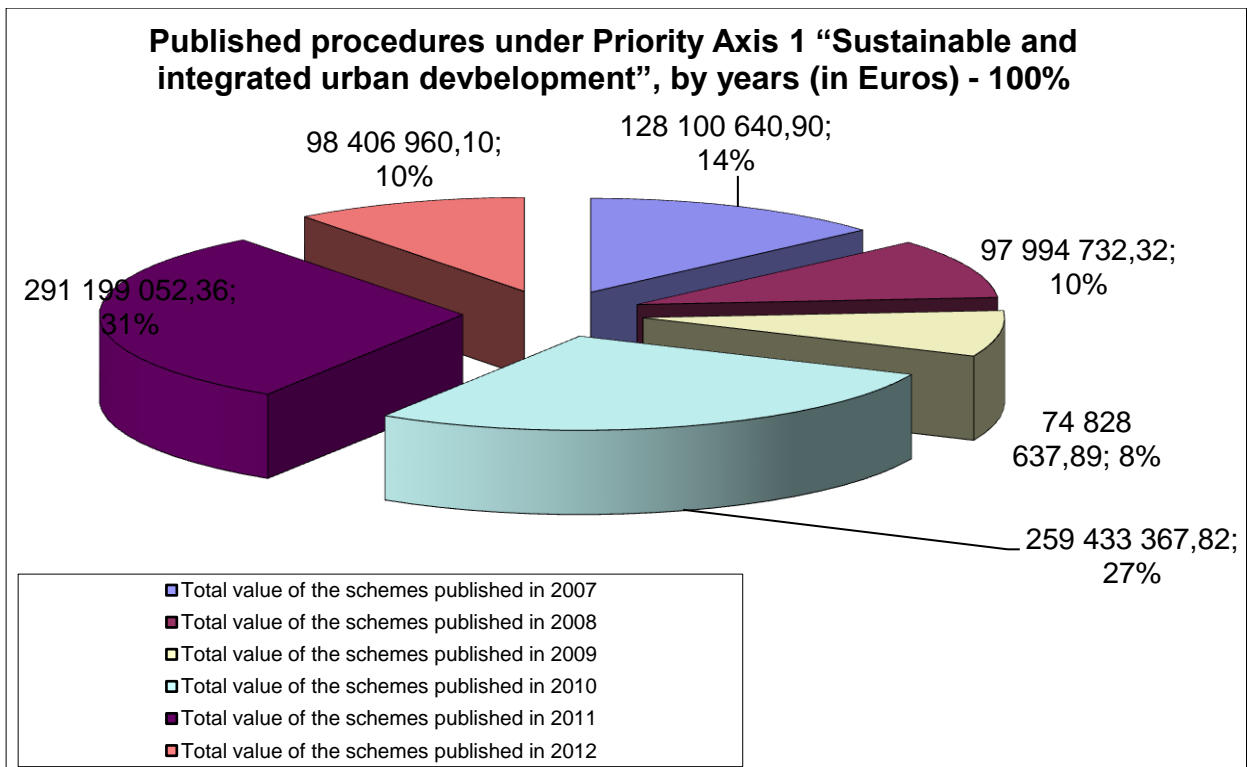
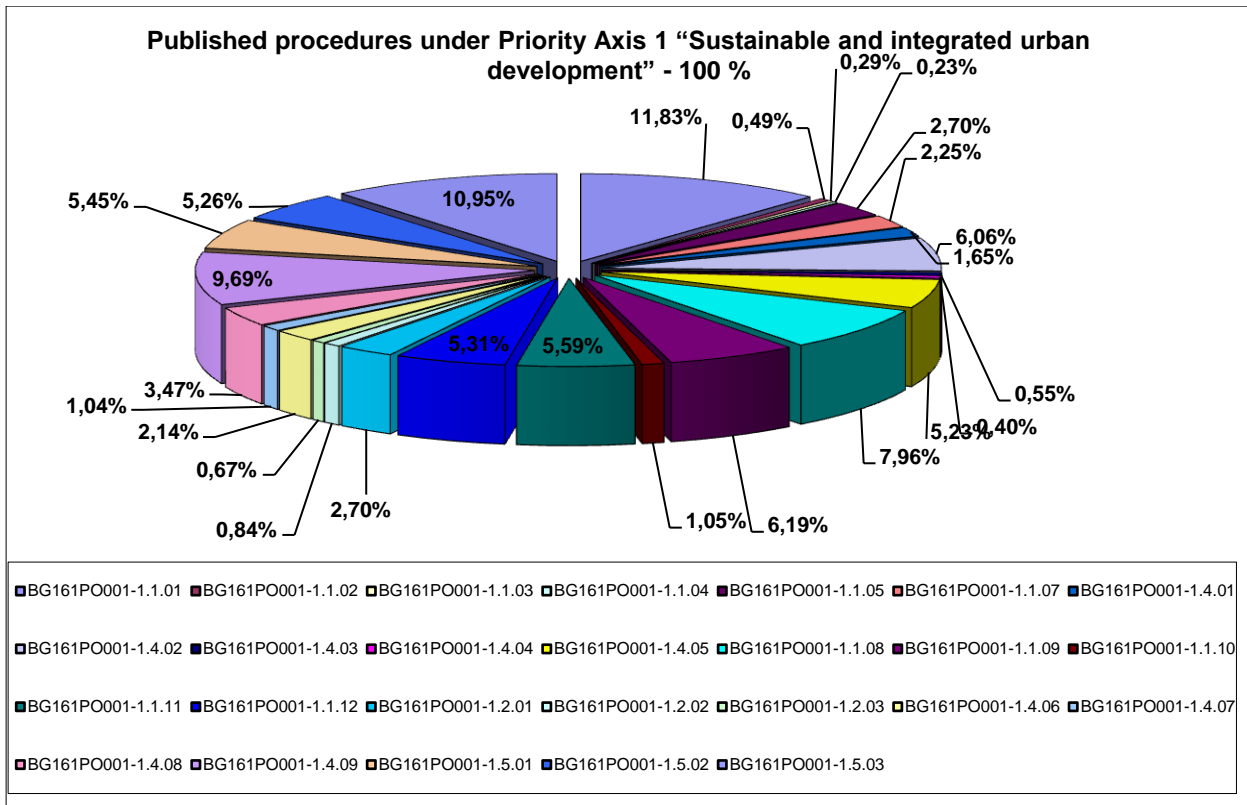
3.1.2. Qualitative analysis

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

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

Since the start of the operational programme, until the end of 2012, a total of 25 schemes were launched with a total value of EUR 946,239,890, or 100% of the budget of the priority axis.

Note: Scheme BG161PO001/1.1-06/2008 "Support for renovation and modernisation of state medical and healthcare facilities in urban agglomerations" has not been reported in the number of schemes because it was cancelled. It was replaced by a new scheme, published in 2010, BG161PO001/1.1-08/2010 "Support for Reconstruction, Renovation, and Equipment of State Medical and Healthcare Facilities in Urban Agglomerations".



RESULTS:

Operation 1.1 “Social infrastructure”

Operation 1.1 aims at providing adequate and cost-effective educational, healthcare, social and cultural infrastructure in line with the future needs of the population in urban centres and their surrounding territories.

- *Scheme BG161PO001/1.1-01/2007 “Support for Provision of Adequate and Cost-Effective Educational, Social and Cultural Infrastructure Contributing to Development of*

Sustainable Urban Areas”

The specific objectives of the grant scheme are: improvement, renovation and modernisation of the educational, social and cultural infrastructure, as well as ensuring social inclusion and equal access of vulnerable groups to municipal infrastructure. The scheme was published in 2007 using a competitive selection procedure without a deadline for submission of project proposals. In 2008 the project proposal reception was terminated because the financial resources under this scheme were depleted.

By the end of 2012, the total number of contracts under the scheme was 69, with a total grant value of EUR 112,384,204.63.

➤ ***Scheme BG161PO001/1.1-03/2008 “Support for provision of adequate and Cost-Effective State Social Infrastructure Contributing to Development of Sustainable Urban Areas”***

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

The activities implemented are orientated at repair, reconstruction and renovation of the buildings / premises, where the “Social Assistance” Directorates of the Social Assistance Agency are located; at introducing energy efficiency measures and improving the access for people with disabilities to the corresponding buildings / premises.

In 2011, 18 project proposals were approved for financing. In January 2012 grant contract were concluded with a total value of EUR 2,483,021.72, or 89% of the budget of the scheme.

Type of procedure	Direct award procedure
Date of publication	01.03.2008
Status of scheme	Closed
Beneficiary	Social Assistance Agency
Allocated funds	EUR 2,802,231
Contracts concluded	18
Total amount of contracts concluded in 2012	EUR 2,483,021.72

Table 9. Expected results from scheme BG161PO001/1.1-03/2008 “Support for Provision of Adequate and Cost-Effective State Social Infrastructure Contributing to Development of Sustainable Urban Areas”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	0	0	0	0	0	0	0
Number of contracts concluded	18	2	1	4	3	4	4
Grant contract value in EUR	2,483,021.71	177,968.59	94,178.64	839,454.05	478,467.20	529,216.62	363,736.62
Energy savings from renovation of buildings / premises, where the offices of Social Assistance Directorates are	4,750	500	170	610	600	1,720	1,150

located							
Total number of the population benefiting from the renewal of the buildings / premises	2,003,060	190,000	120,000	380,000	424,000	472,860	416,200
Number of registered individuals benefiting from the renewal of the buildings / premises (people with disabilities)	615,760	84,000	10,500	98,500	102,500	154,760	165,500
Number of registered individuals benefiting from the renewal of the buildings / premises (minorities)	188,150	17,700	7,300	16,800	52,500	44,600	49,250
Reconstructed / repaired / renovated buildings of Social Assistance Directorates	83	9	4	12	11	25	22

➤ **BG161PO001/1.1-04/2008 “Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas”**

The scheme was launched in 2008 with a primary goal to provide suitable and effective labour office infrastructure contributing to the development of sustainable urban areas. The specific beneficiary is the National Employment Agency. The specific objectives are to improve, renovate and modernise the infrastructure of the Labour Office Directorates at the National Employment Agency in 86 municipalities, falling within agglomeration areas, as well as ensure social inclusion and equal access to disadvantaged groups, including Roma.

In 2012 a total of 4 project fiches were submitted, and 1 project fiche was withdrawn during the evaluation. By virtue of a decision of the Head of the OPRD MA, 3 project fiches were approved for financing and 3 contracts were concluded with a value of EUR 809,956.62.

Table 10. Information about scheme BG161PO001/1.1-04/2008 “Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas”

Type of procedure	Direct award procedure
Status of scheme	Closed
Deadline for submission of project proposals	31.05.2012
Specific beneficiary	National Employment Agency
Allocated funds, EUR	EUR 2,802,231
Number of evaluation committees in 2012	1
Number of project fiches submitted in 2012	4 (1 withdrawn in the course of the evaluation)
Number of contracts concluded in 2012	3
Total amount of contracts concluded in 2012	EUR 809,956.62

As a result of the implementation of the three grant contracts the following results are expected to be achieved: energy savings from renovation of buildings/premises, where the offices of Social Assistance Directorates are located (MWh/year) – 66.63; number of people benefiting from the renovation of the buildings/premises of Labour Office Directorates – 386,684 people; 6 repaired and renovated Labour Office Directorates; 61,723 registered individuals benefiting from the renovation of the buildings/premises of Labour Office Directorates.

➤ ***Scheme BG161PO001/1.1-05/2008 “Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Urban Areas”***

The scheme was launched in 2008, and its specific objectives are orientated at improvement, renovation and modernisation of state cultural infrastructure managed by the Ministry of Culture and encouragement of social inclusion and equal access of vulnerable groups to state cultural infrastructure. The scheme envisages support for renovation, reconstruction, supply of equipment, energy audit, implementation of energy efficiency measures and installations based on RES for state cultural facilities: theatres, operas, libraries, concert halls, and improved access to them for socially vulnerable groups. Specific beneficiary of the scheme is the Ministry of Culture.

In 2012 one project proposal, “National Museum Complex”, was submitted, evaluated and approved. The grant contract was concluded on 21.06.2012 and has a value of EUR 13,898,143.77. It envisages the establishing of a National Museum Complex, which will perform the function of a national cultural institution with a main goal to collect, preserve and exhibit the works of fine art. The museum will be situated in the central part of the capital city and envisages the setting up of new galleries for permanent and temporary exhibitions, storage facilities for art, restoration studios, administrative offices, conference centre, and a sculpture garden with a total area of 21,000 sq. m. The project includes restructuring and reconstruction of the existing building of the former technical university and the building of the National Gallery for Foreign Art and transforming them into a museum building meeting the current standards for design in Bulgaria and the modern standards in museum work, with an image in line with the adjacent buildings in the area.

The possibility to extend the exhibition halls and present the larger portion of the collections will lead to enriching the cultural life of the residents and guests of the capital city and will contribute to creating an attractive environment, capable of providing better quality of life for the local population.

In addition, at its 10th session held in June 2012 the OPRD MC approved reallocation of funds in the amount of EUR 3,189,617 from Priority Axis 3 Sustainable Tourism Development, Operation 3.2 “Regional Tourist Product Development and Marketing of Destinations”, scheme BG161PO001/3.2-01/2010 “Support for Organisation of Events of Regional and National Scope and Impact” with specific beneficiary the Ministry of Culture to Priority Axis 1 Sustainable and Integrated Urban Development, Operation 1.1 “Social Infrastructure”, for the purposes of scheme BG161PO001/1.1-05/2008 “Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Social Areas” for financing projects for repair / reconstruction / renovation and equipping state art schools. By an order of the Head of the OPRD MA, in December 2012 the Guidelines for Applicants under the scheme were revised and a new deadline for application was added – **31 January 2013**.

Table 12. Information about scheme BG161PO001/1.1-05/2008 ““Support for provision of adequate and cost-effective state cultural infrastructure contributing to development of sustainable urban areas”

Type of procedure	Direct award procedure
Status of scheme	Current
Date of publication	25 June 2008
Deadline for submission of project proposals	for 2008 – 30 September for 2009 – 10 July

	for 2010 – between 1 and 31 March and between 1 and 30 December for 2011 – between 1 and 28 February and between 1 and 30 June for 2012 – 31 January for 2013 – 31 January
Specific beneficiary	Ministry of Culture
Allocated funds in EUR (updated scheme budget by MC decision from the 10th session)	EUR 25,804,607.92
Number of evaluation committees in 2012	1
Number of project fiches submitted in 2012	1
Number of approved project fiches	1
Number of rejected project fiches	-
Number of contracts concluded in 2012	1
Total amount of contracts concluded in 2012	EUR 13,898,143.77

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

Table 13: Expected results from scheme BG161PO001/1.1-05/2008 “Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Urban Areas”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	1	0	0	0	0	0	1
Number of contracts concluded	1	0	0	0	0	0	1
Grant contract value in EUR	13,898,143.76	0	0	0	0	0	13,898,143.76
Energy savings from renovation of buildings within the state cultural infrastructure (MWh/year)	1,002.38	0	0	0	0	0	1,002.38
Total number of visitors, benefiting from renovation of buildings within the state cultural infrastructure, including:	9,657	0	0	0	0	0	9,657
- people with disabilities	- 1,932						- 1,932
- minorities	- 2,897						- 2,897

➤ **BG161PO001/1.1-07/2009 “Support for provision of adequate and Cost-Effective Infrastructure of Universities in Urban Agglomerations”**

The scheme was published in 2009 and aims at implementation of energy efficiency measures in the educational infrastructure of universities, ensuring equal access of disadvantaged groups to the education service offered in universities; modernisation of information services in the libraries of state universities. In 2012, following the release of financial resources as a result of conducted public procurement procedures and reallocation of funds from other schemes, 2 contracts were concluded for projects from the reserve list with ranked project proposals, which had not been financed because of insufficient financial resources. The total grant value is EUR 3,157,791.74. According to the Guidelines for Applicants published for the scheme, candidates shall secure minimum 5% in own contribution.

Table 14. Information about scheme BG161PO001/1.1-07/2009 “Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	30 September 2009
Status of scheme	Closed
Eligible candidates	State universities within the scope of Article 17 of the Higher Education Act, domiciled on the territory of the following municipalities: Sofia Municipality, Plovdiv, Varna, Bourgas, Rousse, Stara Zagora and Pleven
Number of contracts concluded in 2010	2
Total amount of contracts concluded in 2010	EUR 3,157,791.74

Table 15: Expected results from scheme BG161PO001/1.1-07/2009 “Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations”

	Total	NW R	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	0	0	0	0	0	0	
Number of contracts concluded	2	00	0	0	1	0	1
Grant contract value, EUR	3,157,791.73	0	0	0	2,235,466.32	0	922,325.41
Energy savings from renovation of the buildings (MWh/year)	3,571.64				2,696.00		875.64
Individuals benefiting from the modernised university infrastructure	3,588				2,200		1,388
Improved educational infrastructure (GBUA)	78,762.48				66,926.48		11,836.00
People with disabilities benefiting from the modernised university infrastructure	34				20		14

➤ **BG161PO001/1.1-09/2010 “Support for the application of energy efficiency measures in municipal educational infrastructure of urban agglomerations”**

The scheme was launched in 2010 with the objective to provide municipal educational infrastructure with high energy efficiency, contributing to the development of sustainable urban areas and

sustainable local development; to improve the energy efficiency of municipal educational facilities; to ensure use of RES in municipal educational facilities. The scheme is a continuation of scheme BG161PO001/1.1-01/2007 “Support for Provision of Adequate and Cost-Effective Educational, Social and Cultural Infrastructure Contributing to Development of Sustainable Urban Areas”, and a response to the energy crisis from the beginning of 2009. Objects of intervention are municipal educational establishments such as nursery schools and kindergartens, primary and secondary schools, including gyms.

As a result of the release of financial resources as a result of conducted public procurement procedures and reallocation of funds from other schemes, 23 contracts were concluded in 2012 for projects from the reserve list with ranked project proposals, which had not been financed because of insufficient financial resources. The total amount of the grant is BGN 27,569,581.52 million.

Table 16. Information about scheme BG161PO001/1.1-09/2010 “Support for implementation of energy efficiency measures in municipal educational facilities in urban agglomerations”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	09.11.2010
Eligible candidates	86 municipalities within urban agglomeration areas
Grant contracts concluded in 2012	23 (from the reserve list)
Total amount of contracts concluded in 2012 (grant)	EUR 27,569,581.52

Table 17: Expected results from scheme BG161PO001/1.1-09/2010 “Support for implementation of energy efficiency measures in municipal educational facilities in urban agglomerations”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	0	0	0	0	0	0	0
Number of contracts concluded	22	2	4	2	1	10	3
Grant contract value, EUR	27,569,581.52	2,618,538.28	5,510,684.30	2,077,116.74	3,582,028.14	11,323,372.59	2,457,841.46
Energy savings from the renovation of the buildings of the educational infrastructure (MWh/year on average)	63,357.23	2,725.13	13,224.76	1,253.18	21,739.95	17,622.71	6,791.50
Number of pupils/children benefiting from improved educational facilities	24,177	2,211	6,356	962	1,229	11,283	2,136
Improved educational infrastructure – sq. m. GBUA	263,830.64	14,237.00	96,307.38	16,547.80	53,805.95	97,673.84	22,584.67
Improved educational infrastructure (buildings)	110	9	17	10	11	46	

➤ ***Scheme BG161PO001/1.1-11/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations”***

The scheme was published in 2011 with a primary goal to provide suitable and effective municipal healthcare infrastructure contributing to the development of sustainable urban areas. The financial resources of the scheme were EUR 50,440,155. Specific beneficiaries under the scheme were the

municipalities, on the territory of which the municipal medical facilities, defined in accordance with *Items 3 and 4 of Annex 1, Hospitals Eligible for EC Financing under OPRD, to the Addendum to the Concept for the Restructuring of the Hospital Care System*, approved by the CM by Protocol 31 of the CM session of 1 September 2010, are located, as follows:

In 2011 under the scheme a total of 19 project proposals were submitted, 18 of which were approved at the end of 2011. In 2012 one project proposal, submitted in 2011, was approved for financing with a grant amount of EUR 3,323,397.23. During the reporting period a total of 19 contracts were concluded with a total value of the grant EUR 48,523,535.05. Support is provided to 9 complex oncological centres and specialised hospitals for oncological diseases with available resources and potential to provide quality medical service for treatment and diagnostics of malignant diseases, as well as to 9 large municipal hospitals with available resources and potential to provide quality medical service for basic medical problems.

The grant was used to finance activities for the delivery of suitable equipment and construction works for the buildings/premises of municipal medical facilities, in line with the approved National Health Strategy 2008–2013 and the Concept for the Restructuring of the Hospital Care System in the Republic of Bulgaria for the 2010–2017 period, as well as to improve the access for people with disabilities to the above listed buildings, which will help achieve Priority 1: Priority 1 of the Concept: Improvement of Early Diagnostics, Quality, and Access to Oncological Treatment.

Investments are targeted at providing modern equipment and the related repair and reconstruction (bringing the premises where the equipment will be installed in line with the manufacturers' requirements, medical standards and the extant legislation). The reason for this investment is to ensure effective functioning of the hospitals and access for the population to innovative diagnostic and treatment equipment without the need to visit a district hospital.

Table 18. Information about scheme BG161PO001/1.1-11/2011 "Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations"

Type of procedure	Direct award procedure
Date of publication	31.01.2011
Deadline for submission of project proposals	12.08.2011
Specific beneficiaries	19 municipalities, on the territory of which the defined municipal medical facilities are located
Number of grant contracts concluded in 2012	19
Total amount of contracts concluded in 2012 (grant)	EUR 48,523,535.05

Table 19: Expected results from scheme BG161PO001/1.1-11/2011 "Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations"

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	0	0	0	0	0	0	0
Number of contracts concluded	19	2	3	2	3	4	5
Grant contract value, EUR	48,523,535.05	4,847,891.41	8,481,781.97	5,194,355.28	8,313,939.85	10,228,747.55	11,456,818.99
Number of patients benefiting from improved healthcare infrastructure	256,686.00	10,050	59,507	17,100	10,229	64,281	95,519

(number)							
Number of patients benefiting from the purchased equipment (number)	191,311.00	3,050	42,614	16,320	29,740	67,783	31,804
Total number of the population benefiting from the renovated buildings of the healthcare facilities (number)	4,900,062	588,000	912,361	83,986	1,299,012	891,213	1,125,490
Improved healthcare infrastructure – sq. m. GBUA (sq. m.)	27,606.32	2,069.00	6936.58	884.57	2,669.60	10,977.00	4,069.57
Improved healthcare infrastructure (number)	85	59	3	1	3	14	5

➤ ***Scheme BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk”***

The scheme was published in 2011 in pursuance of the Action Plan to the Vision for the Deinstitutionalisation of Children in Republic of Bulgaria National Strategy. Specific beneficiaries under this scheme are 62 municipalities within the scope of the agglomeration areas under the National Residential Care Map.

In accordance with the requirements of the scheme, the project proposals include interventions to provide public amenities in the adjacent grounds, as well as to deliver suitable equipment and furnishings related to the provision of the respective residential and social services. The specific beneficiaries shall create all residential services consistent with the number of Family-Type Housing Centres and Secure Homes, planned to be built on their territory, according to the National Planned Residential Care Map (a total of 133 FTHC and 27 secure homes under OPRD).

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

In 2012, 28 project proposals, submitted within the second deadline for application, were approved, and contracts were concluded with a total grant value of EUR 26,775,459.49. Within the third application stage – 17 April 2012, 8 project proposals were submitted. All of them were approved and 8 grant contracts were concluded with a total value of EUR 10,011,187.78. In this way all 62 contracts with a total value of the grant EUR 53,262,630.90 were concluded.

Table 19. Information about scheme BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk”

Type of procedure	Direct grant award procedure
Date of publication	26.01.2011
Deadline for submission of project proposals	Stage 1 – 30 June 2011. Stage 2 – 30 September 2011. Stage 3 – 17 April 2012.
Eligible candidates	62 municipalities within urban agglomerations
Allocated funds, EUR	EUR 54,696,185.00
Number of evaluation committees in 2012	2
Number of project proposals submitted in 2012	8

Number of project proposals approved	36
Number of contracts concluded in 2012	36
Total grant value under contracts concluded in 2012	EUR 38,073,388.20

Table 20: Expected results from scheme BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	38	2	9	6	9	8	4
Grant value	38,073,388.20	1,669,286	7,444,814	6,853,468	8,301,357	6,774,985	7,029,478
Number of built, equipped, and furnished Family-Type Housing Centres	95	4	18	18	21	17	17
Number of built / repaired / reconstructed / furnished / equipped secure homes	19	1	4	2	5	3	4
Number of children and youth with disabilities from Homes for Children with Disabilities using the improved social infrastructure	1,001	28	139	149	278	177	230
Number of disabled children aged over 3 from MSCHC using the improved social infrastructure	446	28	127	100	49	126	16
Energy savings from repaired/reconstructed buildings for secure homes (MWh/year on average);	210.01	0.00	122.01	75.00	13.00	0.00	0.00
Number of permanent jobs created	999	49	180	190	213	144	223

Operation 1.2 “Housing policy”

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

➤ ***Scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings”***

The scheme was published in 2011 and aims at providing better living conditions for citizens in multi-family residential buildings in 36 urban centres and at implementing energy efficiency measures in multi-family residential buildings in 36 urban centres. By decision of the OPRD MC, the Housing Policy Directorate at the MoRDPW, responsible for the implementation of the housing

policy in the Republic of Bulgaria, was identified as specific beneficiary under the scheme. Residential building owners are end users.

The total grant value under the scheme is EUR 25,620,396. Each building/block section, approved for financing within the project, may receive a grant for up to 50% of the renovation budget for the building; the remainder is to be provided by the owners of the multi-family residential building with own and/or loan funds. The renovation budget for the building includes expenditure on building and installation works; expenditure related to surveys, technical and work designs and compliance assessment of these designs; expenditure on author's and construction supervision; expenditure related to the commissioning of the project; expenditure related to the obtaining of the necessary permit documents required by the national legislation, including the fees related thereto and payable to the corresponding competent authorities.

Within the deadline for application the beneficiary submitted 1 project proposal, which was evaluated and approved for financing, and a grant order for EUR 25,620,393.49 was issued. In the project proposal the specific beneficiary presented a detailed methodology for implementation of the entire project and realising the process of renovation of multi-family residential buildings. The methodology describes the eligibility criteria for residential buildings, including requirements for a minimum number of individual properties within the residential buildings; the criteria and rules for valuation of residential buildings; indicative number of residential buildings / building sections, which will be financed within the project proposal; indicative GBUA in sq. m.; the required steps and actions to be undertaken by owners of residential buildings so that they can obtain financing of the buildings satisfying the eligibility criteria; the participants and their functions in the process, etc. The methodology represents the overall concept / vision of the specific beneficiary regarding the realisation of the process of renovation of residential buildings.

The specific beneficiary is responsible for developing application/agreement forms and other documents required to implement the renovation process for each building, for which financing is requested within the project. A wide-ranging campaign to inform the general public of the required measures which the owners need to take in order to receive financing for energy-efficient renovation of multi-family residential buildings was launched. Within the project, 180 multi-family buildings in 36 towns in the territory of Bulgaria are expected to be energy renewed. Using the funds under project BG161PO001-1.2.01-0001 "Energy renovation of Bulgarian homes" under Operational Programme "Regional Development" 2007–2013 the following is awarded as grants:

- 100% of the eligible expenditure on technical surveys; technical passport; the survey for energy efficiency and the fees of the project manager;
- 50% of the eligible expenditure on the technical design; the compliance assessment of the project; the building and installation works; the author's and construction supervision; the expenditure on the commissioning of the project, and the expenditure related to the obtaining of permission documents.

The owners of residential properties shall provide the remaining funds necessary for the renovation of the residential building.

The activities to receive support within the project are:

- Conducting an energy efficiency survey;
- Measures for energy efficiency in multi-family residential buildings (thermal insulation, replacement of frames, local installations and/or connections to the heating, gas, etc. systems), including the following sub-activities:
 - *replacement of frames (windows, doors, displays, etc.),*
 - *thermal insulation of external surrounding elements (external walls, roofs, floors, etc.),*

- *general repair, modernisation or replacement of local heat sources/boiler systems or adjacent facilities owned by the standalone site owners, including replacement of the fuel base if this has a proven energy-saving and environmental effect,*
- *building installations to utilise renewable energy sources (RES): solar systems to provide power for own (household) purposes, not generating income over the course of operation of the facilities;*
- *repair or replacement of indoor heating/cooling/ventilation systems, including radiator thermostatic valves and distribution units located in the common parts of the object of intervention (the residential building);*
- *repair of electrical installations in the common parts and introduction of energy-saving lighting in the object of intervention (the residential building);*
- *installation of automated building management systems, including balancing, regulating, etc. of the thermal and electrical power consumption to the local sources, owned by the SSO, within the common parts of the object of intervention (the residential building);*
- *installing gas lines (internal building distribution network and boiler(s)) if a gas connection to the building is available;*
- *any auxiliary construction works related to the implementation of the measures for energy efficiency and the respective restoration of the common parts of the object of intervention (the residential building) resulting from the implemented energy-saving measures.*

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

Table 21. Information on scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings”

Type of procedure	Direct grant award procedure
Date of publication	18.07.2011
Specific beneficiary	Housing Policy Directorate at the MoRDPW
Allocated funds, EUR	EUR 25,620,396
Evaluation committee in 2012	1
Evaluation committee in 2012	1
Project proposals received in 2012	1
Project proposals approved in 2012	1
Grant contracts concluded	1
Amount of the grants awarded in 2012	EUR 25,620,393.49

Table 22. Expected results from scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings”

	Total
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Number of project proposals submitted	1
Number of contracts concluded	1
Grant value	25,620,393.49
Number of citizens benefiting from the improved infrastructure	13,500
Energy savings as a result of the renovated residential buildings (MWh/year)	21,500
Improved housing infrastructure – sq. m. GBUA	426,550
Number of renovated multi-family residential buildings / block sections	180
Number of renovated homes	6,100

➤ **BG161PO001-1.2-03/2012 “Support for Energy Efficiency in Multi-Family Residential Buildings, Housing Renovation Fund”**

Within Operation 1.2 “Housing Policy”, during the period September – November 2011 a financial engineering scheme was developed in the amount of EUR 6,405,099. The scheme was launched on 16.11.2011 as a public procurement procedure under the PP Act for selection of a Housing Renovation Fund (HRF). The goal of the Housing Renovation Fund is to provide loans and guarantees to owner associations or individual owners of standalone sites within multi-family residential buildings to implement energy efficiency measures and renewable energy sources. It is directly related to the implementation of Scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings”, and shall help owner associations or individual owners of standalone sites within multi-family residential buildings, applying for grants, to procure 50% of the budget to renovate the respective building or block section.

In 2012 following a procedure under the PP Act the management of the HRF was awarded to Corporate Commercial Bank. The contract was signed on 21.03.2012 with a total grant value of EUR 6,374,421. The manager of the fund – Corporate Commercial Bank undertook to provide additional financing in the amount of EUR 511,292. In the contract the bank undertook that the interest on the special-purpose loans will not exceed the base interest rate (BIR) plus a margin of 6.5%. The period for performing the service is 120 months (10 years), commencing on the date the contract is executed between the Contractor, the Housing Renovation Fund, and the Contracting Authority, Directorate General Programming of Regional Development. The service should be provided at stages, in accordance with the technical specification:

- EUR 4,871,223.36 actually provided by 30.06.2015 for residential building renovation projects in the form of loans or bank guarantees on loans;
- At least BGN 4,627,662.19 reimbursed to the Contracting Authority as housing renovation loans repaid or released guarantees on housing renovation loans.

➤ **Scheme BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”**

The scheme was published in 2011, with a total value of EUR 8,006,374. The specific objectives of the scheme are to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups; to ensure social inclusion, spatial integration and equal access to adequate housing conditions for people in disadvantaged and vulnerable situation. Specific

beneficiaries are 4 pilot municipalities Bourgas, Vidin, Devnya and Dupnitsa. The goals of the scheme will be achieved through repair / reconstruction and change of the intended purpose of existing buildings, municipal property, as well as through new construction of homes on sites – 100% municipal property. Eligible activities will also be the supply of suitable equipment and furniture related to the provision of basic living conditions; the improving of access to the buildings / premises mentioned above for people with disabilities, measures for providing public amenities in the adjacent grounds of the newly-developed / renovated social housing, etc.

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

The mandatory conditions for the project activities are:

- Ensuring an **integrated approach: any interventions under OPRD must be complemented by activities** to provide education, employment, healthcare, social inclusion of the target group, taking into account the possibilities provided by OP HRD, programmes for access to social and health services, and other (donor, national, local) programmes.
- **Anti-segregation nature of the interventions:** the physical location of the housing construction should ensure spatial integration of the representatives of the marginalised communities as a whole and **should not increase their segregation, isolation, and exclusion.**

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

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

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

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

In their project proposals municipalities shall clearly specify the criteria for selection of the representatives of the target group, who will be accommodated in the social housing provided under the project; provide clear information about the responsibilities the representatives of the target group will undertake after they are accommodated in the social housing provided under the project, as well as the rules regarding the monitoring of the fulfilling of the undertaken responsibilities and commitments and the sanctions in the event of failure to fulfil them.

In 2012 within the deadline for application, 1 March, the specific beneficiaries submitted 4 project proposals. At the evaluation stage Bourgas municipality withdrew its project proposal in order to update and revise its investment project. During the reporting period a total of 3 project proposals were approved. Contracts were concluded with Dupnitsa and Vidin Municipalities for the awarding of a grant in the amount of EUR 4,549,751.26. In January 2013 a contract with Devnya Municipality will be concluded. During the period a new deadline for submission of the revised project proposal of Bourgas municipality was set – 30 April 2013.

Table 23. Information about scheme BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”

Type of procedure	Direct grant award procedure
Date of publication	30.08.2011
Deadline for submission of project proposals	01 March 2012
Specific beneficiaries	the Bourgas, Vidin, Devnya, and Dupnitsa municipalities,
Allocated funds, EUR	EUR 8,006,374
Evaluation committees in 2012	1
Project proposals submitted	4 (1 withdrawn in the course of the evaluation)
Project proposals approved	3
Grant contracts concluded in 2012	2
Amount of the grants awarded in 2012	EUR 4,549,751.26

Table 24. Expected results from scheme BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	4	1	0	1	1	0	1
Number of contracts concluded	2	1	0	0	0	0	1
Amount of the grant for concluded contracts, EUR	4,549,751.26	2,041,379.97	0	0	0	0	2,508,371.29
Energy savings from implemented energy saving street lighting (MWh/year)	1,033.60	1,033.60	0	0	0	0	0
Improved social housing infrastructure – reconstructed – sq. m. GBUA	2,974.56	2,974.56	0	0	0	0	0
Improved social housing infrastructure – newly constructed – sq. m. GBUA	22,520.87	2,867.68	0	0	0	0	19,653.19
Number of provided individual social homes	230	80	0	0	0	0	150
Number of people in the target group benefiting from improved social housing infrastructure (i.e. number of people accommodated in social housing)	740	280	0	0	0	0	460

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

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

➤ **BG161PO001/1.4-06/2010 “Support for Small-Scale Interventions to Prevent Floods in Urban Agglomerations”**

This scheme was published in 2010 with the objective to protect the settlements in the municipalities within the agglomeration areas against floods with a view to reducing the potential negative effects on human health and the environment, preventing river bed erosion in rivers flowing through or in settlements within the agglomeration areas, preventing erosion and abrasion of the seashore in the settlements in municipalities within agglomeration areas. Candidates under the scheme were required to secure 5% own contribution within the 15% national co-financing.

In 2012 as a result of the release of financial resources after conducted public procurement procedures and reallocation of funds from other schemes, 2 contracts were concluded for project proposals from the reserve list, which were ranked in 2011 but were not financed because of insufficient financial resources. The total grant amount was EUR 1,014,599.19.

Table 25. Information about scheme BG161PO001/1.4-06/2010 ““Support for small-scale interventions to prevent floods in urban agglomerations””

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	01.07.2010
Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 21,176,471
Allocated funds in EUR (updated budget of the scheme)	EUR 21,856,975
Number of contracts concluded in 2012	2 (from the reserve list)
Total grant value under contracts concluded in 2012	EUR 1,014,599.19

Table 26. Expected results from grant scheme BG161PO001/1.4-06/2010 “Support for Small-Scale Interventions to Prevent Floods in Urban Agglomerations”

	SCR
Number of contracts concluded	2
Amount of the grant for concluded contracts, EUR	1,014,599.19
Population benefiting from the infrastructure built to prevent floods and/or bank erosion in the settlements in the municipalities in the agglomeration areas	2,792
Facilities built to prevent floods in settlements, metres length	2,220
Length of banks protected or regenerated from erosion	600

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

The implementation of the JESSICA Initiative registered progress during the reporting period. In continuation of the activities launched during the previous year, in 2012 the procedure for selection

of urban development funds was finalised, and the Fund for Local Authorities and Self-government FLAG EAD was selected as the Urban Development Fund under Lot 1 (for the territory of the capital city). On 30.05.2012 an Operating Agreement was signed between the HF and FLAG EAD.

At the end of 2012 the two Urban Development Funds under the JESSICA initiative were operating in the territory of Bulgaria. At a session of the Investment Committee of RUDF held on 01.11.2013 the first investment loan for Stara Zagora Municipality for financing the reconstruction of the Central Municipal Market in the town centre was discussed and approved.

On 19.01.2012 a pre-notification of state aid under JESSICA was submitted. On 25.06.2012 the notification under the JESSICA scheme for Bulgaria was sent officially to the European Commission. On 19.12.2012 the European Commission approved, in accordance with the EU state aid rules, the Bulgarian scheme within Priority Axis 1 of OPRD 2007–2013 for support of projects for renovation of the urban environment under the JESSICA initiative.

In the opinion of the Commission, the scheme is compatible with the provision of Article 107 (3) c) of the Treaty on the Functioning of the European Union, which allows state aid to facilitate the development of certain economic areas, where such aid does not adversely affect trading among Member States.

It can be reported that in 2012 within OPRD 2007–2013 four financial engineering instruments were realised and the two models for implementation of financial engineering instruments, with and without the participation of a Holding Fund, were applied. With this Bulgaria was among the first EU Member States to apply these financial instruments as an innovative form of support with SCF funds, which will be considerably expanded during the next multi-annual programming period.

In connection with the provisions of Article 67 (2) “j” of Regulation 1083/2006, related to the obligation to provide information on the progress achieved in the financing and implementation of financial engineering instruments under Article 44, information is enclosed with this report on the implementation of financial engineering instruments in the meaning of Article 44 (1), b) and c) of Regulation 1083/2006 in the course of the implementation of Operational Programme “Regional Development” 2007–2013.

Operation 1.5 “Sustainable urban transportation systems”

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

➤ *Scheme BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the 5 Larger Cities”*

The scheme was published in 2011 with a main goal to develop sustainable and integrated urban transportation systems in the five larger Bulgarian cities (Plovdiv, Varna, Rousse, Stara Zagora, and Pleven) to help improve the living and environmental conditions. The total value of the scheme is EUR 104,127,475, with the maximum grant values under the specific beneficiaries’ projects set in the Application Requirements under the scheme. In 2012 five project proposals of the municipalities – specific beneficiaries under the scheme were submitted and approved. Within the deadline set – 15 March 2012, four project proposals were submitted by the municipalities of Plovdiv, Varna, Stara Zagora and Pleven. With an order of the Head of the OPRD MA the guidelines for applicants under the scheme were amended, and the deadline for submission of the project proposal of Rouse Municipality was revised – by 15 May 2012. In this connection 2 evaluation committees were set up during the reporting period.

During the reporting period a total of 5 contracts were concluded with a total value of the grant EUR 104,054,972.44.

In addition, on 17.12.2012 with Decision C(2012) 9598 the European Commission approved the third major project within the meaning of Article 39 of Regulation (EC) 1083/2006 – the project of Varna Municipality.

Specific goals of the scheme:

- Creation of more efficient and fast urban public transportation with less power consumption;
- Construction of more accessible secondary infrastructure for the public transportation networks and introduction of environmentally friendly urban transportation types;
- Raising the mass urban public transportation attractiveness and usage level;
- Improving city functionality and population mobility;
- Reducing traffic jams and increasing urban transportation capabilities;
- Providing social inclusion and equal access for disadvantaged groups.

Table 27. Information about scheme BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the 5 Larger Cities”

Type of procedure	Direct award procedure (for Varna municipality: a major project within the meaning of Article 39 of Regulation 1083/2006)
Date of publication	15.11.2011
Deadline for submission of project proposals	15.03.2012
Specific beneficiaries	Plovdiv, Varna, Rousse, Stara Zagora, and Pleven municipalities
Allocated funds, EUR	EUR 104,127,475
Evaluation committees	2
Project proposals submitted	5
Project proposals approved	5
Contracts concluded	5
Grant contract value in EUR	EUR 104,054,972.44

Table 28: Expected results from scheme BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the 5 Larger Cities”

	Total	NWR	NCR	NER	SER	SCR
Number of project proposals submitted	5	1	1	1	1	1
Number of contracts concluded	5	1	1	1	1	1
Amount of the grant for concluded contracts, EUR	104,054,972.44	10,427,804.76	13,299,692.68	46,527,475.00	12,600,000.00	21,200,000.00
Reduction of greenhouse gas emissions (CO ₂ and equivalents, kt)	19.62	1.07	8.00	7.14	0.17	3.25

Number of people benefiting from the improved mass urban public transportation (additional population, which has not used the public transport prior to the improvements).	368,309	14,505.00	3,000.00	343,704.00	0.00	7,100.00
Percentage of use of mass urban public transportation (including people with disabilities) – % increase	4.90%	7.20%	3.00%	14.00%	0.31%	0.00%
Number of people with disabilities with enhanced access to urban public transport	34,446	7,311	3,000	18,835	300	5,000

➤ **Projects in implementation**

The total number of contracts in progress in 2012 under Priority Axis 1 is 354, concluded in 2008, 2009, 2010, 2011 and 2012, as follows:

Grant scheme	Grant scheme name	Number of contracts
BG161PO001/1.1-01/2007	Support for provision of adequate and cost-effective educational, social and cultural infrastructure, contributing to development of sustainable urban areas	15
BG161PO001/1.1-02/2008	Support for provision of adequate and effective state educational infrastructure, contributing to development of sustainable urban areas	6
BG161PO001/1.1-03/2008	Support for provision of adequate and effective state social infrastructure, contributing to development of sustainable urban areas	20
BG161PO001/1.1-04/2008	Support for provision of adequate and effective infrastructure of labour offices, contributing to development of sustainable urban areas	3
BG161PO001/1.1-05/2008	Support for provision of adequate and effective state cultural infrastructure, contributing to development of sustainable urban areas	5
BG161PO001/1.1-07/2009	Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations	13
BG161PO001/1.1-08/2010	Support for Reconstruction, Renovation, and Equipment of State Medical and Healthcare Facilities in Urban Agglomerations	14
BG161PO001/1.1-09/2010	Support for the Application of Energy Efficiency Measures in Municipal Educational Infrastructure of Urban Agglomerations	40

BG161PO001/1.1-10/2010	Support for Design and Promotion of Innovative Cultural Events	38
BG161PO001/1.1-11/2011	Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations	19
BG161PO001/1.1-12/2011	Support for deinstitutionalisation of social institutions providing services to children at risk	62
BG161PO001/1.2-01/2011	Support for energy efficiency in multifamily residential buildings	1
BG161PO001/1.2-02/2011	Support to provide modern social housing for vulnerable, minority, and indigent groups of the population and other disadvantaged groups	2
BG161PO001-1.2-03/2012	Support for Creation of Financial Engineering Instrument – Housing Renovation Fund	1
BG161PO001/1.4-01/2007	Support for reduction and prevention of risks and damages caused by fire in urban agglomeration areas	1
BG161PO001/1.4-02/2008	Support for improvement of the urban environment	7
BG161PO001/1.4-03/2008	Support for construction and consolidation of small-scale infrastructure to prevent landslides in urban agglomerations	1
BG161PO001/1.4-04/2009	Support for Small-Scale Infrastructure to Prevent Landslides in Urban Agglomerations	5
BG161PO001/1.4-05/2009	Support for Integrated and Sustainable Development Through Improvement of the Urban Environment	14
BG161PO001/1.4-06/2010	Support for Small-Scale Interventions to Prevent Floods in Urban Agglomerations	43
BG161PO001/1.4-07/2010	Support for Integrated Urban Regeneration and Development Plans	36
BG161PO001/1.4-08/2010	Joint European Support for Sustainable Investment in City Areas (JESSICA)	1
BG161PO001/1.5-01/2010	Support for Integrated Urban Transportation in Bourgas Municipality	1
BG161PO001/1.5-02/2011	Support for Integrated Urban Transportation in Sofia Municipality	1
BG161PO001/1.5-03/2011	Support for Integrated Urban Transportation in the Five Larger Cities	5

For the purposes of monitoring the implementation of projects under Priority Axis 1, a total of 185 on-the-spot verifications were carried out, of which 126 under the Annual Plan and 59 ad-hoc on-the-spot verifications. A total of 27 on-the-spot verifications of completed projects for ensuring the sustainability of results were carried out. Under Priority Axis 1 specialised external companies

carried out 61 on-the-spot verifications, of which 55 under the Annual Plan and 6 ad-hoc on-the-spot verifications.

➤ **Terminated contracts**

In the reporting period 8 grant contracts were terminated as follows:

Beneficiary	Contract No	Date of contract termination	Reasons for termination
Nova Zagora Municipality	BG161PO001/1.1-01/2007/033-01	18.05.2012	The contracts were terminated because of the absence of a registered Request for final payment and Final report
Lom Municipality	BG161PO001/1.1-01/2007/070-01	13.09.2012	
Avren Municipality	BG161PO001/1.1-01/2007/050-01	11.12.2012	Terminated after an alert was received and an irregularity was established
Ministry of Education, Youth and Science	BG161PO001/1.1-02/2008/001-2	23.04.2012	Terminated because of the absence of a registered Request for final payment and Final report
Devnya Municipality	BG161PO001/1.1-09/2010/009-02	19.11.2012	The contract was terminated because the Devnya Municipal Council refused to provide additional own contribution
Yambol Municipality	BG161PO001/1.1-09/2010/042	19.07.2012	The contract was terminated because the municipality found it difficult to provide working funds for executing payments to the contractors under the project
Kyustendil Municipality	BG161PO001/1.1-10/2010/036	22.10.2012	The contract was terminated because the municipality had no technological time to implement the project
Lom Municipality	BG161PO001/1.4-03/2008/013-01	04.04.2012	Terminated because of the absence of a registered Request for final payment and Final report

➤ **Completed projects**

For the reporting period, **26 projects** under scheme BG 161 PO 001/1.1-01/2007 “Support for Provision of Adequate and Cost-Effective Educational, Social and Cultural Infrastructure

Contributing to Development of Sustainable Urban Areas” were completed. The results reported under these projects are:

No.	Indicators under scheme BG 161 PO 001/1.1.-01/2007	Reported achievement
1	Population benefiting from the renovated building of the improved educational infrastructure	204,360 people
2.1	Improved educational infrastructure (number)	72 buildings
2.2	Improved social infrastructure (number)	32 buildings
2.3	Improved cultural infrastructure (number)	36 buildings
3	Number of people with disabilities benefiting from the intervention	4,405 people
4	Number of Roma/other ethnic minorities benefiting from the project results	12,329 people
5	Pupils benefiting from improved educational infrastructure (number)	23,702 pupils

During the reporting period, **8 projects** under scheme BG161PO001/1.1.-04/2007 “Support for provision of adequate and effective infrastructure of labour offices, contributing to development of sustainable urban areas” were completed. The results reported under these projects are:

No.	Indicators under scheme BG 161 PO 001/1.1.-04/2007	Reported achievement
1	Number of people benefiting from the improved infrastructure of the Labour Office Directorates	1,975,461 people
2	Reconstructed / repaired / renovated Labour Office Directorates	35 buildings
3	Number of people with disabilities benefiting from the intervention	6,240.00 people
4	Number of Roma/other ethnic minorities benefiting from the project results	23,266 people
5	Number of registered people benefiting from the improved infrastructure of the Labour Office Directorates (Total)	141,124 pupils

During the reporting period, **10 projects** under scheme BG161PO001/1.1.-05/2007 “Support for provision of adequate and effective state cultural infrastructure, contributing to development of sustainable urban areas” were completed. The results reported under these projects are:

No.	Indicators under scheme BG 161 PO 001/1.1.-05/2007	Reported achievement
1	Total number of people benefiting from renovation of buildings within the state cultural infrastructure	6,371,169 people
2	Total number of visitors benefiting from renovation of buildings within the state cultural infrastructure	713,446 people
3	Reconstructed/repaired/renovated buildings within the state cultural infrastructure	10 buildings
4	Number of Roma/other ethnic minorities benefiting from the project results	16,020 people
5	Number of people with disabilities benefiting from the intervention	16,023 people

During the reporting period **2 projects** under scheme BG161PO001/1.1-07/2007 “Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations ” were completed. The results reported under these projects are:

No.	Indicators under scheme BG161PO001/1.1.-07/2007	Reported achievement
1	Individuals benefiting from the modernised university infrastructure	6,371,169 people
2	Improved educational infrastructure – sq. m. GBUA	32,119 sq. m.
3	Number of buildings	4 buildings
4	Number of people with disabilities benefiting from the intervention	126 people

During the reporting period **4 projects** under scheme BG161PO001/1.1-09/2007 “Support for the Application of Energy Efficiency Measures in Municipal Educational Infrastructure of Urban Agglomerations ” were completed. The results reported under these projects are:

No.	Indicators under scheme BG161PO001/1.1.-09/2007	Reported achievement
1	Number of pupils/children benefiting from improved educational facilities	8,420 people
2	Improved educational infrastructure – sq. m. GBUA	75,760 sq. m.
3	Number of buildings	37 buildings
4	Number of representative of Roma/other ethnic minorities benefiting from the project results	1,075.00 people
5	Number of people with disabilities benefiting from the intervention	120 people

During the reporting period **19 projects** under scheme BG161PO001/1.4.-02/2008 “Support for improvement of the urban environment” and scheme BG161PO001/1.4.-05/2009 “Support for Integrated and Sustainable Development Through Improvement of the Urban Environment” were completed. The results reported under these projects are:

No.	Indicators under schemes BG161PO001/1.4.-02/2008 and BG161PO001/1.4.-05/2009	Reported achievement
1	Population benefiting from renovated urban environment	1,888,102 people
2	Square meters in improved park environment, greened areas, children playgrounds	2,073,663 sq. m.
3	Square meters in constructed / rehabilitated pedestrian and bike alleys, sidewalks	427,638 sq. m.
4	Parking places made available close to key transport nodes in peripheral urban areas	1,767

During the reporting period **19 projects** under scheme BG161PO001/1.4.-03/2008 “Support for Construction and Consolidation of Landslide Prevention Small-Scale Infrastructure in Urban Agglomerations” and scheme BG161PO001/1.4.-04/2009 „Support for Small-Scale Infrastructure to Prevent Landslides in Urban Agglomerations” were completed. The results reported under these projects are:

No.	Indicators under schemes BG161PO001/1.4.-	Reported achievement
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03/2008 and BG161PO001/1.4.-04/2009		
1	Landslide area	211,328 sq. m.
2	Population benefiting from the intervention	480,685 people

➤ **Support for the growth poles – the 7 larger cities (Sofia, Plovdiv, Varna, Rousse, Bourgas, Stara Zagora and Pleven)**

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

Table 29: Information about the allocation of the financial resource for support of the 7 larger cities*

Municipalities	Indicative allocation* (EUR)	Achieved allocation minus column 6 (4+5) (EUR)	Contracts concluded and to be concluded by the end of February 2013, including with specific beneficiaries (EUR)**	Allocations envisaged in the framework programmes of specific beneficiaries and under schemes with specific beneficiaries – municipalities (EUR)	Allocations under scheme “Green and Accessible Urban Environment” (EUR)	TOTAL allocations (4+5+6) (EUR)	Number of population according to the census of year 2011	Distribution per capita, by groups
1	2	3	4	5	6	7	8	9
Sofia Municipality	120,000,000		141,097,034	2,132,544 (MC)	2,556,459			
TOTAL Sofia municipality	120,000,000	143,229,578	141,097,034	2,132,544	2,556,459	145,786,037	1 291 591	113
TOTAL for the 6 larger municipalities (Plovdiv, Varna, Bourgas, Rousse, Pleven, Stara Zagora)	300,000,000		306,253,715	1,057,072.76 (MoC) 3,723,514.54 (MoH) 2,751,690 (social housing)	15,338,756			
TOTAL 6 larger municipalities	300,000,000	313,785,992	306,253,715	7,532,277	15,338,756	329,124,749	1 353 604	46
TOTAL 29 municipalities within	110,000,000		86,559,036	243,881 (innovative cultural events)	0			

the agglomerations of Sofia and the 6 larger cities								
TOTAL 29 municipalities:	110,000,000	86,802,917	86,559,036	243,881	0	86,802,917	1 883 656	46
TOTAL 50 municipalities outside the scope of Sofia and the 6 larger cities	393,000,000		311,836,034	2,002,430 (municipal hospitals) 273,902 (innovative cultural events)	74,137,323			
TOTAL 50 municipalities:	393,000,000	314,112,366	311,836,034	2,276,332	74,137,323	388,249,689	1 187 972	327
TOTAL 86 municipalities:	923,000,000	857,930,853	845,745,819	12,185,034	92,032,539	949,963,391	5 716 823	729

* The indicative allocation is in accordance with the second revision of the operational programme, approved by the EC on 17.08.2012.

** The total amount of the housing policies schemes (1.2-01-SHP and 1.2-03-HRF), EUR 32 million, is allocated indicatively as follows: 1/4 for Sofia Municipality, 2/4 for the 6 larger cities, 1/4 for the remaining 29 towns.

*** EUR 3,189,617 are included under scheme 1.1-05 (Ministry of Culture), reallocated from scheme 3.2-01 (MoC) with a decision of the 10-th session of the MC (December 2012). EUR 1,342,674 are also included, released under OPRD and reallocated to scheme 1.4-07 (MoI) as at 31.12.2012 after forming the entire financial resource under scheme 1.4-09 "Green and Accessible Urban Environment".

➤ Support for sustainable urban transportation within the JASPERS Initiative

The integrated urban transportation project management unit, created within the OPRD MA in order to manage and administer the overall process, with the assistance of consultancy, selected under a framework agreement by JASPERS, continued to support the seven larger Bulgarian cities in the preparation and implementation of the projects under Operation 1.5.

In order to support the Unit in the development of administrative capacity of projects related to the integrated urban transportation of the seven larger cities, the Technical Assistance within the JASPERS initiative was extended through the conclusion of a new contract between JASPERS with the consultant COWI with a term of ten months, from 1.10.2011 till 30.06.2012. During this period the feasibility studies of the five larger cities, prepared by the consultants selected under the OPRD technical assistance, were completed. The JASPERS consultant participated in the examination of the prepared documentation by making recommendations.

In the course of the technical assistance, working meetings were held every month with representatives of JASPERS and the team leader of the consultant. Activities related to the assistance in the approval of the feasibility studies were discussed during the meetings. The JASPERS consultant provided assistance in the preparation, revising and coordination of cost-benefit analyses, developed within the feasibility studies of the projects for sustainable urban transportation. The consultant also trained the project implementation unit in topics such as drafting Public Procurement Contracts, intelligent information systems (ITS), and other.

3.1.3. Significant problems encountered and measures taken to overcome them

With respect to the scheme BG161PO001/1.1-11/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations” delay was observed in preparing technical specifications for the procurement of highly specialized medical equipment for diagnosis and treatment of oncological diseases by beneficiaries. The MA of OPRD received a number of requests concerning modification of the parameters of the technical specifications of grant contracts from 8 beneficiaries (Municipalities of Rousse, Varna, Burgas, Lom, Karlovo, Balchik, Shumen and Gotse Delchev). The purpose of modifications was the elimination of existing some discriminatory parameters in the technical specifications of the grant contracts. Where necessary, additional parameters were introduced to the description of the equipment in order to achieve greater clarity and objective assessment at the stage of conduction of the tender procedure.

Measures taken: With Order № ПД-02-14-1888/26.07.12 of the Head of OPRD MA assigned a working group of leading experts, specialists in medical equipment for the diagnosis and treatment of oncological diseases, with the task to prepare statements on the admissibility and relevance of the proposed modifications by beneficiaries in the technical specifications of the grant contracts. The process of review and approval of revised technical specifications required extra time and to some extent slowed the preparation of tender documents and therefore the announcement of tender procedures for selecting a contractor for delivery.

3.2. Priority Axis 2 “Regional and Local Accessibility”

According to the second revision of OPRD, approved on 17 August 2012 by the EC, the financial resources for this Priority Axis are **EUR 338,309,627**, of which **EUR 287,563,183** are European financing. The total amount makes up **21.13%** of the total OPRD budget.

In accordance with the decisions of the OPRD Monitoring Committee, adopted in 2012, on reallocation funds between operations and/or priority axes, the financial resources of Priority Axis 2 were updated and amount to **EUR 330,614,043**, of which **EUR 281,021,937** co-financing from ERDF. The total amount makes up 20.65 % of the programme budget.

3.2.1. Achievement of targets and analysis of the progress

Within Priority Axis 2, 1 call for proposals was launched in 2012, with the Executive Agency Electronic Communication Networks and Information Systems as specific beneficiary, under *Operation 2.2 “Information and Communication Network – scheme BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure”*, whereby achieving 100% coverage of the priority axis.

Table 30. Announced grant schemes:

	Date of publication	Total budget,	New total budget*,	Co-financing	National financing,	Projects received
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		EUR	EUR	from ERDF, EUR (85%)	EUR (15%)	between 1.01.2012 and 31.12.2012
Operation 2.1.						
BG161PO001/2.1-01/2007 "Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads"	01 November 2007	256,203,961	256,203,961	217,773,367	38,430,594	7 project fiches (1 withdrawn during the evaluation) Specific beneficiary: RIA
BG161PO001/2.1-02/2007 "Support for Sustainable and Integrated Local Development through the Rehabilitation and Reconstruction of the Municipal Road Network"	14 November 2007	59,557,206	53,555,435	45,522,120	8,033,315	The procedure for collection of project proposals was closed.
BG161PO001/2.2-01/2011 "Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure"	01 December 2011	20,015,934	20,003,288	17,002,794	3,000,494	1 project proposal Specific beneficiary EA ECNIS
BG161PO001/2.3-01/2010 "Preparation, Research and Design of the Construction of an Intersystem Gas Connection Bulgaria-Serbia"	15.11.2010	2,532,526	851,359	723,655	127,704	Specific beneficiary: MEET

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the OPRD MC decisions, adopted in 2012, on reallocations of funds between operations and/or priority axes.

3.2.1.1. Information on the physical progress of the priority axis

Table 31. Information on the physical progress of the priority axis

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 2											
Impact Indicator											
Reduction of greenhouse emissions (CO2 and equivalents, kt) Core indicator⁽¹⁾	Value achieved	N/A	N/A	0	0	0	0 ⁽²⁾				0
	Target value	N/A	N/A	4	N/A	N/A	N/A	N/A	N/A	39 ⁽¹⁾	39
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Value for time savings in Euro /year stemming from reconstructed roads for passengers and freight Core	Value achieved	N/A	N/A	0	0	0	0 ⁽⁴⁾				0
	Target value	N/A	N/A	46,000	N/A	N/A	N/A	N/A	N/A	208,000	208,000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
indicator⁽³⁾											
Number of additional population covered by broadband access Core indicator⁽⁵⁾	Value achieved	N/A	N/A	0	0	0	0 ⁽⁶⁾				0
	Target value	N/A	N/A	260,000 ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	725,000 ⁽⁵⁾	725,000 ⁽⁵⁾
	Baseline value	10.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increase passengers and freight traffic on the rehabilitated roads (based on a year 2006)	Value achieved	N/A	N/A	0	0	0	0 ⁽⁷⁾				0
	Target value	N/A	N/A	10%	N/A	N/A	N/A	N/A	N/A	27%	27%
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Constructed ICT network (km)	Value achieved	N/A	N/A	0	0	0	0 ⁽⁸⁾				0
	Target value	N/A	N/A	150	N/A	N/A	N/A	N/A	N/A	500	500
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Km of reconstructed roads Core indicator	Value achieved	N/A	N/A	12.2	128.18	161.19	501.44				501.44 ⁽⁹⁾
	Target value	N/A	N/A	500	N/A	N/A	N/A	N/A	N/A	1,300	1,300
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of projects (road, ICT)	Value achieved	N/A	N/A	2	15	20	39				39
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>(1) This indicator corresponds to Core Indicator No. 30. In the operational programme it is measured both at Priority Axis 1 and Priority Axis 2 level. In the SFC system the target values for 2009 and 2015 are indicated cumulatively at programme level.</p> <p>(2) In 2012, this indicator was not achieved as the impact of improved road infrastructure should be reported at least 2 years after the completion of the projects within the grant schemes</p> <p>(3) The indicator corresponds to Core indicator 20, Values of time savings in Euro/year stemming from new and reconstructed roads.</p> <p>(4) In 2012, this indicator was not achieved as the value of the time savings achieved because of the improved road infrastructure should be reported at least 2 years after the completion of the projects within the grant schemes.</p> <p>(5) The indicator corresponds to Core indicator 12, Number of additional population covered by broadband access. In the SFC system the indicator is measured in numbers and the corresponding numbers for the 2009 and 2015 targets are 260,000 and 725,000 people respectively.</p> <p>(6) Achievement on this indicator is not reported for 2012 because there were no contracts completed and therefore there was no implementation of relevant activities to contribute to progress on the indicator</p> <p>(7) In 2012, this indicator was not achieved because increased traffic value as a result from improved road infrastructure should be reported at least 2 years after the completion of the projects.</p> <p>(8) Achievement on this indicator is not reported for 2012 because there were no contracts completed and therefore there was no implementation of relevant activities to contribute to progress on the indicator</p>											

3.2.1.2. Information on the financial progress of the priority axis

Table 32. Contracted, disbursed and certified expenditures during the period from 01.01.2012 to 31.12.2012

Priority Axis	Financial implementation		
	<i>Contracted EUR</i>	<i>Disbursed EUR</i>	<i>Certified expenditure EUR</i>
2. Regional and local accessibility	<i>35 045 779</i>	<i>72 551 560,35</i>	<i>53 038 755,66</i>

The Contracted Value column includes only the grant amount under contracts concluded in 2012 in accordance with the Decisions for the award of grants issued by the Head of the OPRD MA, excluding the amounts on the annexes executed in 2012.

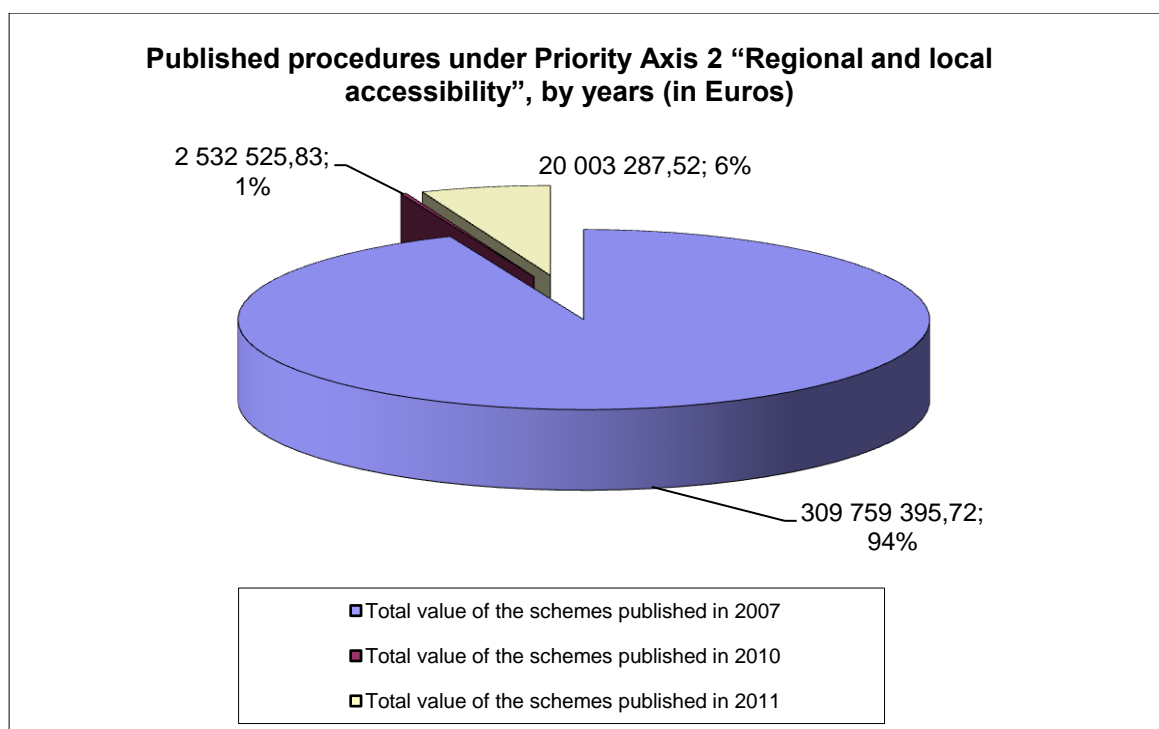
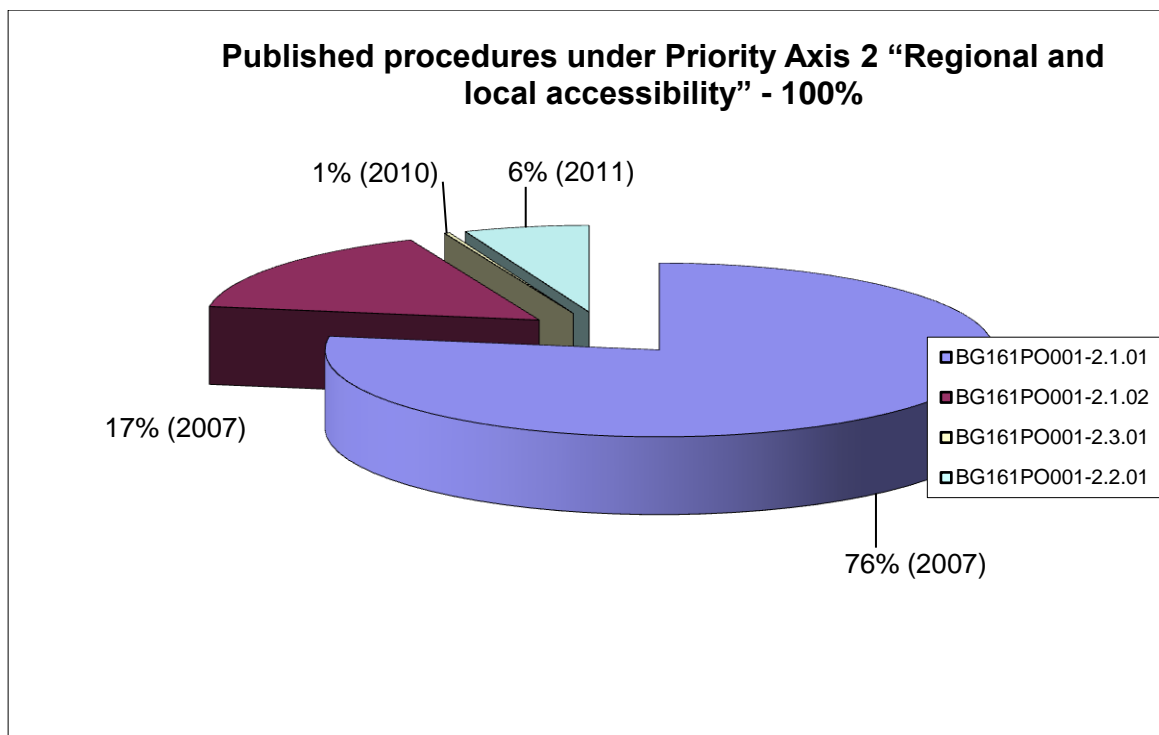
3.2.2. Qualitative analysis

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

The performance of the contracts, concluded in 2010 and 2011 with the specific beneficiary, Road Infrastructure Agency, under scheme *BG161PO001/2.1-01/2007 "Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads"*, continued during the reporting period. After conducting public procurement procedures under the PP Act for the concluded contracts, financial resources were released, allowing to collect, evaluate, and execute new contracts under this scheme. In 2012 RIA submitted 7 project fiches. At the evaluation stage, 1 project fiche was withdrawn and 6 project fiches were evaluated. With a decision of the Head of the OPRD MA, 3 projects were approved for financing. Three contracts were concluded with a total value of EUR 15,042,491.15.

In addition, during the reporting period the implementation of the contracts concluded in 2008 under scheme *BG161PO001/2.1-02/2007 "Support for Sustainable and Integrated Local Development through the Rehabilitation and Reconstruction of the Municipal Road Network"* continued.

During the reporting period within Operation 2.2 Information and Communication Network 1 project fiche was evaluated and 1 contract was concluded with Executive Agency Electronic Communication Networks and Information Systems.



RESULTS:

- ***Scheme BG161PO001/2.1-01/2007 “Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads”***

The specific objective of the grant scheme is to improve accessibility to road infrastructure by reconstruction and rehabilitation of Grade 2 and 3 roads.

After conducting public procurement procedures under the PP Act for the contracts concluded under this scheme in 2009–2010, financial resources were released, allowing to collect, evaluate, and

execute new contracts. In this connection, with a decision of the Head of the OPRD MA, the Guidelines for Applicants under the scheme were revised and a new deadline for application by 28 August 2012 was added. A total of 7 project proposals were submitted, and 1 proposal was withdrawn at the evaluation stage. By decision of the Head of the OPRD MA, 3 project proposals were approved for grant financing in the amount of EUR 15,042,491.15.

The funds are allocated for the reconstruction and rehabilitation of Grade 2 and 3 roads providing interregional connections and for the reconstruction and rehabilitation of Grade 2 and 3 roads providing access to regions with potential for tourism development. As a result of the implemented projects contracted in 2012 for rehabilitation/reconstruction of Grade 2 and 3 roads, 3 lots 46 km long in total will be rehabilitated/reconstructed.

Table 33: Information about scheme BG161PO001/2.1-01/2007, "Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads"

Type of procedure	Direct award procedure
Date of publication	01 November 2007
Deadline for submission of project proposals	for 2009 – 30 January and 30 November 2009 for 2010 – 30 December 2010 for 2011 – 01 August 2011
Status of scheme	Closed
Beneficiaries	Road Infrastructure Agency
Allocated funds	EUR 256,203,961
Submitted project proposals	7 (1 withdrawn in the course of the evaluation)
Approved project proposals	3
Number of evaluation committees	1
Contracts concluded in 2012	1
Total grant value under contracts concluded in 2012	15,042,491.15

Table 34: Results from grant scheme BG161PO001/2.1-01/2007 "Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads"

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	7	0	3	1	1	2	0
Number of contracts concluded	3	0	1	1	1	0	0
Grant contract value in EUR	15,042,491.15	0.00	5,768,546.23	4,433,275.85	4,840,669.07	0.00	0.00
Increased traffic of passengers and freight on rehabilitated roads (on average per day, baseline 2006)	30.00	0.00	10.00	10.00	10.00	0.00	0.00
Value for time savings in Euro / year stemming from reconstructed roads for passengers and freight	2,230,212.81	0.00	466,202.11	1,093,574.85	670,435.85	0.00	0.00
Reconstructed and	46.26	0.00	17.46	14.19	14.62	0.00	0.00

rehabilitated Grade 3 roads							
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Operation 2.2 “Information and Communication Network”

➤ *BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure”*

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

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

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

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

During the reporting period 1 project proposal was submitted, evaluated and approved. A grant contract was concluded with a value of EUR 20,003,287.53.

The implementation of the project contains elements of state aid, with a view to which the communication with the EC within the pre-notification process started in 2010 continued. As a result of the discussions and correspondence, the approach to the implementation of activities and operation of the infrastructure was specified, and with a view to compliance with the state aid legislation in the grant contract specific obligations of the beneficiary were set for sending an official notification of state aid, as well as safeguards to prevent aid or failure of the aid to comply with the EC decision.

Table 35. Information about scheme BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure”

Type of procedure	Direct award procedure
Deadline for submission of project proposals	19.05.2012
Specific beneficiaries	Executive Agency Electronic Communications Networks and Information Systems
Evaluation committees	1
Project proposals submitted	1
Project proposals approved	1
Contracts concluded	1

Grant contract value in EUR	EUR 20,003,287.53
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Table 36: Expected results from scheme BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure”

	Total
Number of project proposals submitted	1
Number of contracts concluded	1
Grant contract value in EUR	20,003,287.53
Population covered by next-generation broadband access	113,964
Additional population covered by broadband access	79,851
Coverage of the territory of Bulgaria by broadband access	98%
Degree of penetration of broadband access in the selected regions	21%
Constructed kilometres of broadband electronic communications network	866,923

➤ Project in implementation

The total number of grant contracts in progress in 2012 under Priority Axis 2 was 40, executed in 2008, 2009, 2010, and 2011; of which 35 contracts for rehabilitation/reconstruction of Grade 2 and 3 roads; 3 contracts for rehabilitation/reconstruction of the municipal road network; and 1 contract for development of critical, protected, secure and reliable public ICT infrastructure. Also in progress is 1 contract for preparation, research, and design of an intersystem gas connection Bulgaria – Serbia with the Ministry of Economy, Energy and Tourism as specific beneficiary.

Grant scheme	Grant scheme name	Number of contracts
BG161PO001/2.1-01/2007	Support for rehabilitation and reconstruction of second- and third-class roads	35
BG161PO001/2.1-02/2007	Support for sustainable and integrated local development through rehabilitation and reconstruction of the municipal road network	3
BG161PO001/2.2-01/2011	Support for the development of critical, protected, secure and reliable public ICT infrastructure	1
BG161PO001/2.3-01/2010	Preparation, Research and Design of the Construction of an Intersystem Gas Connection Bulgaria-Serbia	1

For the purposes of monitoring the implementation of projects under Priority Axis 2, a total of 27 on-the-spot verifications were carried out, of which 3 under the Annual Plan and 21 ad-hoc on-the-spot verifications. Three verifications of completed projects for their compliance were also carried out.

Under Priority Axis 2 specialised external companies carried out 6 on-the-spot verifications under the Annual Plan.

➤ **Terminated contracts**

During the reporting period 1 grant contract was terminated as follows:

Beneficiary	Contract No	Date of contract termination	Reasons for termination
Dulovo municipality	BG161PO001/2.1-02/2007/026-01	31.07.2012	The contract was terminated because no Request for final payment was submitted within the deadline

➤ **Completed projects**

Under Priority Axis 2 in 2012 a total of 19 projects were completed, of which 7 projects under scheme BG161PO001/2.1-02/2007 “Support for Sustainable and Integrated Local Development through the Rehabilitation and Reconstruction of the Municipal Road Network” “Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads” and 12 projects under scheme BG161PO001/2.1-01/2007 “Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads”. The main project activities include upgrading the road surface of the municipal road network and ensuring its adequate use, repairing and construction of new drainage facilities, improving the safety of road traffic and facilitating travelling between settlements. New road signs and markings were planned and implemented. A total of 340.255 km. municipal, grade 2 and grade 3 roads were rehabilitated / reconstructed.

3.2.3. Significant problems encountered and measures taken to overcome them

No significant problems were established during the reporting period.

3.3. Priority Axis 3 “Sustainable tourism development”

Under the second revision of OPRD, approved on 17 August 2012 by the EC, the financial resources for this Priority Axis are **EUR 170 939 183**, of which **EUR 145 298 305** co-financing from the European Regional Development Fund. The total amount makes up **10.68%** of the programme budget.

In accordance with the decisions of the OPRD Monitoring Committee, adopted in 2012, on reallocation funds between operations and/or priority axes, the financial resources of Priority Axis 3 were updated and amount to **EUR 159 061 617**, of which **EUR 135 202 374.45** co-financing from ERDF. The total amount makes up **9.93%** of the total OPRD budget.

3.3.1. Achievement of targets and analysis of the progress

In the reporting period, the MA of OPRD launched 1 grant scheme, falling within the scope of Operation 3.2 “Development of the Regional Tourist Product and Destination Marketing”. The total value of the grant scheme launched in 2012 is EUR 3,093,976.76, or 1.95 % of the priority axis budget.

Table 37. Launched grant schemes

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF, EUR (85%)	National financing, EUR (15%)	Projects received between 1.01.2012 and 31.12.2012
Priority Axis 3.						
BG161PO001/3.1-01/2008 “Support for Cultural Heritage of National and Global Significance to Help Sustainable Development of Tourism”	15 July 2008	17,052,778	16,849,934	14,322,444	2,527,490	Specific beneficiary MC
BG161PO001/3.1-02/2009 “Support for the Development of Tourist Attractions”	30 June 2009	20,529,268	17,784,775	15,117,059	2,667,716	-
BG161PO001/3.1-03/2010 “Support for Development of Natural, Cultural, and Historical Attractions”	16 August 2010	82,929,049	82,708,966	70,302,621	12,406,345	-
BG161PO001/3.1-04/2011 “Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park”	10 February 2011	5,000,000	4,927,750	4,188,588	739,162	1 project fiche Specific beneficiary: CM
BG161PO001/3.2-01/2010 “Support for Organisation of Events of Regional and National Scope and Impact”	30 June 2010	3,189,617.00	0.00	0.00	0.00	The contracts and the framework agreement under the scheme have been terminated. Specific beneficiary MoC
BG161PO001/3.2-02/2011 “Support for Organisation of Events of Regional and National Scope and Impact”	15 November 2011	9,524,427	6,430,450	5,465,883	964,567	49 project proposals were received (6 after the deadline)
BG161PO001/3.2-03/2012 “Support for Organisation of Events of Regional and National Scope and Impact II”	12 June 2012	0.00	3,093,977	2,629,880	464,097	23 project proposals were submitted.
BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”	25 June 2008	32,714,044	27,265,766	23,175,901	4,089,865	Specific beneficiary: MEET

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the OPRD MC decisions, adopted in 2012, on reallocations of funds between operations and/or priority axes.

3.3.1.1. Information on the physical progress of the priority axis

Table 38: Information on the physical progress of the priority axis

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 3											
Impact Indicators											
Net annual revenues from international tourism	Value achieved	N/A	N/A	0	0	0	0 ⁽¹⁾				0
	Target value	N/A	N/A	1,050	N/A	N/A	N/A	N/A	N/A	1,475	1,475
	Baseline value	914 (2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bed occupancy rate	Value achieved	N/A	N/A	0	0	0	0 ⁽²⁾				0
	Target value	N/A	N/A	39%	N/A	N/A	N/A	N/A	N/A	45%	45%
	Baseline value	35% (2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Additional annual number of visitors of attractions supported	Value achieved	N/A	N/A	0	0	0	0 ⁽³⁾				0
	Target value	N/A	N/A	20,000	N/A	N/A	N/A	N/A	N/A	500,000	500,000
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Satisfaction of visitors with attractions and information services (%)	Value achieved	N/A	N/A	0	0	0	0 ⁽⁴⁾				0
	Target value	N/A	N/A	70%	N/A	N/A	N/A	N/A	N/A	80%	80%
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annual number of participants (organisations, companies) in international, national and regional tourism fairs and exhibitions	Value achieved	N/A	N/A	0	0	0	0 ⁽⁵⁾				0
	Target value	N/A	N/A	1,000	N/A	N/A	N/A	N/A	N/A	1,500	1,500
	Baseline value	900 (2006)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Number of tourism projects Core indicator⁽⁶⁾	Value achieved	N/A	N/A	0	0	0	8 ⁽⁷⁾				8
	Target value	N/A	N/A	36	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of developed tourist attractions /sites	Value achieved	N/A	N/A	0	0	0	6 ⁽⁸⁾				6
	Target value	N/A	N/A	25	N/A	N/A	N/A	N/A	N/A	95	95
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of projects for national marketing and promotion and projects for regional products development and marketing of destinations	Value achieved	N/A	N/A	0	0	0	2 ⁽⁹⁾				2
	Target value	N/A	N/A	11	N/A	N/A	N/A	N/A	N/A	34	34
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
National TIC network created	Value achieved	N/A	N/A	N/A	N/A	N/A	N/A				
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70% of	70% of

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
										TICs are included in the network	TICs are included in the network
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) As at 2012 this indicator was not achieved as the impact 'net annual revenues from international tourism' shall be reported at least 2 years after the completion of the projects within the grant schemes

(2) As at 2012 this indicator was not achieved as the impact 'bed occupancy rate' shall be reported at least 2 years after the completion of the projects within the grant schemes

(3) As at 2012 this indicator was not achieved as the impact 'additional annual number of visitors of attractions supported' shall be reported at least 2 years after the completion of the projects within the grant schemes

(4) As at 2012 this indicator was not achieved as the impact 'satisfaction of visitors with attractions and information services (%)' shall be reported at least 2 years after the completion of the projects within the grant schemes

(5) As at 2012 the indicator was not achieved because no projects were completed under the Priority Axis during the reporting period.

(6) The indicator corresponds to Core Indicator 34, Number of Tourist Sites.

(7) As at 2012 there were 2 completed contracts for improving tourist attractions and related infrastructure and 6 completed contracts for support for effective national marketing of the tourist product and improved information services.

(8) As at 2012 a value of the indicator was achieved for one completed project.

(9) As at 2012 a value of the indicator was achieved for one completed project.

3.3.1.2. Information on the financial progress of the priority axis

Table 39. Contracted, disbursed and certified funds for the period between 01.01.2012 and 31.12.2012

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified expenditure EUR
3. Sustainable tourism development	56 089 595,84	21 698 230,99	15 589 287,59

The Contracted Value column includes only the grant amount under contracts concluded in 2012 in accordance with the Decisions for the award of grants issued by the Head of the OPRD MA, excluding the amounts on the annexes executed in 2012.

3.3.2. Qualitative analysis

This Priority Axis aims at enhancing regional tourism potential for development and marketing of sustainable, diverse and region-specific tourist products with higher value added. In 2012, 1 grant scheme was published with a total value of EUR 3,093,976, whereby achieving 100% coverage of the priority axis. This is the second scheme in support of regional tourist product and destination marketing.

The goal of the scheme was to develop regional tourist products and increase the efficiency of the regional marketing using an integrated approach. The projects proposed must help create regional products, covering multiple municipalities and promoting partnership between local authorities and tourist associations.

During the reporting period, a total of 76 project proposals were submitted, of which 8 after the deadline, within 3 grant schemes. Sixty-eight project proposals were evaluated (including 5 under

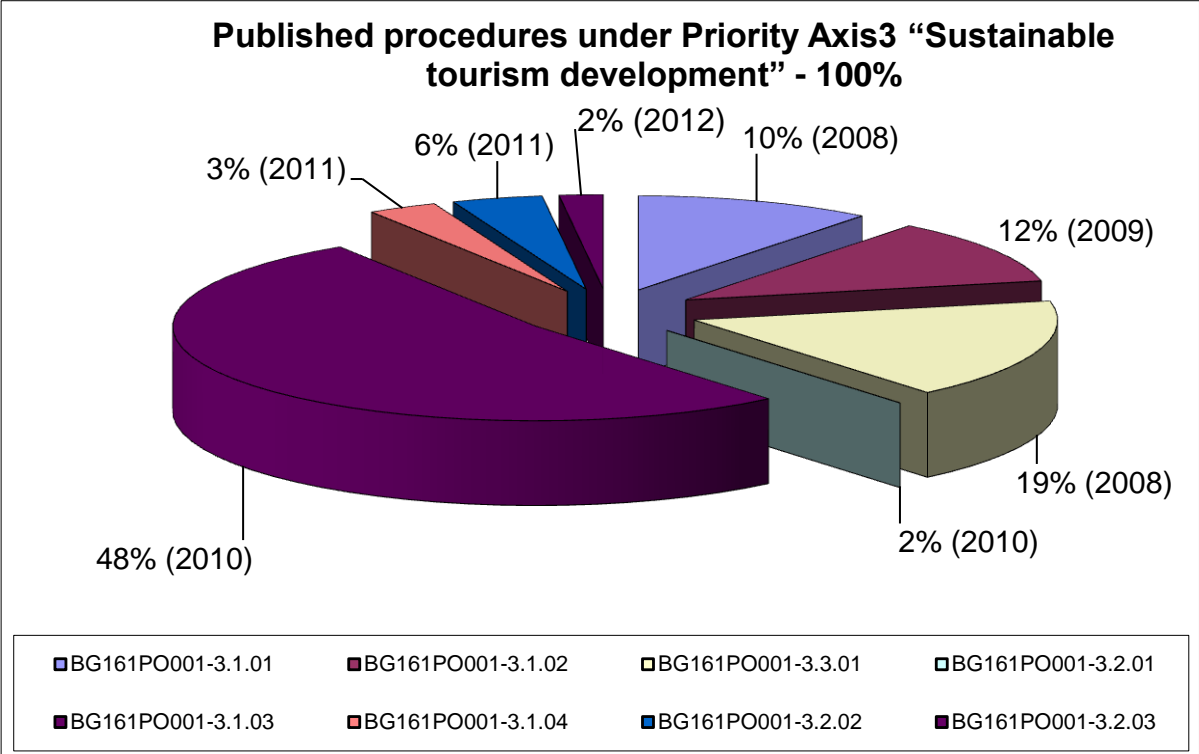
scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services” submitted at the end of 2011). During the evaluation 1 project proposal was withdrawn. Thirty-four (34) project proposals were approved.

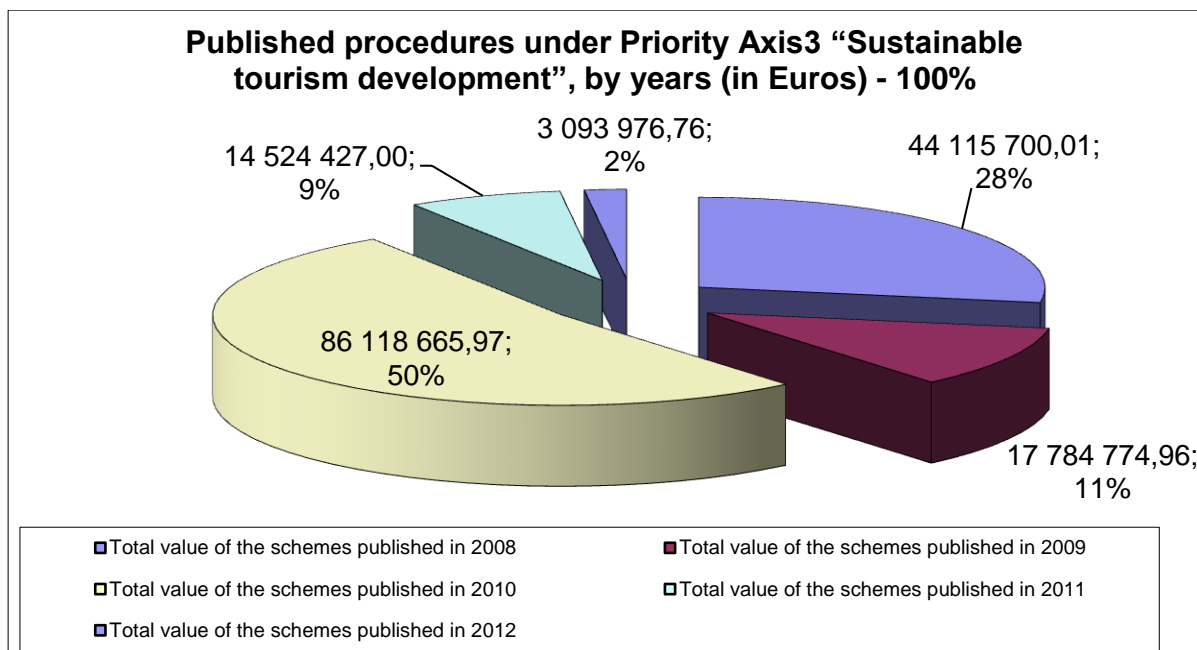
Fifty-three (53) contracts were concluded with a total value of grants EUR 56,089,595.84.

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

As at 31.12.2012 the cumulative amount of Priority Axis 3 grants was EUR 155,967,640.90, representing 98% of the budget of the priority axis.

Published calls for grant schemes under Priority Axis 3





RESULTS

Operation 3.1 “Enhancement of tourist attractions and related infrastructure”

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

➤ ***BG161PO001/3.1-02/2008 “Support for the Development of Tourist Attractions”***

The scheme was launched in 2008 through a procedure for preliminary project selection. The specific objectives of the grant scheme are to develop competitive natural, cultural and historical attractions and/or groups of attractions able to attract a significant number of visitors and support underdeveloped tourist locations in the country with considerable tourism potential.

In 2012 two contracts, approved in 2011, were signed under this scheme with a value of EUR 2,238,213.99.

The municipalities received support for:

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

Table 40: Information about scheme BG161PO001/3.1-02/2009 “Support for the Development of Tourist

Attractions”

Type of procedure	Procedure for pre-selection of projects with a application deadline
Eligible candidates	48 municipalities, approved by Decision No RD-02-14-59/15.01.2010 for applicant ranking using a preliminary competitive selection procedure
Number of contracts concluded in 2012	2
Total amount of contracts concluded in 2012 (grant)	EUR 2,238,213.99

Table 41: Results from grant scheme BG161PO001/3.1-02/2009 “Support for the Development of Tourist Attractions”

	Total	NWR	SER
Number of contracts concluded	2	1	1
Amount of the grant for concluded contracts, EUR	2,238,213.99	1,622,388.02	615,825.97
Annual number of visitors to the supported attractions	23,200	5,200	18,000
Satisfaction of visitors with attractions (%)	90%	80%	100%
Number of supported tourist attractions/sites	3	2	1
Number of trained people in the supported tourist attractions	4	4	0
Net annual revenues from international tourism in the area (in BGN)	482,670	93,600	389,070
Bed occupancy rate (%)	18%	21.54%	15%
Number of nights spent in the area	0	0	0

➤ ***Scheme BG161PO001/3.1-03/2010 “Support for the Development of Natural, Cultural, and Historical Attractions”***

The scheme was published in 2010 as a continuation of scheme BG161PO001/3.1-02/2009 “Support for the Development of Tourist Attractions”, with a main goal to develop competitive natural and cultural-historical attractions and/or groups of attractions, capable of attracting a significant number of visitors; and to support tourist locations with significant tourist potential.

In 2012, 17 contracts were concluded for project proposals approved in 2011, since the condition for conclusion of a contract was the presenting of a Council of Ministers’ decisions to grant the applicant the authority to manage a cultural-historical and/or natural attraction for a period of at least 5 years after the completion of the project activities, or Municipal Council’s decisions to cover any additional expenses, which the evaluation committee has deemed to be ineligible for grant financing. The total value of the grants awarded under the contracts concluded during the reporting period is EUR 31,990,625.83.

The approved projects aim at improving the condition of **tourist sites – cultural heritage and natural landmarks** – through a complex of measures for developing an integrated tourist product, a combination of conservation, restoration, and preservation activities, construction of tourist and technical infrastructure, and marketing activities for product promotion.

The sites to receive support are located all over the country: along the Black Sea coast, near

mountain resorts, as well as inland, which helps diversify the tourist product and decrease territorial concentration. Some national landmarks receive support, with the OPRD contribution helping increase their attractiveness, as well as create new attractions with a large potential to attract tourists and increase the benefits of tourism.

Table 42: Information about scheme BG161PO001/3.1-03/2010 “Support for the Development of Natural, Cultural, and Historical Attractions”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Eligible candidates	161 municipalities with population of over 10 thousand people (all 264 municipalities in the Republic of Bulgaria for activities related to immovable cultural heritage of national and world importance in compliance with the Register of the National Institute for Immovable Cultural Heritage)
Number of contracts concluded in 2012	17
Total amount of contracts concluded in 2012 (grant)	EUR 31,990,625.83

Table 43: Results from grant scheme BG161PO001/3.1-03/2010 “Support for the Development of Natural, Cultural, and Historical Attractions”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	17	1	3	3	3	4	3
Amount of the grant for concluded contracts, EUR	31,742,428.10	2,044,237.37	6,125,198.26	4,869,475.18	6,656,710.12	6,118,111.08	5,928,696.09
Total value in EUR	1,211,046.00	26,724	41,794	104,352	102,172	771,004	165,000
Increase in the number of visitors of supported attractions (number)	74.57	85	58	88	69	69	78
Satisfaction of visitors with attractions (%)	39	2	3	7	4	16	7
Number of supported tourist attractions/sites (number)	80.00	5.00	12	17	14	15	17
Number of trained staff of the supported tourist attractions (number)	41.36	7.10	36.47	67.62	46.63	37.03	53.33
Bed occupancy rate (%)	3,532,041.00	49,407	127,552	1,453,237	275,864.00	1,495,651.00	130,330.00
Number of nights spent in the area (number)	17	1	3	3	3	4	3

➤ ***BG161PO001/3.1-04/2011 “Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park”***

The scheme was published in 2011 and aims at supporting the development of the Palace of Evksinograd and the adjoining park as a competitive tourist attraction contributing to the development of sustainable cultural tourism, diversity of the tourist supply and increased benefits from tourism. The specific objectives are focused on the development of a competitive tourist attraction capable of attracting a considerable number of tourists, as well as on the support for a tourist locality with a considerable tourist potential. The specific beneficiary of this scheme is the Council of Ministers. The eligible activities are related to construction, restoration, conservation,

exhibiting, preservation, equipment, introducing integration and animation techniques and programmes; improving the adjacent infrastructure required for the needs of the tourist attractions; development of low-scale technical infrastructure (access road, public utilities, amenities for visitors); complementing low-scale non-infrastructure activities directly related to the supported cultural heritage sites (organising events in the area of the attraction, marketing and advertising activities); as well as training of the staff working at the supported attraction.

The deadline for application under the scheme was 30 May 2012, and 1 project fiche was submitted within this deadline. During the reporting period it was approved for financing and a grant contract was concluded with a value of EUR 4,927,750.04.

Table 44: Information about scheme BG161PO001/3.1-04/2011 “Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park”

Type of procedure	Direct grant award procedure
Date of publication	10 April 2011
Deadline for submission of project proposals	30 May 2012
Specific beneficiary	Council of Ministers
Project proposals submitted	1
Evaluation committees in 2012	1
Project proposals approved	1
Grant contracts concluded in 2012	1
Value of the contracts concluded in 2012 (grant)	EUR 4,927,750.04

Operation 3.2 Regional tourist product development and marketing of destinations

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

➤ Scheme BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”

The scheme was published in 2011 with the goal to develop regional tourist products and increase the efficiency of the regional marketing using an integrated approach. In 2012 a total of 49 project proposals were submitted during the reporting period, of which 6 after the deadline. Twenty-eight project proposals with a total value of the grant EUR 6,456,469.88 were approved for financing and signed.

Specific goals of the scheme:

- support for destinations having significant tourist potential, promoting the natural, cultural, and historical heritage;
- economic diversification of the respective area/region and reduced territorial tourism concentration;
- promotion of off-season offers, reduced seasonality and increased number of booked beds;

- attracting new market segments for specific regional products and utilising potential internal market demand;
- using efficient modern ways and techniques to reach tourist markets.

The proposed projects will contribute to the following:

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

Applicants under the scheme are 264 municipalities in the territory of Bulgaria. In accordance with the requirements of Operation 3.2, the scheme is based on the partnership and regional approach principles. Eligible partners are: local, regional, and national tourist associations registered in the National Tourist Register. The combination of partners is meant to develop a regional tourist product, based on the natural, cultural, and historical heritage.

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

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

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

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

The project proposals shall be based on marketing research and analysis of the potential of and the demand for the regional tourist product and shall be able to prove their ability to help the seasonal and territorial distribution of tourism in the respective region and territory; increase the number of visitors and the length of their stay. The research and analysis shall be developed and submitted at the application stage. Regional Tourist Product Development Concept, based on convincing evidence, official statistical data, etc.

This scheme is the first scheme under which the application procedure was carried out entirely electronically and the project proposals were submitted via the Electronic Services Module of the Information system for management and monitoring of the EU funds (MMIS).

Table 45: Information about scheme BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”

Type of procedure	Procedure for competitive project selection with a fixed application deadline
Date of publication	15 November 2011
Deadline for submission of project proposals	15 March 2012
Eligible candidates	264 municipalities in Bulgaria in a mandatory partnership with at least 2 other municipalities
Allocated funds, EUR	EUR 9,524,427
Project proposals submitted	49 (6 after the deadline)
Evaluation committees in 2012	1
Project proposals approved	28
Project proposals rejected	15
Grant contracts concluded in 2012	28
Value of contracts concluded in 2012 (grant)	EUR 6,456,469.88

Table 46. Expected results from scheme BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	49	7	7	6	7	12	10
Number of contracts concluded	28	4	5	3	7	4	5
Grant value (EUR)	6,178,810.31	930,433.25	1,172,080.69	471,345.59	1,608,283.54	893,843.07	1,102,824.17
Increase in the number of tourists in the region as a result of the activities related to the marketing of the tourist product	56.55	23.36	77.40	54.96	81.71	63.125	38.74
Increase in the satisfaction of tourists in the region	51.40	55.00	35.80	56.67	51.14	45.00	64.80
Increase in the awareness of tourists as a result of the activities related to the marketing of the tourist product	53.83	48.25	33.40	62.33	51.71	62.50	64.80

Increase in the awareness of tourists operators as a result of the activities related to the marketing of the tourist product	54.18	39.25	44.00	59.00	64.43	60.00	58.40
Number of developed regional tourist products	45	4	9	4	18	13	15
Number of advertising / communication campaigns realised	140	20	10	19	26	15	50
Number of participations in tourist exchanges, exhibitions, and fairs	256	30	49	22	54	62	39
Net annual revenues from international tourism	97,364,416	1,700,593	4,518,072	21,708,661	49,608,374	6,288,850	13,539,866
Bed occupancy rate	28	22	19	43	25	25	36
Number of nights spent in the area	16,970,753	933,000	1,483,000	1,828,000	8,909,283	806,500	3,010,970
Number of overnight stays outside the traditional season for the corresponding territory	3,303,753	179,500	118,110	555,500	1,167,344	147,320	1,135,979

➤ **BG161PO001/3.2-03/2012 “Support for the Development of the Regional Tourist Product and Destination Marketing II”**

The scheme was launched on 12 June 2012 and is the second scheme in support of the development of the regional tourist product and destination marketing. The application process was also entirely electronic via the Electronic Services Module of MMIS. The deadline for application was 28 September 2012, and within this deadline 26 project proposals were submitted (2 after the deadline and 1 withdrawn and resubmitted). In October 2012 an evaluation committee was set up, which shall complete its work at the beginning of the next reporting period – January 2013.

Table 47: Information about scheme BG161PO001/3.2-03/2012 “Support for the Development of the Regional Tourist Product and Destination Marketing II”

Type of procedure	Procedure for competitive project selection with a fixed application deadline
Date of publication	12 June 2011
Deadline for submission of project proposals	28 September 2012
Eligible candidates	264 municipalities in Bulgaria in a mandatory partnership with at least 2 other municipalities
Allocated funds, EUR	EUR 3,093,976.76

Project proposals submitted	26 (2 after the deadline and 1 withdrawn)
Evaluation committees in 2012	1

➤ ***Scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”***

The scheme was published in 2008 with the goal to increase the effectiveness and significance of the activities related to the national marketing and to improve the information services in the sector. Within this scheme projects are supported for the development of medium-term and long-term national strategies for tourism marketing, advertising activities, marketing research, introducing modern information technologies in the sector, etc. The specific beneficiary of the scheme is the Ministry of Economy, Energy and Tourism.

In 2012 five project fiches, submitted in 2011, were approved. Five contracts were concluded with the MoEET for awarding grants in the amount of EUR 10,476,536.10.

Table 48: Information about scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”

Type of procedure	Direct grant award procedure with a fixed application deadline
Date of publication	25 June 2008
Deadline for submission of project proposals	For 2008 – 30 September For 2009 – 29 May For 2010 – 31 March For 2011 – 30 April and 31 October
Specific beneficiary	Ministry of Economy, Energy and Tourism
Project fiches approved in 2012	5
Grant contracts concluded in 2012	5
Amount of financing (grant)	EUR 10,476,536.10

Table 49. Expected results from scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”

	Total
Number of project proposals submitted	5
Number of contracts concluded	5
Amount of the grant for concluded contracts, EUR	10,476,536.10
Revenues from international tourism (mln. EUR)	13,228
Net revenues from international tourism (mln. EUR)	4,864.5
Bed occupancy rate (%)	31.10
Organisations and companies, which have received access to relevant market information (thousands)	50

Organisations involved in the strategic planning of tourism (number)	800
Conducted marketing research (number)	150
Methodologies and strategic documents developed (number)	35
Analyses and evaluations carried out (number)	10
Additional overnight stays of Bulgarian citizens in the country (thousands)	31,490
Transformed travels abroad to holidays in Bulgaria (thousands)	6,710
Satisfaction of Bulgarian tourists with the tourist services (%)	5
Satisfaction of Bulgarian tourists with the information services (%)	5
Number of supported annual national programmes for marketing and advertising (number)	10.00
Developed and disseminated analysis of the reasons (motives) for travels of Bulgarian citizens abroad and in the country (number)	5.00
Prepared and realised communication campaign in the domestic market (number)	5
Developed programme for encouraging the travels of Bulgarian citizens in Bulgaria until 2014 (number)	5
Broadcast specially created TV programme orientated at efficient creation and promotion of a positive image of the country and the promotion of domestic tourism (number)	160
TV report for promoting domestic tourism broadcast on the national television (number)	160
Films / videos shot to promote domestic tourism (number)	250
Tours for journalists carried out (number)	30
Advertising spots broadcast	5,400

➤ Projects in implementation

The total number of contracts in progress in 2012 under Priority Axis 3 is 105, concluded in 2008, 2009, 2010, 2011, and 2012, as follows:

Grant scheme	Grant scheme name	Number of contracts
BG161PO001/3.1-01/2008	Support for monuments of culture of national and world significance, contributing to sustainable tourism development	9
BG161PO001/3.1-02/2009	Support for the development of tourist attractions	13
BG161PO001/3.1-03/2010	Support for the Development of Natural, Cultural, and Historical Attractions	46

BG161PO001/3.1-04/2011	Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park	1
BG161PO001/3.2-01/2010	Support for regional tourist product development and marketing of destinations	28
BG161PO001/3.3-01/2008	Support for efficient national marketing of the tourist product and improved information services	8

- For the purposes of monitoring the implementation of projects under Priority Axis 3, a total of 13 on-the-spot verifications were carried out, of which 12 under the Annual Plan and 1 ad-hoc on-the-spot verification. Under Priority Axis 3 specialised external companies carried out 8 on-the-spot verifications under the Annual Plan.

➤ **Completed projects**

During the reporting period two projects were completed under scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services” with specific beneficiary the MoEET. As a result of their implementation advertising and information materials were prepared and will be distributed both among the different tourist companies and at other forums and events, and through the commercial representations of Bulgaria and directly among end users of tourist products: prepared and distributed advertising brochures (image-building and theme-based), including CDs – 1,001,666, prepared and distributed low-budget materials (leaflets, flyers, and other) – 1,877,000, prepared and distributed advertising souvenirs – 325,500; distribution of information materials in 6 languages (for the theme-based brochures) and 21 languages (for the image-building brochure); increased availability of advertising and information materials – 3,204 thousand. A research was carried out of the attitudes of the tourist business in Bulgaria with regard to the introduction of a voluntary system of quality certification and sustainable development with conclusions and recommendations; a study of international experience in the field of quality certification and sustainable development was carried out, as well as of web-based systems for quality assessment; proposals were prepared for the establishment and administration of a national system of quality certification and sustainable development.

➤ **Terminated contracts**

Seven grant contracts were terminated during the reporting period, as follows:

Beneficiary	Contract No	Date of contract termination	Reasons for termination
Vidin Municipality	BG161PO001/3.1-02/2009/004-01	28.12.2012	The contract was terminated by mutual consent of the two parties because it was not possible to provide additional own contribution for the project
Ministry of Culture	BG161PO001/3.2-01/2010/001-04	21.06.2012	The framework agreement was terminated at the request

Ministry of Culture	BG161PO001/3.2-01/2010/001-02	21.06.2012	of the beneficiary due to the risk of failure to achieve the objectives of the measure related to attracting revenues from tourism and increasing the bed occupancy, and failure to comply with the requirements for financial stability; the need for amendments in some of the statutory acts related to the implementation of the cultural policy, which was outdated.
Ministry of Culture	BG161PO001/3.2-01/2010/001-05	21.06.2012	
Ministry of Culture	BG161PO001/3.2-01/2010/001-03	21.06.2012	
Ministry of Culture	BG161PO001/3.2-01/2010/001-01	21.06.2012	
Ministry of Culture	BG161PO001/3.2-01/2010/001-06	21.06.2012	

3.3.3. Significant problems encountered and measures taken to overcome them.

On implementing some projects under the scheme BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing” delay was observed in carrying out of some activities, leading to further modifications of the time schedule of projects activities of the grant contract. The main reasons were related to conduction of tender procedures for the award of public contracts. A significant part of tender procedures were appealed. One of the mandatory activities under the scheme is "Participation in events (tourism fairs, exhibitions)", and participation in these events is subject to specific dates of the events throughout the year. In addition, activities for participation in fairs, exhibitions are to be implemented following the activities related to the development of the tourist package and the completion of information and promotional materials for the tourist region. In this respect, in case of appeals of tender procedures, amendments to the initial tourism fairs and exhibitions of the grant contract were made in order to achieve the approved on application stage indicator concerning the number of participations in events.

Measures taken: The MA enabled municipalities to amend part of the initially planned in the application form tourism fairs and exhibitions with other relevant ones in the country or abroad or to participate in the same fairs but in the next calendar year within the period of the grant contract.

3.4. Priority Axis 4: Local development and cooperation

Under the second revision of OPRD, approved on 17 August 2012 by the EC, the financial resources for this Priority Axis are **EUR 114,051,118** of which **EUR 96,943,450** co-financing from the European Regional Development Fund. The total amount makes up 7.12% of the total OPRD budget.

In accordance with the decisions of the OPRD Monitoring Committee, adopted in 2012, on reallocation funds between operations and/or priority axes, the financial resources of Priority Axis 1 were updated and amount to **EUR 107,542,319**, of which **EUR 91,410,971** co-financing from ERDF. The total amount makes up 7% of the total OPRD budget.

3.4.1. Achievement of targets and analysis of the progress

This Priority Axis aims at contributing to local and interregional development. It is mainly characterised by the development and support of investment initiatives related to local property,

formulated at a local level by local stakeholders and flexibly developed to find solutions to specific local issues.

Table 50: Launched grant schemes and received project proposals:

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF (85%), EUR	National financing, EUR (15%)	Projects received between 1.01.2011 and 31.12.2011
Operation 4.1, Small-Scale Local Investment						
BG161PO001/4.1-01/2007 "Support to Provide Adequate and Cost-Effective Educational Infrastructure Contributing to Sustainable Local Development"	19 December 2007	25,646,952	24,263,290	20,623,797	3,639,493	The procedure for the collection of project proposals was cancelled.
BG161PO001/4.1-02/2008 "Support for Construction and Consolidation of Landslide Prevention Small-Scale Infrastructure"	02 October 2008	3,496,431	2,979,166	2,532,291	446,875	-
BG161PO001/4.1-03/2010 "Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities"	2 March 2010	27,540,569	25,215,843	21,433,466	3,782,377	-
BG161PO001/4.1-04/2010 "Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities"	1 July 2010	31,711,585	30,068,799	25,558,479	4,510,320	-
BG161PO001/4.1-05/2011 "Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas"	31 January 2011	20,816,570	20,816,570	17,694,085	3,122,485	5 project proposals
BG161PO001/4.2-01/2008 "Support for Interregional Cooperation and Exchange of Best Practices"	31 July 2008	4,839,011	4,198,651	3,568,854	629,797	-

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the OPRD MC decisions, adopted in 2012, on reallocations of funds between operations and/or priority axes.

3.4.1.1. Information on the physical progress of the priority axis

Table 40. Information on the physical progress of the priority axis

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 4											
Result indicators											
Innovative practices transferred and adopted based on interregional cooperation (number)	Value achieved	N/A	N/A	0	57	122	152				152
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	80	80
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population benefiting from small scale investments (number)	Value achieved	N/A	N/A	54,277	402,812	502,205	685,585				685,585
	Target value	N/A	N/A	75,000	N/A	N/A	N/A	N/A	N/A	216,000	216,000
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Implemented small scale investment projects (number)	Value achieved	N/A	N/A	4	51	84	118				118
	Target value	N/A	N/A	60	N/A	N/A	N/A	N/A	N/A	250	250
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interregional cooperation projects (number)	Value achieved	N/A	N/A	0	17	61	76				76
	Target value	N/A	N/A	15	N/A	N/A	N/A	N/A	N/A	40	40
	Baseline value	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.4.1.2. Information on the financial progress of the priority axis

Table 51. Contracted, disbursed and certified amounts for the period between 01.01.2012 to 31.12.2012

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified expenditure EUR
4. Local development and cooperation	29 067 453,33	13 749 461,04	7 996 968,08

The Contracted Value column includes only the grant amount under contracts concluded in 2012 in accordance with the Decisions for the award of grants issued by the Head of the OPRD MA, excluding the amounts on the annexes executed in 2012.

3.4.2. Qualitative analysis

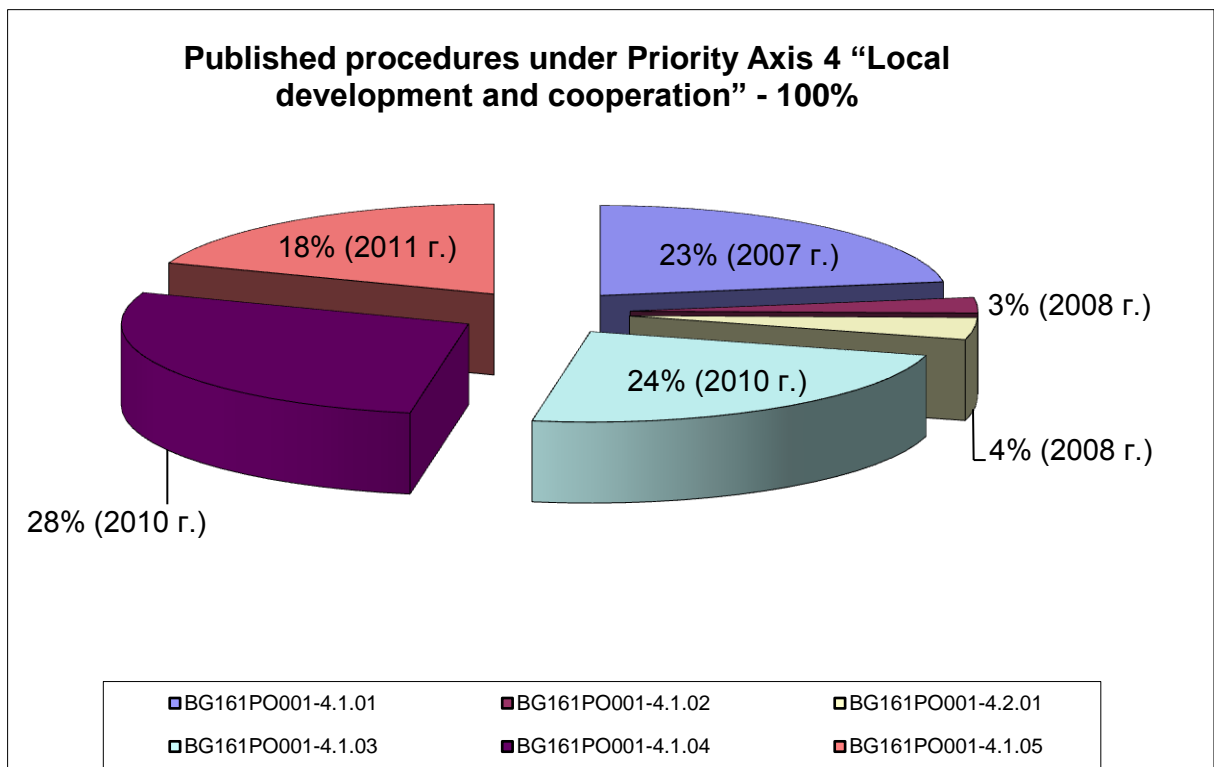
This Priority Axis aims at contributing to local and interregional development. It is mainly characterised by the development and support of investment initiatives related to local property, formulated at a local level by local stakeholders and flexibly developed to find solutions to specific local issues.

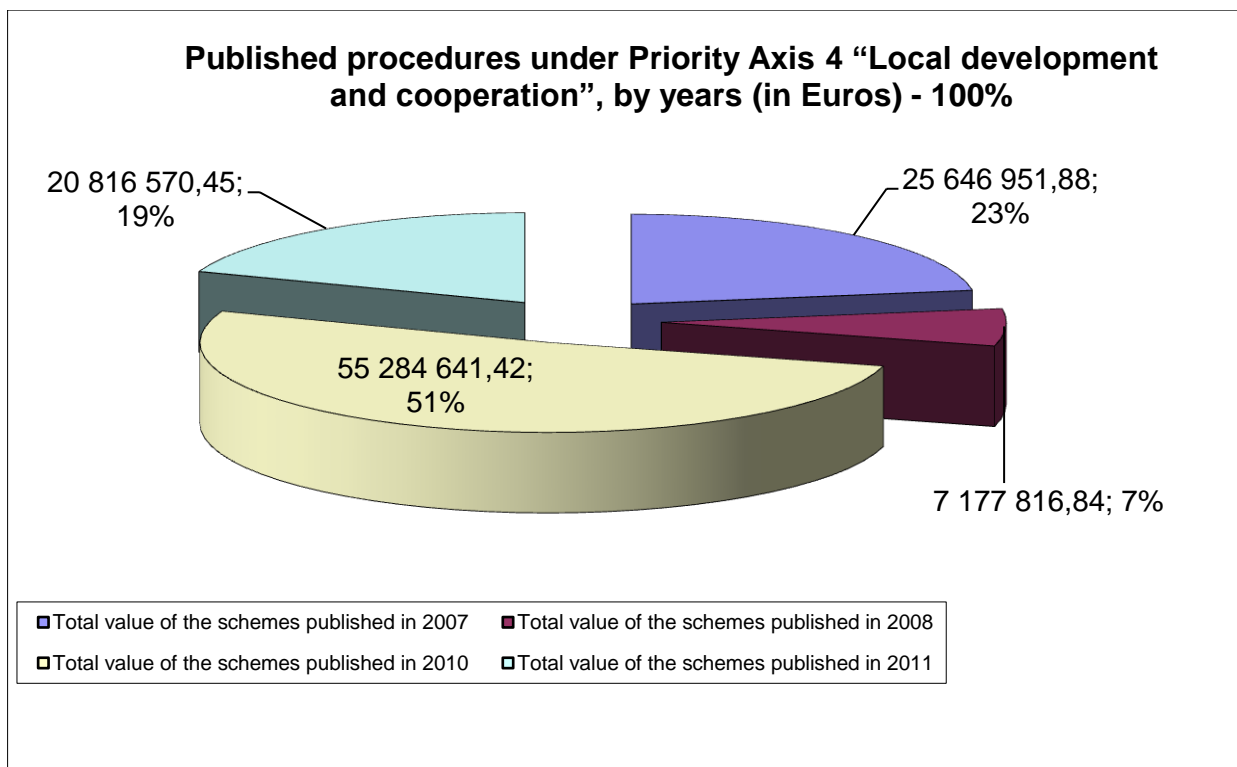
In 2012, 5 project proposals were submitted, evaluated and approved (under scheme BG161PO001/4.1-05/2011 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”). A total of 5 project proposals were evaluated.

In 2012, 70 contracts were concluded with a total grant value of EUR 29 067 453,33 of which, as a result of release of financial resources, 65 contracts were concluded for projects in the reserve lists, which have been ranked in 2010/2011, but have not been financed because of insufficient available

financial resources (under scheme BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities” and scheme BG161PO001/4.2-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”).

As at 31 December 2012, the total value of the grants under Priority Axis 4 amounted to EUR 45,761,391.81, representing 71.26% of the value of the Priority Axis.





RESULTS

Operation 4.1 “Small-scale local investments”

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

➤ ***Scheme BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities”***

The scheme was launched in 2010 with the objective to provide municipal educational infrastructure with high energy efficiency, contributing to the development of sustainable urban areas and sustainable local development; to improve the energy efficiency of municipal educational facilities; to ensure use of RES in municipal educational facilities.

After the release of financial resources and reallocation of funds from other grant schemes, in 2012 thirty-two contracts were concluded for projects from the reserve list (ranked in 2010 but not financed because of insufficient financial resources) with a grant value of EUR 11,646,203.58. During the reporting period 1 contract of Svilengrad Municipality with a grant amount of EUR 281,399.61 was terminated.

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

Table 52: Information about scheme BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Date of publication	02.03.2010
Deadline for submission of project proposals	05.07.2010

Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Allocated funds, EUR	EUR 27,540,569
Number of contracts concluded in 2012	32 (of which 1 subsequently terminated)
Total amount of contracts concluded in 2012 (grant)	EUR 45,761,391.81

Table 53: Results from grant scheme BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities”

	Total	NWR	NER	SER	SCR	SWR
Number of contracts concluded	31	10	3	2	7	9
Grant contract value in EUR	9,271,013.07	2,654,377.91	565,259.36	735,309.95	2,628,467.29	2,687,598.56
Improved educational infrastructure – sq. m. GBUA	136,676.18	45,461.93	7,969.50	11,770.00	39,856.63	31,618.12
Pupils/children benefiting from improved educational facilities	13,744.00	3,731.00	655.00	1,335.00	3,663.00	4,360.00
Energy savings from the renovation of the buildings of the educational infrastructure (MWh/year on average)	18,767.49	5,439.44	610.70	1,717.27	6,208.39	4,791.69

- The table does not reflect the contract of Svilengrad Municipality, which was terminated during that year.

➤ **Scheme BG161PO001/4.1-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”**

The scheme was launched in 2010 with the goal to ensure flood prevention of the settlements in 178 small municipalities with a view to mitigating potential adverse implications for human health and environment; to reduce risks of floods in the settlements in these 178 small municipalities by means of sustainable measures to fight floods. The deadline for submission of project proposals was 30 November 2010.

In 2012 as a result of release of financial resources 33 contracts were concluded for projects, which had been ranked in 2010 but were not financed because of insufficient funds and were included in the reserve list under the scheme. The total grant value under these contracts is EUR 15,037,517.73.

Table 54: Information about scheme BG161PO001/4.1-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”

Type of procedure	Open competition-based project selection procedure with a fixed application deadline
Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Number of contracts concluded in 2012	33
Total amount of contracts concluded in 2012 (grant)	EUR 15,037,517.73

Table 55: Results from grant scheme BG161PO001/4.1-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	33	7	3	1	5	9	8
Amount of the grant for concluded contracts, EUR	14,912,254.45	3,081,360.75	1,506,007.65	509,153.40	2,189,408.95	3,990,031.97	3,636,291.73
Population, benefiting from the built flood-prevention infrastructure	149,272.00	21,792.00	6,908.00	4,498.00	18,417.00	45,686.00	51,971.00
Facilities built to prevent floods in settlements, metres length	26,933.55	7,574.42	2,615.00	75.00	3,491.79	3,435.34	9,742.00
Length of cleared riverbeds and gullies	33,473.75	6,846.00	3,047.20	2,085.00	4,135.79	5,768.05	11,591.71

➤ ***Scheme BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas”***

The scheme was published in 2011 with a primary goal to provide suitable and effective municipal healthcare infrastructure in the municipalities outside the agglomeration areas, to promote sustainable development. The specific goal was to improve the opportunities for access to diagnostics, treatment, and after-treatment of the population in small municipalities, outside the urban agglomeration areas.

Specific beneficiaries are the municipalities, on the territory of which the municipal hospitals, defined in Annex 1, Hospitals Eligible for EC Financing under OPRD, to the Addendum to the Concept for the Restructuring of the Hospital Care System, approved by the CM by Protocol 43 of the CM session of 1 September 2010, are located.

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

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

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

In 2012 five project proposals were submitted under component 2 of the scheme, “Hospitals for active treatment, which will be constituted as medical centres”. The projects were approved for financing and 5 contracts were concluded with a total value of the grant EUR 2,508,995.30.

Table 56: Information about scheme BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban

Agglomeration Areas”

Type of procedure	Direct grant award procedure with a fixed application deadline
Eligible candidates	municipalities outside the scope of the urban agglomeration areas, under the Amendment of the Concept for the Restructuring of the Hospital Care System, approved by the CM on 1 December 2010.
Number of evaluation committees in 2012	1
Number of project proposals submitted in 2012	5
Number of project proposals approved	5
Number of contracts concluded in 2012	5
Total amount of contracts concluded in 2012 (grant)	EUR 2,508,995.30

Table 57: Results from grant scheme BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas”

	Total	SER	SWR	NER	SCR
Projects submitted	5	1	1	2	1
Number of contracts concluded	5	1	1	2	1
Amount of the grant for concluded contracts, EUR	2,508,995.30	480,925.03	496,005.51	1,021,238.68	510,826.07
Number of patients benefiting from improved healthcare infrastructure	33,400.00	4,500	4,200	23,500	1,200
Total number of the population, benefiting from the renovated buildings of the healthcare facilities	62,597	6,000	6,500	30,097	20,000
Number of patients, benefiting from the purchased equipment	31,700	3,500	3,500	23,500	1,200
Improved healthcare infrastructure – sq. m. GBUA	12,040.45	1,920	1,248	7,866.45	1,006
Number of municipal medical institutions for hospital care closed down – for component 2	5	1	1	2	1
Number of established / supported medical centres (medical facilities for specialised outpatient care with at least three physicians with different recognised specialities, with up to ten beds for patients staying up to 48 hours) –	5	1	1	2	1

for component 2					
Energy savings from renovation of the medical buildings	1,302.609	564	87	651.609	0

➤ **Projects in implementation**

The total number of contracts in progress in 2012 under Priority Axis 4 is 153, concluded in 2008, 2009, 2010, 2011, and 2012, as follows:

Grant scheme	Grant scheme name	Number of contracts
BG161PO001/4.1-01/2007	Support of adequate and cost-effective educational infrastructure contributing to sustainable local development	2
BG161PO001/4.1-02/2008	Support for the construction and consolidation of small-scale infrastructure to prevent landslides	2
BG161PO001/4.1-03/2010	Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities	61
BG161PO001/4.1-04/2010	Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities	67
BG161PO001/4.1-05/2011	Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas	12
BG161PO001/4.2-01/2008	Support for interregional cooperation and exchange of best practices	4

For the purposes of monitoring the implementation of projects under Priority Axis 4, a total of 88 on-the-spot verifications were carried out, of which 57 under the Annual Plan and 31 ad-hoc on-the-spot verifications. Forty-six verifications of completed projects for their compliance were also carried out. Under Priority Axis 4 specialised external companies carried out 22 on-the-spot verifications, of which 20 under the Annual Plan and 2 ad-hoc on-the-spot verifications.

➤ **Terminated contracts**

Five grant contracts were terminated during the reporting period, as follows:

Beneficiary	Contract No	Date of contract termination	Reasons for termination
-------------	-------------	------------------------------	-------------------------

Zlatograd municipality	BG161PO001/4.1-01/2007/011-01	03.12.2012	Terminated because of failure of the beneficiary to fulfil its obligations, failure to implement recommendations made by the Contracting Authority, and established irregularity
Svilengrad Municipality	BG161PO001/4.1-03/2010/053	13.06.2012	The contract was terminated by mutual consent on the grounds of Article 11 (1) of the General Conditions, with an annex between the two parties
Vratsa District Administration	BG161PO001/4.2-01/2008/044	18.05.2012	The contracts were terminated because of the absence of a registered Request for final payment and Final report
Association for Development of Mountain Municipalities in the Republic of Bulgaria	BG161PO001/4.2-01/2008/018	07.06.2012	
Haskovo District Administration	BG161PO001/4.2-01/2008/053	18.05.2012	

➤ **Results from completed projects**

During the reporting period, 10 projects were completed under scheme BG161PO001/4.1-01/2007 “Support for the provision of adequate and cost- effective educational infrastructure contributing to sustainable local development”. Reported achievement on indicators under these projects is as follows:

No.	Indicator	Reported achievement
1	Population benefiting from the renovated building of the improved educational infrastructure	63,633 people
2	Improved educational infrastructure (number)	14 buildings
3	Number of people with disabilities benefiting from the intervention	11 people
4	Number of Roma/other ethnic minorities benefiting from the project results	340 people
5	Pupils benefiting from improved educational infrastructure (number) Core indicator(4)	3,400 pupils

In 2012, 6 projects were completed under scheme BG161PO001/4.1-02/2008 “Support for construction and consolidation of small-scale infrastructure to prevent landslides”. Reported achievement on indicators under these projects is as follows:

No.	Indicator	Reported achievement
1	Population benefiting from improved physical	35,607 people

	environment as a result of risk mitigation	
2	Area of strengthened landslides	50,619 sq. m.

Eight (8) projects were completed under scheme BG161PO001/4.1-03/2008 “Support for the application of energy efficiency measures in municipal educational infrastructure of 178 small municipalities”. Reported achievement on indicators under these projects is as follows:

No.	Indicator	Reported achievement
1	Population benefiting from small-scale investment	84,140 people
2	Pupils benefiting from improved educational facilities	3,867 pupils
3	Number of people with disabilities benefiting from the intervention	46 people
4	Number of Roma/other ethnic minorities benefiting from the project results	1,154 people
5	Improved educational facilities	21 buildings

10 projects were completed under scheme BG161PO001/4.2-01/2008 “Support for Interregional Cooperation and Exchange of Best Practices.” Reported achievement on indicators under these projects is as follows:

No.	Indicator	Reported achievement
1	Innovative practices exchanged and applied drawing on interregional cooperation (number per completed project)	30
2	Number of interregional events	35
3	Number of participants in interregional events	1,158 people

3.4.3. Significant problems encountered and measures taken to overcome them

With respect to the scheme BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas” delay was observed in preparing technical specifications for the procurement of highly specialized medical equipment for diagnosis and treatment of oncological diseases by beneficiaries. The MA of OPRD received a number of requests concerning modification of the parameters of the technical specifications of grant contracts from 8 beneficiaries (Municipalities of Svilengrad Republic, Etropolje, Razlog and Byala). The purpose of modifications was the elimination of existing some discriminatory parameters in the technical specifications of the grant contracts. Where necessary, additional parameters were introduced to the description of the equipment in order to achieve greater clarity and objective assessment at the stage of conduction of the tender procedure.

Measures taken: With Order № ПД-02-14-1888/26.07.12 of the Head of OPRD MA assigned a working group of leading experts, specialists in medical equipment for the diagnosis and treatment of oncological diseases, with the task to prepare statements on the admissibility and relevance of the proposed modifications by beneficiaries in the technical specifications of the grant contracts. The process of review and approval of revised technical specifications required extra time and to some extent slowed the preparation of tender documents and therefore the announcement of tender procedures for selecting a contractor for delivery.

4. ERDF/CF FUNDED PROGRAMMES: MAJOR PROJECTS

Within OPRD Operation 1.5 *Sustainable Urban Transportation Systems*, by European Commission Decision C(2011)5988 of 16.08.2011, the implementation of the first **two major projects** within the meaning of Article 39 of Regulation (EC) No 1083/2006, approved by the EC, continued – project 2010BG161PR003 “**Integrated Urban Transportation of Bourgas**” (OPRD project number BG161PO001-1.5.01-0001) and project BG161PO001-1.5.02-0001 “**Support for Integrated Urban Transportation in Sofia Municipality**” with specific beneficiary Sofia Municipality.

With regard to the **third major project** within the meaning of Article 39 of Regulation (EC) No 1083/2006 – project 2012BG161PR003 “**Integrated Urban Transportation of Varna**”, in 2012 the project proposal was submitted within scheme BG161PO001/1.5-03/2011 “Support for integrated urban transport in the five larger cities”. The project was approved for financing and a contract was concluded with a value of EUR 46,527,475. The project was approved by the EC on 17 December 2012 with Decision C(2012) 9598.

The project includes 10 components:

Component 1 Automated ticket system

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

Component 3 Real-time passenger information system

Component 4 MUPT management centre

Component 5 BRT corridor

Component 6 Fleet

Component 7 Cycling facilities

Component 8 Improvement of three end stops

Component 9 Improvement of the manufacturing and technology base

Component 10 Measures to improve accessibility

The progress in the implementation of the three major projects in 2012 is as follows:

Contract BG161PO001/1.5-01/2010/001 “Integrated Urban Transportation of Bourgas”

On 19 January 2012 a Decision for initiation of a procedure for selection of a consultant of the Project Implementation Unit (PIU) and drawing up of tender documentations for conducting procedures for selection of contractors of activities under project: “Integrated Urban Transportation of Bourgas” was published. On 30.05.2012 an appeal was filed against the decision of the contracting authority for selection of a contractor. The CPC decision was later appealed against before the SAC. Following the judgement of the SAC, the contract was concluded with a contractor on 15.11.2012 and has a value of EUR 662,122.99.

The appeal procedure resulted in some delay in the implementation of the project. Part of the contract activities include assistance by the consultant in the preparation of the tender documentation for the remaining components of the project.

On 23.02.2012 a procedure for supply of buses for mass urban transportation was launched, as in 2011 the contracting authority terminated the procedure. On 01.10.2012 a contract for delivery of buses for mass urban transportation was concluded, divided into two lots: Lot I – Diesel articulated (18 m) buses for mass urban transportation; Lot II – Methane (CNG) solo (12 m) buses for mass urban transportation, with a value of EUR 15,425,237.

On 23.02.2012 a procedure for “Drawing up of technical investment designs for rapid bus lines, terminal close to the railway station, terminal in Meden Rudnik residential area, and system of bicycle lanes and facilities” was launched. On 15.09.2012 a contract with a value of EUR 807,285.39 was concluded. The consultant has submitted an induction report containing alternatives for design.

On 17.05.2012 a procedure was launched under the PP Act with the subject “Preparing information materials for promoting the results from the following projects, implemented by Bourgas Municipality and financed under Operational Programme «Regional Development» 2007–2013”. On 02.10.2012 a contract was concluded with a value of EUR 28,530.08.

In 2012 payments in the amount of EUR 13,999,569.75 were executed.

Contract BG161PO001/1.5-02/2011/001 Project for Integrated Urban Transportation in Sofia Municipality

Contract “Marketing analysis of the possibilities and conditions to install, operate, and maintain the urban transportation (UT) stop shelters in the territory of Sofia Municipality” was concluded with a value of EUR 24,925.72.

A contract for preparing a legal analysis of the possibilities and conditions to install, operate, and maintain the urban transportation stop shelters in the territory of Sofia Municipality was concluded with a value of EUR 25,320.33.

On 28.02.2012 a decision to launch a procedure for delivery of 50 new articulated trolley buses was published. The procedure was terminated on 04.09.2012 with a decision of the contracting authority. On 01.11.2012 a new procedure for “Delivery of 50 new articulated trolley buses” was launched.

On 26.02.2012 a procedure “Reconstruction of tram rails, contact network along “Bulgaria” Blvd. from “Vitosha” Blvd. to “Borovo” terminal” was launched. The Contracting Authority published a decision to terminate the procedure.

On 28.02.2012 an open procedure for delivery of a specialised vehicle for the maintenance of the contact network of the electric transportation of the city was launched. The Contracting Authority published a decision to terminate the procedure.

On 25.07.2012 a procedure for Consultancy services under Article 166 of the Spatial Development Act was launched. On 27.11.2012 a contract for Consultancy services under Article 166 of the Spatial Development Act was concluded with a value of EUR 28,871.07

On 17.10.2012 a procedure for preparing a “Technical Specification for Intelligent Traffic Management System” was launched.

Contract BG161PO001/1.5-03/2011/002 “Integrated Urban Transportation of Varna”

In 2012 no contracts with contractors were concluded, but public procurement procedures were launched for the following contracts:

1. On 5.11.2012 an open procedure for “Preparation of documentation for awarding public procurement contracts and support for conducting procedures for selection of a contractor under project “Integrated Urban Transportation of Varna” was launched.
2. On 27.11.2012 a procedure for “Delivery of new fleet – Purchasing of 70 buses” was launched.

The integrated urban transportation project management unit, created within the OPRD MA, monitors strictly the implementation of the projects within Operation 1.5 and organises monthly working meetings with the corresponding beneficiaries.

5. TECHNICAL ASSISTANCE

According to the second revision of OPRD, approved on 17 August 2012 by the EC, the financial resources for this Priority Axis are **EUR 54,093,389**, of which **EUR 45,979,381** are European financing. The total amount makes up **3.38%** of the total programme budget.

5.1. Achievement of targets and analysis of the progress

Table 59. Announced grant schemes:

	Date of publication	Total budget, EUR	New Total Budget*, EUR	Co-financing from ERDF, EUR (85%)	National financing, EUR (15%)	Projects received between 1.01.2011 and 31.12.2011
BG161PO001/5-01/2008 "Technical Assistance for the Preparation, Management, Monitoring, Evaluation, Information, Control, and Strengthening of the Administrative Capacity for the Implementation of OP Regional Development 2007–2013"	15 April 2008	54,093,389	46,427,079	39,463,017	6,964,062	13 project proposals
BG161PO001/5-02/2012 "In support of the next programming period"	30 March 2012	-	7,666,310	6,516,364	1,149,947	3

* Note: The New Total Budget column reflects the updated budgets of the separate schemes, as a result of the OPRD MC decisions, adopted in 2012, on reallocations of funds between operations and/or priority axes.

Table 46. Issued grant orders in 2012

Priority Axis	Total budget of the Priority Axis and breakdown by components in EUR	Total budget of the Priority Axis and breakdown by components* in EUR	Number of projects approved for financing	Grant value under the approved projects in EUR	Number of issued grant orders/contracts**	Grant amount by issued orders in EUR**
5. Technical assistance	54,093,389	54,093,389	14	15,053,265.80	15	15,181,857.44
Component 1	29,093,389	29,093,389	7	11,933,340.21	7	11,933,340.21
Component 2	5,000,000	5,000,000	1	17,997.47	1	17,997.47
Component 3	20,000,000	20,000,000	6	3,101,928.12	7	3,230,519.76

* The total priority axis budget is updated in line with the decisions adopted by the MC in 2012.

5.1.1. Information on the physical progress of the priority axis

Table 60: Information on the physical progress of the priority axis

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
TECHNICAL ASSISTANCE											
Result indicator											
Level of general public awareness about the	Value achieved	N/A	N/A	0	0	0	0 ⁽¹⁾				0
	Target value	N/A	N/A	15%	N/A	N/A	N/A	N/A	N/A	40%	40%

OPRD (%)	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Technical support, consultancies, etc. (man-days)	Value achieved	N/A	360	360	416	1,328	1,328 ⁽²⁾				1,328
	Target value	N/A	1,000	5,500	N/A	N/A	N/A	N/A	N/A	15,500	15,500
	Baseline value	1,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of trained people from MA (incl. regional departments) and beneficiaries (number)	Value achieved	1,084	3,978	4,442	5,307	6,448	7,005				7,005
	Target value	N/A	450	1,500	N/A	N/A	N/A	N/A	N/A	4,500	4,500
	Baseline value	600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Monitoring Committee meetings (number)	Value achieved	1	3	6	8	10	12				12
	Target value	1	N/A	6	N/A	N/A	N/A	N/A	N/A	14	14
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Information and publicity activities undertaken according to Communication Plan (number)	Value achieved	7	74	95	134	184	226				226
	Target value	N/A	6	20	N/A	N/A	N/A	N/A	N/A	60	60
	Baseline value	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Evaluations undertaken (number)	Value achieved	N/A	N/A	1	1	2	2 ⁽³⁾				2
	Target value	N/A	N/A	3	N/A	N/A	N/A	N/A	N/A	6	6
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>(1) In 2013 a project will be developed under Priority Axis 5 "Technical Assistance" for conducting surveys for collecting information on the progress under the indicators, measuring the results and impact of the OPRD priorities, within an Evaluation of the Impact of OPRD interventions. The result indicator "Public awareness level regarding OPRD" will be reported within the said surveys. The activity will be implemented during the period 2013–2014.</p> <p>(2) For 2012, the target value of the indicator is still not achieved, because project "Strengthening the OPRD Beneficiaries' Capacity for Successful Participation in the OPRD Implementation and Absorption of Funds Granted by the Structural Funds through Implementation of the Training Plan" will be completed in 2013, after which the achieved results will be reported.</p> <p>(3) As at 2012, the target value of the indicator for 2009 was still not achieved, because 2 evaluation projects were completed and the evaluation plan was updated in February 2012, as reflected in the revision of the OPRD in 2012.</p>											

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

5.1.2. Information on the financial progress of the priority axis

Table 61. Contracted, disbursed and certified expenditures during the period from 01.01.2012 to 31.12.2012

Priority Axis	Financial implementation		
	Contracted EUR	Disbursed EUR	Certified expenditure EUR
5. Technical Assistance	15 181 857,45	6 368 728,75	3 725 590,61

The Contracted Value column includes only the grant amount under contracts concluded in 2012 in accordance with the Decisions for the award of grants issued by the Head of the OPRD MA, excluding the amounts on the annexes executed in 2012.

5.2 Quantitative analysis

In 2012 a total of 16 project proposals were submitted, of which 4 project proposals by specific beneficiaries outside the OPRD MA within component 3 of scheme BG161PO001/5-01/2008 “Technical assistance for the preparation, management, monitoring, evaluation, information, control and strengthening of the administrative capacity for the implementation of OP Regional Development 2007–2013” and 3 project proposals under scheme BG161PO001/5-02/2012 “In support of the next programming period” by Dobrich, Blagoevgrad and Sofia Municipalities. Fourteen (14) project proposals were approved, 11 grant orders were issued and 15 grant contracts were executed under the following project proposals:

Project:	BG161PO001/5-01/2008/060-01 “Strengthening the capacity of the MFIP team at the National Employment Agency”
Actions planned:	<p>Preparing and holding meetings / coordination meetings of the MFIP management and implementation team to coordinate and report on the current progress of the programme</p> <p>Activities related to the preparing and conducting of tender procedures under the PP Act / OSPPA</p> <p>Attracting external experts to support the implementation of the activities in the project proposals under OPRD (MFIP organisation and management team)</p> <p>Activities related to the provision of financial incentives for the MFIP team in connection with the overall management, monitoring and reporting of the results achieved within the programme implementation</p>
Indicators set:	<p>Number of employees in the MFIP Management and Implementation Team given financial incentives – 7</p> <p>Number of meetings of the MFIP team and the project teams held – 8</p> <p>Number of coordination meetings of the MFIP Management and Implementation Team held – 24</p> <p>Purchased laptops – 1</p> <p>Multifunctional device – 1</p> <p>Digital camera – 1</p>

Project:	BG161PO001/5-01/2008/062-02 “Support for strengthening the administrative capacity of the Ministry of Health for the implementation of the Medium-term Framework Investment Programme and control over the implementation of the project proposals thereto”
Actions planned:	Enhancing the capacity of the MFIP management team at national level by conducting special training in European Union countries Holding regular reporting meetings of the MFIP team Provision of technical equipment to the MFIP team MFIP Management and Implementation
Indicators set:	Remuneration paid to the MFIP team – 102 Document cutting machine – 1 Trained MA staff (including regional departments) and beneficiaries – 17 Number of reporting meetings of the MFIP Management Team held – 3 Laptop computers – 10 Training of the MFIP team in EU Member States – 4 Service contracts concluded with the MFIP management team – 17

Project:	BG161PO001/5-01/2008/063 “Strengthening the capacity of the Ministry of Culture – specific beneficiary of OPRD”
Actions planned:	Provision of financial incentives to a MoC expert for the implementation of MFIP Exchange of good practices Development of technical designs
Indicators set:	Printing of brochures with information about the project – 300 7 working meetings of the project team held – 7 Project implementation team with 4 members set up – 4 Number of the MFIP team members involved in the exchange of experience – 8 Prepared and sent at least 2 press releases with information about the project – 2 Compendium of good practices of MFIPs – 1,000 Independent audit of the project – 1 Printing of banners with information about the project – 10 Publications in the web site of the Ministry of Culture – 2 At least 2 publications / broadcasts related to the project in the media – 2 3 tender procedures conducted – 3 Number of employees granted financial incentives – 1 Technical designs – 5

Project:	BG161PO001/5-01/2008/064 “Strengthening the capacity of the MoEET
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	as a specific beneficiary under grant scheme BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”
Actions planned:	Providing incentives to the team members directly responsible for the implementation of MFIP with specific beneficiary MoEET Development and implementation of training programmes Performance of independent financial audit of the project
Indicators set:	Number of employees of the MoEET granted financial incentives under OPRD – 5 Trained MFIP team – 5 Number of employees of the MoEET trained under OPRD – 7 Specialised trainings of experts from the MFIP of MoEET organised and held under OPRD – 2 Public events for promoting the MFIP of MoEET under OPRD – 2

Project:	BG161PO001/5-01/2008/065 “Evaluations related to the preparation of OP Regional Development 2014–2020”
Actions planned:	“Preliminary evaluation of OPRD for the programming period 2014–2020” “Environmental assessment (EA) and evaluation of the compatibility (EC) with the subject and the goals on preserving the protected areas of OPRD for the programming period 2014–2020”
Indicators set:	Environmental assessment of OPRD 2014–2020 carried out Preliminary assessment of OPRD 2014–2020 carried out

Project:	BG161PO001/5-01/2008/066 “Support for the SAA for managing the Medium-term Framework Investment Programme financed under Operational Programme Regional Development”
Actions planned:	Holding coordination meetings and publicity at MFIP level Delivery of equipment for the implementation of MFIP Specialised training and exchange of experience abroad for the MFIP team
Indicators set:	Number of paid monthly remunerations for the MFIP Management Team – 248 Number of members of the MFIP team, who are given financial incentives – 11 Number of National meetings with at least 50 representatives of the media and the project teams within MFIP – 8 Number of individuals trained in a EU Member State – 5 Number of promotional notepads – 1,000 Number of participants in national meetings with representatives of the media – 400 Purchased multifunctional device – 1 Purchased laptop computers – 4

	<p>Number of meetings of the MFIP Management Team held – 8</p> <p>Prepared and realised brochures – 2,000</p> <p>Prepared and realised information banners – 2</p> <p>Prepared and realised «BEFORE and AFTER» posters – 820</p> <p>Prepared and realised project folders – 200</p> <p>Press-conferences held (total Technical Assistance and MFIP: 2 and 8) – 10</p> <p>Training of the MFIP team in a EU Member State – 2</p> <p>Media reports realised – 20</p>
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Project:	BG161PO001/5-01/2008/067 “Visualisation of the future OP Regional Development 2014–2020”
Actions planned:	Organising and conducting a competition for visualisation of OP for regional development 2014–2020
Indicators set:	<p>Developing a logo and presentational materials (official headed paper and master slide) for the future operational programme for regional development 2014–2020 – 3</p> <p>Formulating a slogan of the future operational programme for regional development 2014–2020 – 3</p> <p>Formulating a name of the future programme for regional development 2014–2020 – 3</p>

Project:	BG161PO001/5-01/2008/068 “Support for the implementation of the project for energy efficiency in multi-family residential buildings”
Actions planned:	<p>Support for the implementation of project “Energy renovation of Bulgarian homes”</p> <p>Setting up and operation of Integrated project implementation unit for the project “Energy renovation of Bulgarian homes”</p> <p>Organising and holding of working / coordination meetings</p> <p>Preparing surveys for establishing the technical characteristics related to the requirements of Article 169, paragraph 1, sub-paragraphs 1-5, paragraphs 2 and 3 of the SD Act and technical passport of the building / block section</p> <p>Ensuring information and publicity</p> <p>Reporting before the Managing Authority and audit of the project</p> <p>Strengthening the administrative capacity of officials of DHP</p>
Indicators set:	<p>Prepared surveys for establishing the technical characteristics and technical passport – 180</p> <p>Trained MA staff (including regional departments) and beneficiaries – 20</p> <p>Working / coordination meetings held – 20</p> <p>Electronic database developed – 1</p> <p>Developed documents (project proposal, methodology, FMCS) – 3</p> <p>Technical support, consultancies, etc. – 5,000</p>

Project:	BG161PO001/5-01/2008/069 “Strengthening the capacity of the MoI for management of projects under OPRD”
Actions planned:	<p>Organising and conducting specialised training in Bulgaria and exchange of experience – preparation of documentation and conducting a public procurement procedure under the PP Act for selection of a company to organise the training and the exchange</p> <p>Provision of technical equipment to the project management team – software installation and training of the project management team for work with it</p> <p>Implementing information and publicity measures with regard to the project and MFIP – preparation of documentation and conducting a public procurement procedure under the PP Act for delivery of printed and advertising materials</p> <p>Conducting procurement procedures under the PP Act – preparation of the required documentation</p>
Indicators set:	<p>Supplied software – 1</p> <p>Equipment – 2</p> <p>Officials of the beneficiary trained in exchange of experience – 20</p> <p>Officials of the beneficiary trained in project management under OPRD – 54</p> <p>Training for work with the specialised project management software – 1</p> <p>Training for exchange of experience – 1</p> <p>Training in project management under OPRD – 3</p> <p>Public events for promoting MFIP – 2</p>

Project:	BG161PO001/5-01/2008/070 “Specialised legal services for the Managing Authority of OP Regional Development 2007–2013”
Actions planned:	<p>Selection of a contractor(s) of the service “provision of legal services for the needs of the OPRD Managing Authority” and concluding of contract(s)</p> <p>Delivery of the service “provision of legal services for the needs of the OPRD Managing Authority”</p>
Indicators set:	<p>Carrying out analyses of documents, reviewing cases and preparing justified opinions in connection with hearings by the European Commission in accordance with Article 100 (3) of REGULATION (EC) No 1083/2006 and other legal cases – 1</p> <p>Preparing reports on the initial analyses of the registered irregularity alerts under grant contracts – 500</p> <p>Preparing opinions on awarding of public procurement contracts by OPRD beneficiaries – 300</p>

Project:	BG161PO001/5-01/2008/071 “Strengthening the capacity of the Ministry of Education, Youth and Science – specific beneficiary of OPRD”
Actions planned:	<p>Introducing an effective system of provision of financial incentives to the team involved in MFIP</p> <p>Coordination meetings held</p> <p>Acquisition of information and communication equipment in support of the</p>

	<p>MFIP management and implementation</p> <p>Training of staff – the MFIP, in specialised project management software abroad</p> <p>Acquisition, training and maintenance of project management software</p> <p>Preparation of investment projects at the technical design stage, energy efficiency surveys, compliance assessment and obtaining construction permits related to the preparation of documents for the next programming period</p>
Indicators set:	<p>Number of employees granted financial incentives – 6</p> <p>Press-conferences held – 2</p> <p>Publications in the press – 2</p> <p>Number of trainings for the MFIP team – 3</p> <p>Purchased equipment – camera, laptop, multi-functional device – 4</p> <p>Preparing and distribution of information brochures – 100</p> <p>Development of a banner – 2</p> <p>Preparing investment projects for the next programming period – 10</p> <p>Coordination meetings held – 7</p> <p>Software for management of and reporting on construction – 1</p> <p>Project management software – 1</p>

Project:	BG161PO001/5-01/2008/072 “Upgrading the administrative capacity of the Management Authority of Operational Programme “Regional Development” by financing the remuneration of the officials of Directorate General Programming of Regional Development”
Actions planned:	Checking the eligibility of the expenditure under the project and including this expenditure in interim requests for payment
Indicators set:	<p>Number of employees granted financial incentives – 134</p> <p>Reduced turnover of MA employees – 10%</p>

Project:	BG161PO001/5-01/2008/073 “Support for activities ensuring stabilisation of the Management Authority of Operational Programme “Regional Development” by financing the remuneration of assistants responsible for management of European projects and programmes”
Actions planned:	Implementation of activities ensuring appropriate and efficient management, implementation, monitoring, evaluation and control of OPRD
Indicators set:	<p>Number of employees granted financial incentives – 28</p> <p>Raising the percentage of absorption of the OPRD funds – 40</p> <p>Staff turnover – 28</p>

Project:	BG161PO001/5-01/2008/074 “Stabilising the administrative capacity of the Internal Audit Directorate for carrying out of audit activities under Operational Programme “Regional Development”, in accordance with the Internal Audit in the Public Sector Act and the Standards for
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	Internal Audit in the Public Sector, by providing the funds for remuneration for the period 01.07.2012 – 31.12.2014 r.
Actions planned:	Verification of project expenditure. Preparation of progress reports submitted regularly to the MA on a quarterly basis.
Indicators set:	Number of employees granted financial incentives – 3

Project:	BG161PO001/5-01/2008/075 “Providing appropriate working conditions for the Managing Authority of OP “Regional Development” 2007–2013 by renting a building outside the MoRDPW”
Actions planned:	Renting a building outside the MoRDPW in order to provide appropriate working conditions for the staff of the OPRD MA Selection of a company to pack and transport the documentation and equipment to the selected building
Indicators set:	Paid monthly rent – 36 Transportation of the documentation of the OPRD MA – 5,000 Transportation of equipment (office equipment and computer configurations) – 160

➤ **Terminated contracts**

Two grant contracts were terminated during the reporting period, as follows:

Beneficiary	Contract No	Date of contract termination	Reasons for termination
Ministry of Regional Development and Public Works	РД-02-14-1069/16.09.2008	04.05.2012	The contracts were terminated because of expiry of the execution deadline and absence of a registered Request for final payment and Final report
Ministry of Regional Development and Public Works	РД-02-14-1066/16.09.2008	14.08.2012	

➤ **Projects in implementation**

In 2012 the total number of projects in progress under Priority Axis 5 was 33. Six (6) on-the-spot checks were carried out on requests for interim and final payment.

The following activities under a contract dated 19.09.2011 with the subject “Development of a Socio-Economic Analysis for the Needs of Operational Programme Regional Development for the 2014–2020 Period”, were completed:

- ✓ Three regular meetings were held between the Contractor and the Contracting Authority to coordinate activities and comment key points in the contract implementation process;

- ✓ The contractor submitted two interim and one specific report on the development of the analysis. These reports were accepted by the Contracting Authority;
- ✓ Representatives of the contractor participated with presentations in the discussions at meetings of the working group for development of Operational Programme “Growing Regions” 2014–2020, as well as in informal meetings at high management level;
- ✓ Meetings were held with representatives of the stakeholders: managing authorities of other operational programmes.

The following activities under a contract dated 12.04.2012 with the subject “Purchasing geographical information system software for the needs of Operational Programme Regional Development for the 2014–2020 programming period”, were completed:

- ✓ In 2012 a contractor for the public procurement contract was selected with Decision No. PД-02-14-591/12.03.2012 of the Head of the MA and contract No. PД-02-29-56/12.04.2012 was concluded;
- ✓ Completed first stage under the contract – “Installing of GIS software on a server device in an internal network of the MoRDPW. Providing access to the full functionalities of the GIS modules for 11 (eleven) work stations. Installing a desk GIS software at one work station”. Acceptance protocol signed on 14.11.2012;
- ✓ Completed fourth stage under the contract – “Providing a help desk by phone and e-mail for a period of 12 months”.
- ✓ Two trainings carried out under stage two of the contract – “Training of 12 MoRDPW officials to use the full functionalities of the GIS software and its modules”, as follows:
 - Induction training was held during the period 25 – 28.06.2012 and 12 certificates were issued;
 - Training for trainers was held during the period 08 – 13.11.2012 and 12 certificates were issued.
- ✓ Created server GIS application and GIS database, in which digital layers and attributive data, prepared by the contractor of the social and economic analysis for the needs of OPRD for the period 2014–2020, were integrated, as well as available and maintained at the MoRDPW layers under the third stage of the contract – “Integration of digital layers and attributive data, prepared by the contractor of the social and economic analysis for the needs of OPRD for the period 2014–2020, in the digital geographic base, and development of NSDC by 2025, as well as available and maintained at the MoRDPW layers”. The integration of digital layers and attributive data, prepared by the contractor responsible for the development of NSDC by 2025, continued.

Implemented activities under a contract dated 29.05.2012 with the subject “Development of a National Spatial Development Concept 2013–2025:

- ✓ Five seminars for presenting the interim and final results from the implementation of the stages in the concept development to stakeholders and the public, including a seminar for representatives of the Council of Ministers;
- ✓ Discussions were held at the Regional Councils for the development of the level 2 regions;
- ✓ Representatives of the contractor participated with presentations in the discussions at meetings of the working group for development of Operational Programme “Growing Regions” 2014–2020, and in informal meetings at high management level;

- ✓ Five progress reports were prepared by the contractor, as follows: 1 induction report, 3 interim reports and 1 final report;
- ✓ An analysis was carried out and forecasts were made of the condition of the national territory and the processes in it, as well as of the problems of spatial development and development of the national territory;
- ✓ A methodology was developed for defining territories with specific territorial characteristics; proposals were made for identifying such territories and functional zones and the relationships among them were examined;
- ✓ A vision and model of future spatial development and development of the national territory were formulated;
- ✓ A strategy for spatial development of the territory was developed containing analyses and forecasts, as well as models for its enhancement;
- ✓ GIS layers, working graphical applications and a database for the needs of the NSDC were created.

➤ **Project BG161PO001/5-01/2008/065 “Evaluations related to the preparation of OP Regional Development 2014–2020”**

The implementation of the project will help the Ministry of Regional Development and Public Works in the preparation of the planning process for the next operational programme for regional development for the period 2014–2020 by carrying out the mandatory preliminary evaluation and environmental assessment of the future programme.

The main objective of the project is to carry out evaluations related to the preparation of the OPRD for the next programming period 2014–2020 (preliminary evaluation, environmental assessment, and evaluation of the compatibility with the subject and the goals on preserving the protected areas).

The project has a total value of EUR 173,542.69 and a duration of 22 months, and includes two interrelated activities awarded with a single public procurement procedure with two lots.

The following activities under a contract, executed (01.06.2012) with a contractor under the PP Act, with the subject “Preliminary Evaluation of OPRD for the 2014–2020 Programming Period”, were completed:

- ✓ One introductory and two regular meetings were held between the Contractor and the Contracting Authority to coordinate activities and comment key points in the contract implementation process;
- ✓ The Contractor presented an induction report, which was commented on by the Contracting Authority and the comments of the latter were reflected in the Report;
- ✓ The contractor submitted the first interim report, containing a draft version of the preliminary evaluation including four out of the seven sub-evaluations under the contract: Evaluation of the external coherence, Evaluation of the internal coherence, Evaluation of the horizontal principles and objectives included in the programme; and Evaluation of the systems of indicators of the future programme. The Contracting Authority made comments, which were reflected in the Report;
- ✓ The contractor carried out an on-line questionnaire with OPRD 2007–2013 beneficiaries, representatives of the Managing Authority and representatives of the Thematic working group for the development of the future programme;

The following activities were implemented under a contract concluded (01.06.2012) with a contractor in accordance with the procedure of the PP Act with the subject “Environmental

assessment (EA) and evaluation of the compatibility (EC) with the subject and the goals on preserving the protected areas of OPRD for the programming period 2014–2020”:

- ✓ One introductory and two regular meetings were held between the Contractor and the competent authority for environmental assessment (MoEW) to coordinate activities and comment key points in the contract implementation process;
- ✓ The Contractor presented an induction report, which was commented on by the Contracting Authority and the comments of the latter were reflected in the Report;
- ✓ In connection with the preparation of the OPRD for the next programming period 2014–2020, the contractor prepared a request for determining the applicable procedure for environmental assessment of the programme and providing guidelines for follow-up activities for its application. This request was sent by the Contracting Authority to the MoEW;
- ✓ As a result of the procedure determined by the MoEW and the guidelines provided, the Contractor prepared Terms of Reference setting out the scope and contents of the environmental assessment, a Scheme for conducting consultations with the stakeholders, and a Notification under Article 10 (1) and (2) of the Ordinance on the evaluation of the compatibility of plans, programmes, projects and investment proposals with the subject and the goals on preserving the protected areas. These were sent to the MoEW and other stakeholders, such as the Ministry of Health, the Regional Inspectorates on Environment and Waters and the Basin Directorates for water management for approval, consultations and proposals.
- ✓ The Contractor submitted the first interim report containing a draft version of the environmental assessment report of the future programme. The Contracting Authority made comments, which were reflected in the Report;

Completed projects

During the reporting period, **9 projects** were completed under Priority Axis 5, Technical Assistance. The beneficiary is the Ministry of Regional Development and Public Works. The projects aimed at securing the work of the Managing Authority of OP Regional Development and facilitating the coordination and monitoring of the projects implemented and financed under OPRD.

Some of the main indicators for the projects under Priority Axis 5 Technical Assistance are as follows:

- Delivery of specialised legal services to the Managing Authority of OP Regional Development 2007–2013 related to its activities;
- Streamlined systems and procedures for management, implementation and control of Operational Programme “Regional Development” 2007–2013 r.;
- Developed set of documents for the modernisation and development of sustainable public transport in the five larger cities (Plovdiv, Stara Zagora, Varna, Rousse and Pleven);
- Provided external experts for carrying out ex-ante control pursuant to Article 20a of the Public Procurement Act and external experts in the tender evaluation committees from the list referred to in Article 19, paragraph 2, sub-paragraph 8 of the PP Act;
- Communication, information and publicity under OP Regional Development 2007–2013;
- Strengthened capacity of the Managing Authority of OP Regional Development for management and implementation of the programme by appointing staff for management of European projects and programmes.



5.3 Significant problems encountered and measures taken for their resolution

No significant problems were established during the reporting period.

6. INFORMATION AND PUBLICITY

Information and promotional materials

In compliance with Regulation 1828/2006, Art.4/2.b, on the OPRD website www.bgregio.eu are published an upgraded list of OPRD beneficiaries, the names of operations and the amount of public funding allocated to operations.

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

After concluding a contract for «Development and dissemination of information materials about OP Regional Development 2007–2013», during the past year 2012 the OPRD Managing Authority fulfilled successfully its task to inform the wider public and the programme beneficiaries by consolidating its leading positions in the field and illustrating the financial contribution of the ERDF.

In pursuance of the contract activities, in 2012 booklets and brochures in both Bulgarian and English were prepared and disseminated, as follows:



8 booklets, brochures and fliers on the following topics:

- Joint European Support for Sustainable Investment in City Areas (JESSICA)
- Rehabilitation and reconstruction of Grade 2 and 3 roads
- General brochure on the implementation of OP “Regional Development” 2007–2013
- Integrated Plans for Urban Regeneration and Development

- Housing policy
- Innovative cultural events
- Annual report on the implementation of OP “Regional Development” 2007–2013
- Reference framework



At the beginning of 2012 a procedure under the PP Act for selection of a contractor for awarding a public procurement contract with the subject **“Development and dissemination of promotional materials and souvenirs in connection with Operational Programme “Regional Development” 2007–2013**” was held, launched with Decision No. ПД-02-14-2464/29.11.2011 of the Head of the Managing Authority of Operational Programme “Regional Development”.

As a result of the conducted open procedure, in March 2012 three (3) contracts were concluded for the development of:

- “Promotional materials and souvenirs from leather, metal, and paper”;
- “Promotional materials and souvenirs from fabric, wood, and eco-materials”;
- “Electronic, digital and energy independent promotional materials and souvenirs”.

Information events

Information days and training for electronic applying for grant schemes under OPRD were held:

- **Information days for the following schemes:**
 - BG161PO001/1.4-09/2012 “Green and Accessible Urban Environment”
 - BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”
 - BG161PO001/3.2-03/2012 “Support for the Development of the Regional Tourist Product and Destination Marketing II”

- BG161PO001-1.2.01-0001 – Large-scale information campaign in connection with the implementation of project “Energy renovation of Bulgarian homes” in all 36 town centres, where the implementation of the project is eligible.



➤ **Training for electronic applying for grant schemes:**

- BG161PO001/5-02/2012 “In support of the next programming period”
- BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”
- BG161PO001/3.2-03/2012 “Support for the Development of the Regional Tourist Product and Destination Marketing II”

Press-conferences and official ceremonies held on the occasion of contract signature and launching of objects under OPRD projects:

➤ **Press-conferences and events:**

- Press-conference with the subject: “Energy Renovation of Bulgarian Homes” under OPRD; Press-conference for presenting the “Competition for visualisation of the future operational programme for regional development 2014–2020”;
- Press-conference in connection with the conclusion of contracts with contractors under project: “Monitoring and control of the implementation of OPRD projects for the purpose of improving the process of verification of funds and quality implementation of projects”;
- Press-conference for presenting the Housing Renovation Fund established within the “Corporate Commercial Bank” AD in pursuance of project “Energy Renovation of Bulgarian Homes” under Operational Programme “Regional Development” 2007–2013;



- Organising and holding the Eleventh official session of the Monitoring Committee of Operational Programme “Regional Development” 2007–2013;
 - Official event in connection with the execution of an Operational Agreement for establishing a Fund for sustainable urban development of Sofia under the JESSICA initiative;
 - Press-conference in connection with the official presenting of awards to the winners in the competition for visualisation of the future operational programme for regional development for the period 2014–2020;
 - Official event with the subject: “Investment opportunities within the JESSICA initiative in Bulgaria” with representatives of the Ministry of Regional Development and Public Works (MoRDPW), the European Investment Bank (EIB), the Regional Urban Development Fund and the Fund for Sustainable Development of Sofia.
- **23 official ceremonies on grant contract signings.**
- BG161PO001/1.1-03/2008 “Support for provision of adequate and cost-effective state social infrastructure contributing to development of sustainable urban areas” – in the town of Rousse;
 - BG161PO001/1.1-11/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical Facilities in Urban Agglomerations”;



- BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk” – in the town of Shumen;
- BG161PO001/4.1-03/2010 “Support for Energy Efficiency Measures in the Municipal Educational Infrastructure of 178 Small Municipalities”;
- BG161PO001/1.4-06/2010 “Support for Small-Scale Interventions to Prevent Floods in Urban Agglomerations”;
- BG161PO001/4.1-04/2010 “Support for Small-Scale Measures for Prevention of Floods in 178 Small Municipalities”;
- BG161PO001/1.1-09/2010 “Support for the application of energy efficiency measures in municipal educational infrastructure of urban agglomerations”;
- BG161PO001/3.3-01/2008 “Support for Effective National Marketing of the Tourist Product and Improved Information Services”;
- BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities” – contract “Modernisation and development of sustainable public transport in Plovdiv”;
- BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities” – contract “Integrated public transport in Varna”;
- BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities” – contract “Integrated public transport in Pleven”;
- BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities” – contract “Modernisation and development of sustainable public transport in the town of Stara Zagora”;



- BG161PO001/1.5-03/2011 “Support for Integrated Urban Transportation in the Five Larger Cities” – contract “Integrated public transport system in the town of Rousse”;
- BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk” – in the town of Sofia;
- BG161PO001/1.1-12/2011 “Support for Deinstitutionalisation of Social Institutions Providing Services for Children under Risk” – in the town of Shumen;
- BG161PO001/3.1-04/2011 “Restoration and Conservation of the Palace of Evksinograd and the Adjoining Park”;
- BG161PO001/1.1-05/2008/001 “Support for Provision of Adequate and Cost-Effective State Cultural Infrastructure Contributing to Development of Sustainable Social Areas”



- BG161PO001/2.2-01/2011 “Support for Development of Critical, Secure, Safe, and Reliable Public ICT Infrastructure”;
- BG161PO001/1.1-04/2008 “Support for Provision of Adequate and Cost-Effective Labour Office Infrastructure Contributing to Development of Sustainable Urban Areas”;
- BG161PO001/4.1-05/2011 “Support for Reconstruction, Renovation, and Equipment of Municipal Medical and Healthcare Facilities in Municipalities outside Urban Agglomeration Areas”;
- BG161PO001/1.2-02/2011 “Support to Provide Modern Social Housing for Vulnerable, Minority, and Indigent Groups of the Population and Other Disadvantaged Groups”



- BG161PO001/2.1-01/2007 “Support for Rehabilitation and Reconstruction of Grade 2 and 3 Roads” with specific beneficiary the Road Infrastructure Agency;
- BG161PO001/3.2-02/2011 “Support for the Development of the Regional Tourist Product and Destination Marketing”.

➤ **More important objects under Operational Programme “Regional Development” projects officially launched in the presence of the Head of the Managing Authority:**



- Official launch of the renovated and modernised National Exhibition of Crafts and Art – Oreshak, object under contract No. BG161PO001/3.1-02/2009/011 “Development of tourist attractions in Troyan Municipality”;
- Official launch of reconstructed and newly developed objects under project BG161PO001/1.4-05/2009/007 “Creating an attractive physical environment of the town of Gabrovo through Integrated Urban Regeneration and Development Measures”;
- Official launch of the reconstructed and renovated objects under project BG161PO001/1.4-02/2008/007 “Improving the physical environment and security in Gorna Oryahovitsa Municipality – Stage I”;
- Ground braking ceremony of Lot 25 “Rehabilitation of road II-37 Batak – Dospat, from km. 185+480.34 to km. 211+137.82, Pazardjik and Smolyan District”;
- Official launch of the objects under project BG161PO001/1.4-05/2009/016 “Improving the physical environment and security in Parvomay Municipality”;
- Official launch of a site under project BG161PO001/1.1-05/2008/001-3 “Overhaul and reconstruction of the National Museum of Bulgarian Graphic Arts”;

Under project BG161PO001/5-01/2008/022, Logistics and Technology for Conferences, Information Campaigns, Meetings, and other Events Related to the Implementation and the Current Operation of the OPRD, the following information events, meetings, and other events related to the implementation of the programme were organised and held:

- Official annual conference for presenting the progress achieved in the implementation of the Operational Programme Regional Development 2007–2013



- Work meeting “Cooperation with municipalities in the implementation of scheme BG161PO001/1.2-01/2011 “Support for Energy Efficiency in Multi-Family Residential Buildings””;
- Work meeting with beneficiaries on the updated Guidelines on OPRD Grant Contract Implementation;



- Work meeting of the OPRD Managing Authority on Version 8 of the Procedure Manual;



development of operational programme for regional development for the 2014–2020 programming period.

- Tenth session of the Monitoring Committee of OP Regional Development 2007–2013;

- Annual conference of the OPRD Managing Authority;

- Holding two seminars with the subject: “Operational Programme Regional Development 2014–2020 in the context of the preparation of a partnership agreement – beneficiaries, projects, operations and activities”.

- Organising and holding of three (out of a total of six) meetings of the thematic working group for

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

Within the “Ensuring Transparency in the Implementation of Operational Programme Regional Development 2007–2013 and its Promotion in the Electronic and Print Media” project, in 2012, on the grounds of Article 4, Paragraph 2 of the PP Act, **contracts were concluded with 2 radio stations with national coverage, 3 television channels with national coverage and 1 media shop** to provide airtime to broadcast programmes, reports, videos and publications in highly circulated printed media presenting both the opportunities under OPRD and the current events and projects in progress.

As a result of these contracts, **77 specialised topics** were broadcast by the two national radio stations and **77 specialised programmes** by the three national television channels.

The main objectives of the specialised broadcasts and programmes are related with informing the wider public about projects financed under OPRD, as well as of the execution of contracts with new beneficiaries. This resulted in promoting the contribution of the European Community for the development of regions among the potential and current applicants and the public and ensuring transparency with regard to the funds allocated from ERDF.