



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 IMPLEMENTATION
OF OPERATIONAL PROGRAMME "REGIONAL
DEVELOPMENT" 2007 – 2013**

Reporting period: 2010



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LIST OF ABBREVIATIONS

NEA	National Employment Agency
RIA	Road Infrastructure Agency
SAA	Social Assistance Agency
DG “PRD”	Directorate General “Programming of Regional Development”
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
LPP	Law on Public Procurement
LRAI	Legislation, risk assessment and irregularities
LSD	Law on Spatial Development
EA ECNIS	Executive Agency “Electronic Communications Systems Networks and Information Systems”
IPP	Implementation of programme priorities
MMIS	Management and Monitoring Information System
MC	Monitoring Committee
CP	Communication Plan
MEET	Ministry of Economy, Energy and Tourism
MEYS	Ministry of Education, Youth, and Science
MRDPW	Ministry of Regional Development and Public Works
MTITC	Ministry of Transport, Information Technology, and Communications
MF	Ministry of Finance
NIICH	National Institute of the Immovable Cultural Heritage
OSPPA	Ordinance for Small Public Procurement Award
OP	Operational Programme
OPRD	Operational Programme “Regional Development”
ODIP	Organizational Development, Information and Publicity
EAC	Ex-ante Control
DCM	Decree of the Council of Ministers
PE	Programming and Evaluation
RD	Regional Department
MIFP	Midterm Investment Framework Programme
SF	Structural Funds
MA	Managing Authority
PME	Programme Management and Evaluation
FA	Financial Activities
FMC	Financial Management and Control

ANNUAL IMPLEMENTATION REPORT

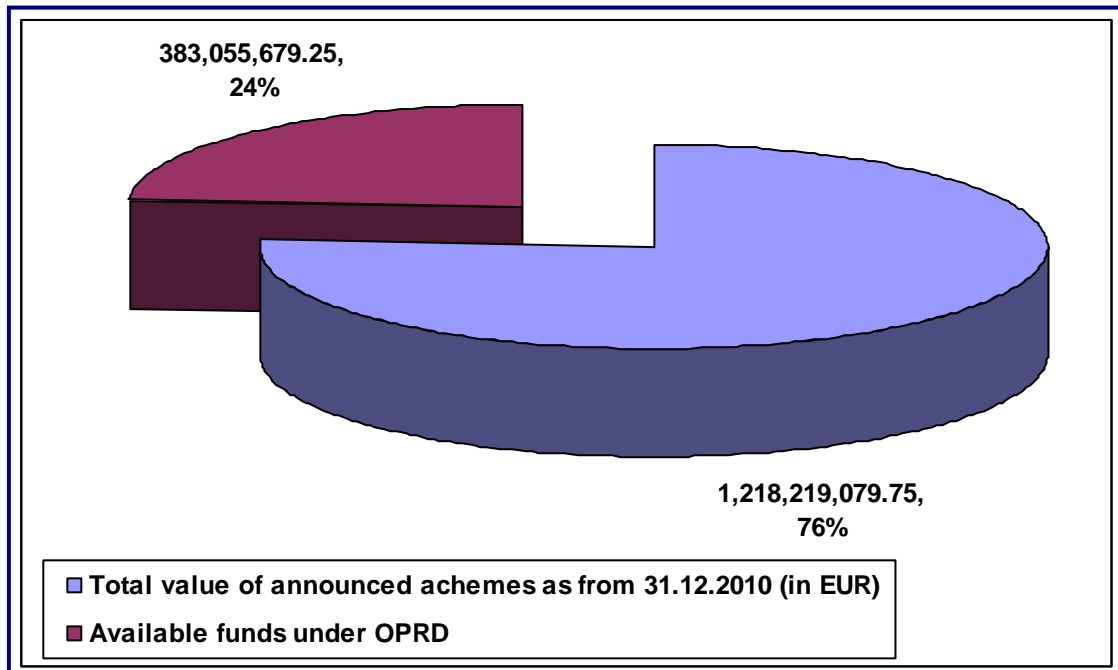
1. IDENTIFICATION

OPERATIONAL PROGRAMME	Objective	CONVERGENCE
	Eligible area	Republic of Bulgaria
	Programming period	2007 - 2013
	Programme number (CCI No.)	2007BG161PO001
	Programme title	„Regional Development”
		2007 – 2013
ANNUAL IMPLEMENTATION REPORT	Reporting year	2010
	Date of approval of the annual report by the Monitoring Committee	07.06.2011

2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

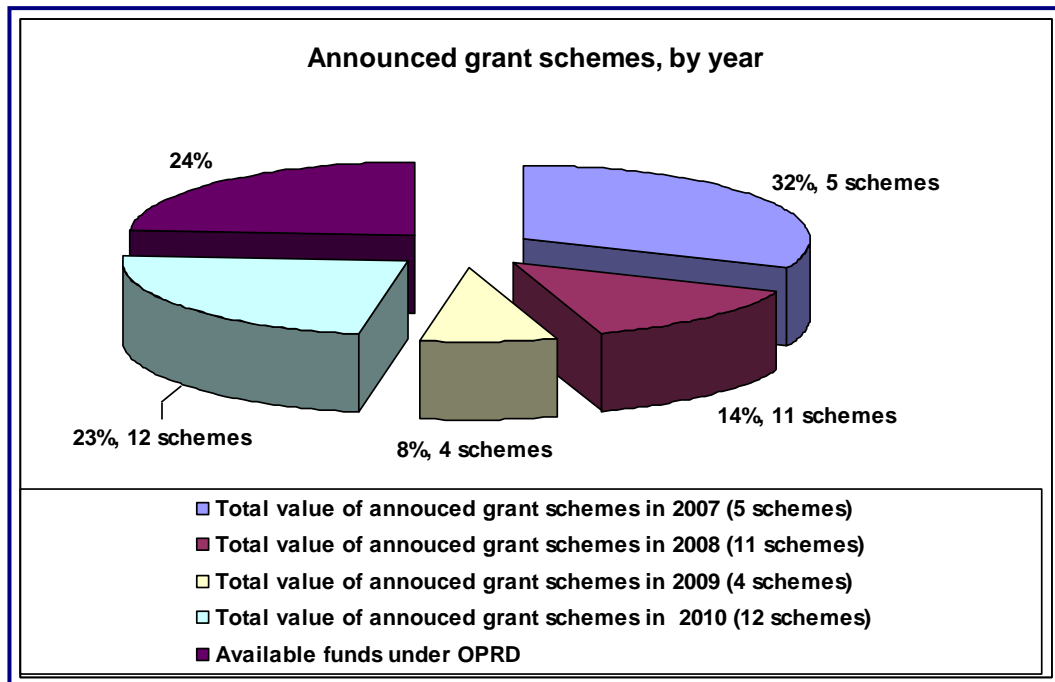
2.1. Achievement and analysis of the progress

On 09.02.2010, OPRD was given a positive evaluation from the European Commission for compliance of the management and control systems with the requirements of the European legal framework. In 2010, MA of OPRD focused its efforts on accelerating both the negotiation process and the payments to beneficiaries under the programme. The process of improving and optimizing the management and control systems continued in parallel, as the result of which the Sixth Version of the OPRD Management and Implementation Manual was approved in an order issued by the head of MA on 12.04.2010.



In compliance with the 2010 Indicative Working Programme, **12 grant schemes opened** at the total amount of **EUR 375,281,037.60**, distributed as follows: Priority Axis 1 – seven launched calls for proposals; Priority Axis 2 – one call for proposals; Priority Axis 3 – two calls for proposals; Priority Axis 4 – two calls for proposals.

Compared to 2009, 2.5 times more schemes were launched in 2010, the total amount of funding available under these schemes being twice that of 2009.



A total of **457 project proposals** were submitted during the reporting period, of which three mid-term framework programmes. **Three hundred and thirty one project proposals** were evaluated, **222 – approved** (including unfunded project proposals due to insufficient available financial resource).

The launched schemes were mainly directed at reconstruction, renovation and equipping of state medical facilities in urban agglomerations, the application of energy efficiency measures in municipal educational infrastructure, the creation and promotion of innovative cultural events, small-scale measures for flood prevention, the application of the financial engineering instrument JESSICA in Bulgaria, support for integrated urban transport, development of natural, cultural and historical attractions, organization of events with regional and national scope and impact, the preparation, research, and design concerning the construction of an intersystem gas connection Bulgaria – Serbia.

In 2010, a total of **179 contracts** were concluded at the total amount of the grants **EUR 438 562 066,28** in the following thematic areas:

- 98 contracts signed under Priority Axis 1, of which 64 are directed to the 86 urban agglomeration areas for support of state and municipal, educational and cultural infrastructure, including the application of energy efficiency measures; 11 contracts - to the establishment of infrastructure facilities for prevention of landslides, and 23 - to the improvement of urban environment and urban development;

- 17 contracts signed under Priority Axis 2, of which 16 – for the rehabilitation/reconstruction of second-/third-class roads and one (1) for the rehabilitation/reconstruction of the municipal road network;
- 8 grant contracts under Priority Axis 3 for support of tourist attractions and advertising;
- 43 grant contracts under Priority Axis 4, from which 37 are for support of educational infrastructure, including the application of energy efficiency measures, and 4 contracts supporting interregional cooperation.
- 13 orders issued under Priority Axis 5 – Technical Assistance.

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

Priority Axis	Total budget of the Priority Axis, in Euro	Number of projects approved for financing	Value of the grants for the approved projects (in Euro)	Number of contracts signed	Value of the grants under the contracts signed (in Euro)
1. Sustainable and integrated urban development	839 067 973	106	283 128 600,90	98	247 511 430,56
2. Regional and local accessibility	400 318 689	16	155 363 006,71	17	155 363 006,71
3. Sustainable tourism development	218 093 623	15	10 775 605,56	8	10 775 605,56
4. Local development and cooperation	89 671 387	72	29 904 003,34	43	16 107 550,59
5. Technical assistance	54 123 087	13	8 804 472,86	13	8 804 472,86
Total	1 601 274 759	222	487 975 689,37	179	438 562 066,28

Note:

The column “Number of projects approved for financing” includes projects which have scored above the required threshold but have not been financed due to exhausted financial resource under the respective scheme.

The column “Number of contracts signed” also includes contracts for projects approved in 2009, but concluded in 2010.

The column “Value of the grants under the contracts signed” includes only the grant amount under contracts signed in 2010 in accordance with the Decisions for the award of grants issued by the Head of the OPRD Managing Authority, as the amounts of annexes signed in 2010 are excluded.

2.1.1. Information on the physical progress of the operational programme.

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

Type	Indicator	Unit	Quantitative value			Measurement frequency	Source of information
			Baseline value	Interim value (2009)	Target value (2013)		

Impact	Jobs created	Number	The MA shall monitor the implementation of the indicator on programme level during the programming period (based on individual projects, final reports on completed projects – summarized on programme level)
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➤ Completed projects

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

In 2010, **72 projects were entirely completed under grant contracts**, distributed between the Priority Axes, as follows:

Priority Axis	Number of completed projects in 2010
Priority Axis 1	7
Priority Axis 2	13
Priority Axis 4	46
Priority Axis 5	6

The completed projects under priority axis 1 were related to improvement of educational infrastructure and prevention from the risk of landslides in urban agglomerations. 29 buildings of educational institutions were renovated and about 8827 students benefitted from the upgraded infrastructure. The population benefitted from the prevention measures from landslides are about 51375 people in urban areas. As result of completed projects under priority axis 2 were rehabilitated/reconstructed 115,981 km of municipal road network, and the more significant results from the completed projects under priority axis 4 were 82 buildings of improved educational infrastructure, 18553 students benefitted from the renovated educational institutions, 1 558 people benefitted from the landslides prevention, 57 innovative practices, exchanged and applied on the basis of interregional cooperation, 35 conducted interregional events with 510 participants.

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

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

Table 2 – Financial information

	Total funding of the operational programme (Union and national)	Basis for calculating Union 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>	$e = c/a$ if T or $e = d/a$ if P

<i>Priority axis 1</i>	839 067 973,00	Public	68 814 605,88	68 814 605,88	8,20 %
Specify the Fund					
- of which ESF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- of which ERDF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions not receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Priority axis 2</i>	400 318 689,00	Public	36 404 662,44	36 404 662,44	9,09 %
Specify the Fund					
- of which ESF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- of which ERDF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions not receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Priority axis 3</i>	218 093 623,00	Public	995 695,23	995 695,23	0,46 %
Specify the Fund					
- of which ESF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- of which ERDF type	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

expenditure (2)					
- Expenditure for regions not receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Priority axis 4</i>	89 671 387,00	Public	17 830 188,06	17 830 188,06	19,88 %
Specify the Fund					
- of which ESF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- of which ERDF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions not receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Priority axis 5</i>	54 123 087,00	Public	1 645 626,24	1 645 626,24	3,04 %
<i>Technical assistance</i>					
Specify the Fund					
- of which ESF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- of which ERDF type expenditure (2)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions not receiving transitional support (3)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
- Expenditure for regions receiving transitional	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

support (3)					
Grand total	1 601 274 759,00	Public	125 690 777,85	125 690 777,85	7,85 %
<p>(1) Figures expressed in cumulative terms. The value of costs, certified by the CA during the period 01.01.2007-31.12.2010 is included.</p> <p>(2) This field shall be completed only in the case of the final report on implementation where the operational programme is co-financed by the ERDF or the ESF where use is made of the opinion under Article 34(2) of Regulation (EC) No 1083/2006.</p> <p>(3) This field shall be completed only in the case of the final report on implementation where the operational programme includes support to transitional and non-transitional regions.</p> <p>For operational programmes receiving a contribution of the ERDF under the specific allocation for outermost regions: the breakdown of the expenditure between operational costs and investments in infrastructure</p>					

During the reporting period, advance, interim and final payments have been executed under OPRD. For 2010, a total amount of **EUR 154 053 117.35 were paid, including:**
advance payments – EUR 37 228 793.11,
interim payments – EUR 100 720 974.18, and
final payments – EUR 16 103 350.06, therefore the percentage of payments made towards the programme's budget amounts to 10%.

The rate at which payments were made in 2010 compared to payments in 2009 has increased fivefold.

Certified expenditure in 2010 amounts to **EUR 114 961 526.96.**

The rate at which expenditure was certified in 2010 compared to expenditure certified in 2009 has increased eleven times.

2.1.3. Information about the breakdown of use of the funds

Table 3: Allocation of the contracted funds according to category

Combination of codes from 1 – 5 dimensions					
Code * Dimension 1 Priority area	Code * Dimension 2 Form of financing	Code * Dimension 3 Territory	Code * Dimension 4 Economic activity	Code * Dimension 5 Location	Total in Euro **
10	01	01	00	BG	
10	01	05	00	BG	
11	01	01	00	BG	
11	01	05	00	BG	
22	01	01	00	BG	186 017 224,38
22	01	05	00	BG	
23	01	01	00	BG	50 866 932,55
24	01	01	00	BG	4 136 663,75
25	01	01	00	BG	22 847 648,29
28	01	01	00	BG	4 283 934,05
36	01	01	00	BG	
40	01	01	00	BG	2 927 947,46
40	01	05	00	BG	807 756,85
42	01	01	00	BG	

42	01	05	00	BG	
43	01	01	00	BG	68 849 914,21
43	01	05	00	BG	13 583 662,35
44	01	05	00	BG	
50	01	01	00	BG	
50	01	05	00	BG	
52	01	01	00	BG	20 467 684,92
53	01	01	00	BG	15 274 778,21
53	01	05	00	BG	3 220 756,24
55	01	01	00	BG	
55	01	02	00	BG	
55	01	05	00	BG	
56	01	01	00	BG	893 042,01
56	01	05	00	BG	480 868,77
57	01	01	00	BG	
57	01	02	00	BG	
57	01	05	00	BG	
58	01	01	00	BG	6 492 550,54
58	01	05	00	BG	2 724 923,05
59	01	01	00	BG	17 620 729,62
60	01	01	00	BG	
61	01	01	00	BG	127 330 360,20
61	01	05	00	BG	
75	01	01	00	BG	45 629 549,09
75	01	05	00	BG	10 075 132,77
76	01	01	00	BG	
76	01	05	00	BG	
77	01	01	00	BG	38 127 936,37
77	01	05	00	BG	10 075 132,77
78	01	01	00	BG	
79	01	01	00	BG	13 302 441,70
79	01	05	00	BG	
81	01	00	00	BG	18 893 663,36
81	01	10	00	BG	4 581 472,91
85	01	00	00	BG	21 199 197,96
86	01	00	00	BG	6 205 691,02
				Total	716 917 595,40
* For each modification categories should be coded according to their classification by type					
** Amount of the Community grant for each combination of categories					

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

1) ***Codes by priority themes:***

- 10 - Telephone infrastructure (including broadband networks)

- 11 - *Information and communication technologies (access, security, interoperability, risk prevention, research, innovation, e-content, etc.)*
- 22 - *National roads*
- 23 - *Regional/local roads*
- 24 - *Cycle tracks*
- 25 - *Urban transport*
- 28 - *Intelligent transport systems*
- 35 - *Natural gas*
- 40 - *Renewable energy: solar*
- 42 - *Renewable energy: hydroelectric, geothermal and other*
- 43 - *Energy efficiency, co-generation, energy management*
- 44 - *Management of household and industrial waste*
- 50 - *Rehabilitation of industrial sites and contaminated land*
- 52 - *Promotion of clear urban transport*
- 53- *Risk prevention (including the drafting and implementation of plans and measures for to prevent and manage natural and technological risks))*
- 55 - *Promotion of natural assets*
- 56 - *Protection and development of natural heritage*
- 57 - *Other assistance to improve tourist services*
- 58 - *Protection and preservation of the cultural heritage*
- 59 - *Development of cultural infrastructure*
- 61 - *Integrated projects for urban and rural regeneration*
- 75 - *Educational infrastructure*
- 76 - *Health infrastructure*
- 77 - *Childcare infrastructure*
- 78 - *Housing infrastructure*
- 79 - *Other social infrastructure*
- 81- *Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes*
- 85- *Preparation, implementation, monitoring and inspection*
- 86- *Evaluation and studies; information and communication*

2) Codes by form of finance:

- 01 - *Non-repayable aid*

3) Code for the territorial dimension:

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

4) Codes for the economic activity dimension:

- 00 - Not applicable

5) Codes for the location dimension:

- BG - Bulgaria

2.1.4. Assistance by target groups

- ***Results concerning the impact on target groups of the grant contracts completed in 2010***

	Priority Axis 1	Priority Axis 4
Number of Roma/other ethnic minorities benefiting from the project results	475	8 544
Number of people with disabilities benefiting from the intervention	95	599

2.1.5. Assistance repaid or re-used

For the reporting period were repaid funds in an amount of EUR 839 445,36, following imposed financial corrections resulting from carried out audit by the Audit Authority.

2.1.6. Qualitative analysis

The grant schemes launched in 2010 under Operational Programme “Regional Development” 2007-2013 and the implementation of the grant contracts signed will contribute towards the achievement of objectives set for the period until 2013, as follows:

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

For the purpose of implementing Objective 1 during the reporting period, the MA launched calls for proposals under seven (7) grant schemes within *Operation 1.1. Social infrastructure, Operation 1.4. Improvement of the physical environment and risk prevention, and Operation 1.5. Sustainable urban transport systems*, and continued to collect project proposals, evaluate them and conclude contracts within the framework of those schemes launched in 2009 and 2010. The total number of project proposals in 2010 amounts to 224, of which 152 were evaluated during the reporting period. Ninety-eight (98) contracts were concluded at a total amount of grants EUR 247 511 430,56.

During the reporting period, the first major project under OPRD, pursuant to Art. 39 of Regulation (EC) No. 1083/2006, was approved on national level. This is the project BG161PO001-1.5.01-0001 “Integrated urban transport of Bourgas”, which will be implemented within the framework of Priority Axis 1, *Operation 1.5. Sustainable urban transport systems* under OPRD at a total value of the project – EUR 67 071 840.00.

As at 31.12.2010, the total amount of grants awarded under Priority Axis 1 was EUR 447 695 010.15, representing 52% of the Priority Axis.

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

For the purpose of implementing Objective 2, the MA of OPRD continued during the reporting period the evaluation and contracting of project proposals under the grant scheme, falling within the scope of *Operation 2.1. Regional and local infrastructure*, launched in 2007, with a specific beneficiary – the Road Infrastructure Agency.

In 2010, 16 project fiches were evaluated and approved. Sixteen grant contracts were concluded at the amount of EUR 152 846 670.01. As at 31.12.2010, a total of EUR 218 840 436.60 (29 contracts) representing 85% of the value of the scheme.

Within Priority Axis 2, a call for proposals was launched for project proposals with specific beneficiary the Ministry of Economy, Energy and Tourism under *Operation 2.3. “Access to sustainable and effective energy resources” – grant scheme BG161PO001/2.3-01/2010 “Preparation, research and design of the construction of an intersystem gas connection Bulgaria-Serbia.”*

As at 31.12.2010, the total amount of grants awarded under Priority Axis 2 was EUR 278 816 722.70 representing 70% 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.***

For the implementation of Objective 3 during the reporting period, MA of OPRD launched 2 grant schemes, one of them falling within the scope of *Operation 3.1 Improvement of tourist attractions and related infrastructure*, and the second one – within the scope of *Operation 3.2. Development of the regional tourist product and destination marketing*. The total amount of the launched grant schemes equals EUR 92 040 551.90. The call for proposals under Operation 3.1 aims to promote the development of competitive natural, cultural and historical attractions and/or groups of attractions capable of attracting a considerable number of visitors; to promote tourist localizations with significant tourist potential. The call for proposals under Operation 3.2. aims to provide effective use of the cultural heritage in view of developing sustainable cultural tourism; to promote tourist destinations with cultural and historical heritage of significant tourist potential; to promote the preservation and protection of the national and worldwide cultural heritage as a tourist resource. The scheme’s specific beneficiary is the Ministry of Culture.

Thirty-four (34) project proposals were submitted during the reporting period as well as one Mid-term Framework Investment Programme. Twenty-seven (27) project proposals and one Mid-term Framework Investment Programme were evaluated. Fifteen (15) project proposals were approved.

Eight (8) contracts were concluded at the total amount of grants EUR 10 775 605.56.

As at 31.12.2010, the total amount of grants awarded under Priority Axis 3 was EUR 34 687 759.38, representing 18% of the value 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 2010, two grant schemes were launched under *Operation 4.1 Small-scale local investments - BG161PO001/4.1-03/2010 “Support for the application of energy efficiency measures in municipal educational infrastructure of 178 small municipalities”* of the total amount EUR 13 940 418.00, and *BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”* at the total value of grants – EUR 16 470 588.00.

One hundred and eighty-two (182) project proposals were deposited under the two schemes. Ninety-six (96) project proposals were evaluated under *BG161PO001/4.1-03/2010 “Support for the application of energy efficiency measures in municipal educational infrastructure of 178*

small municipalities”. Within the framework of the second grant scheme BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”, an evaluation committee was formed, which continued the process of evaluation in 2011 as regards 81 project proposals.

Forty-three (43) contracts were concluded at the total amount of grants EUR 16 107 550.59.

As at 31.12.2010, the total value of the grant under Priority Axis 4 amounted to EUR 49 815 605.17, representing 56% of the value 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 and for integration of the equal opportunity principle, the guidelines for applicants under the launched grant schemes specify as a compulsory requirement the guarantee of gender equality and prevention of discrimination. The gender equality and prevention of discrimination principle is the subject of monitoring and evaluation, both on the level of the individual project and on Priority Axis level.

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

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

The partnership principle has been included in the process of programming, implementation, monitoring and evaluation of OPRD. The useful and constructive partnership with the European Commission continued in 2010. The Monitoring Committee of OPRD consists of both members with the right to vote, as well as social and economic partners, and NGOs – representatives of the civil society.

The Managing Authority uses its partners to multiply and disseminate information addressed to OPRD beneficiaries and the public at large. In 2010, the MA organized a number of events with the participation of various interested parties – information days on the launched grant schemes, press conferences, an annual conference on OPRD progress, as described in *Section 7. Information and Publicity*.

Representatives of the EC and JASPERS took part in all meetings and events together with representatives of Sofia Municipality and the municipalities of the six big cities for open discussions, consideration and decision-making with regard to the preparation of the activities related to urban transport modernization.

Operation 4.2 “Interregional cooperation”, grant scheme BG161PO001/4.2-01/2008 “Support for interregional cooperation and exchange of best practices,” is based on the partnership principle and aims to promote partnership between regions and municipalities within the European Union, for the purpose of disseminating and exchanging information, knowledge, skills and best practices related to the following areas: risk prevention, regeneration of urban areas – urban planning and management; ICT networks/information society, housing policy; renewable energy sources; transport/transport organization models; development of tourism and destination marketing; promotion and development of models for inter-municipal cooperation.

In 2010, the implementation of nine (9) grant contracts was completed based on the partnership principle for the exchange of skills and best practices, the development of strategies, action plans, trainings, seminars, conferences, learning trips, joint meetings, including the social and economic partners (universities, NGOs, business associations, etc.). As a result of the completed projects,

57 innovative practices were exchanged and applied on the basis of interregional cooperation, and 35 interregional events were held with a total of 510 participants.

An example of successfully applied principle of partnership is the work of the inter-institutional working group on deinstitutionalization, as well as the working group on overlapping of projects about rehabilitation of 2nd and 3rd class roads under OPRD with projects concerning construction of underground infrastructure.

The inter-institutional working group on deinstitutionalization elaborated the *Vision for deinstitutionalization of children in Republic of Bulgaria* adopted by the Council of Ministers on 24.02.2010. To achieve the objectives of the Vision for deinstitutionalization of children in Republic of Bulgaria, on 24.11.2010 was adopted by the Council of Ministers also an Action Plan for its implementation. In regard with the adopted documents were directed funds from both operational programmes – OP “Regional Development” and OP “Human Resources” to finance a joint pilot project for improvement of life of children with disabilities placed in institutions in Bulgaria and to create a model for transformation of the specialized children institutions into alternative community services.

As result from the work of the inter-institutional working group on overlapping of projects about rehabilitation of 2nd and 3rd class roads under OPRD with projects concerning construction of underground infrastructure, an analysis was carried out and some measures were defined for consecutive implementation of the activities under OPRD, OP Environment and the Rural Development Programme.

2.2. Information about compliance with Community law

At this stage, no problems have been identified, related to compliance with Community law.

2.3. Significant problems encountered and measures taken to overcome them

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

There has been a delay in the implementation of some of the projects, which in turn leads to changes to the Gantt chart stipulated in the respective contract. The main reasons for the delay are related to the procedures for the award of public procurement contracts. A redress has been filed under some of the procedures by rejected applicants, or the Commission on Competition Protection has issued a decision for unlawfulness of the procedure held, appealed by the beneficiary before the Superior Administrative Court, which has further delayed the implementation of the contract. Some of the procedures have been terminated by the Employer and subsequently renewed. For example, the delay in the implementation of Contract No. BG161PO001/1.1-01/2007/033 “Renewed and modernized educational infrastructure in the Municipality of Stara Zagora,” due to an appeal of the Decision of the Commission on Protection of Competition for the establishment of the unlawfulness of the Decision of the Mayor of the Municipality of Nova Zagora, for the launch of a public procurement contract procedure for construction works that led to a delay of 160 calendar days.

There has been a considerable delay in the implementation of contract BG161PO001/1.4-01/2007/001-1 “Modernization of the structural units of FSRNS-MI in the capital city agglomeration area and the agglomeration areas of six big cities – Plovdiv, Varna, Bourgas, Plevn, Rousse, and Stara Zagora with specific beneficiary the Ministry of Interior.

The contract was concluded on 14.10.2008 with an initial duration of 16 months, which was subsequently extended to 45 months, including a temporary suspension, related to the organization of the public procurement procedure for the selection of a contractor. The procedure was first launched on 01.12.2008. The procedure was terminated because of violations found in

connection with the launch and organization of the procedure, which could not be removed without changing the conditions of the procedure. The second launch was on 03.02.2010 and the procedure was again terminated because a violation was found, which could not be removed without changing the conditions of the procedure. A third public procurement procedure is under way, whose launch is scheduled for the early 2011.

There has been also a delay in other contracts because in the situation of a serious financial and economic crisis, in view of the limited municipal budgets, the beneficiaries experience financial difficulties.

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

After the measures taken to suspend the contracts temporarily for the purpose of successfully concluding the projects, the implementation of the projects was renewed and they are being carried out without further problems. The total number of contracts temporarily suspended in 2010 is 23.

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

In 2010, the Audit of EU Funds Executive Agency carried out the first audit of operations under OP “Regional Development”. All expenditure under OPRD declared to the EC as at 31.12.2009 was checked, namely EUR 10 729 250.89, under 43 projects. Of the audited projects, public procurement weaknesses/failures were established for 30 of them, of which 17 with financial corrections at the amount of EUR 1 039 943,65.

The following major weaknesses were found in the public procurement procedures on the part of the beneficiaries: *incorrect selection of the procedure type or illegal transfer to a negotiation procedure; flaws in the work of the committee in the process of evaluation of proposals submitted; signed annexes to the public procurement contracts; violation of the minimum periods for the submission of tenders upon the launch of public procurement procedures; the inclusion into the call for proposals of conditions which provide certain advantages and restrict participation; gaps in the completion of the announcement; the decision of the Employer has not been sent to the participants within the specified term; the participation guarantees have been released after a delay; no information has been sent to PPA on the contract concluded, etc.*

The MA undertook **adequate measures to restrict and prevent the occurrence of the thus established flaws:**

On 17.09.2010, with an order of the MA of OPRD an update of the Procedure Manual for Management and Implementation of OPRD was launched for the purpose of improving and clarifying the procedures for the ex-ante, interim and ex-post control over the award of public procurement contracts and contract implementation. The respective checklists for every type of procedure were laid down in detail.

Within Priority Axis 5 “Technical Assistance”, on 01.10.2010 the MA launched a public procurement procedure for the provision of legal consultations, including in connection with ex-ante control and the organization of the procedures for the selection a contractor by the

beneficiaries. The contract with a selected contractor shall be concluded during the first quarter of 2011.

In accordance with DCM 203/13.09.2010 on the amending and supplementing of the legislative acts of the Council of Ministers, the number of staff of Regional Departments has been increased for the purpose of appointing staff for the management of European programmes and projects – six (6) legal experts, one for each Regional Department, which will increase the capacity of departments to perform ex-ante/ex-post control over public procurement procedures.

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

During the physical implementation of some of the infrastructure projects it was found that contractors had performed some low-quality construction works. In these cases, the MA demands that the defects be removed, by sending instructions to the beneficiary. The problems concerning the implementation of infrastructure projects are discussed at central level with participation of branch organizations.

In accordance with DCM 203/13.09.2010 on the amending and supplementing of the legislative acts of the Council of Ministers, the number of employees of the Regional Departments was increased for the purpose of appointing staff for European programme and project management – six construction engineers, respectively one construction engineer for each regional department. This will strengthen the capacity of the Regional Departments for the purpose of carrying out the required technical expert checks during monitoring and control over the physical implementation of the projects.

During this regular revision of the Manual for OPRD Management and Implementation, which started on 17.09.2010, in accordance with an Order of the MA, more detailed checklists were drafted for on-the-spot checks for the purpose of carrying out a more detailed and in-depth control over the quality of implementation of construction works.

➤ ***Strengthening the capacity of MA of OPRD***

By issuing a memorandum No 91-M-803/18.05.2010, the Director General of the DG “Programming of Regional Development” addressed to the Head of the Managing Authority of OP “Regional Development”, a training programme for the employees was approved for 2010. The main purpose of the programme was to address the training needs, address specific needs related to the acquisition of knowledge and skills from the practice of other Member States of the Community with greater experience in the management of regional development programmes. The indicative budget, allocated to the participation of the directorate’s staff in the trainings, amounts to EUR 235,485. A total of 47 trainings of 107 employees have been held under the programme, in both Bulgaria and other EU Member States.

The main subjects present in trainings were related to the following areas: financial management and control; monitoring and evaluation; public procurement contracts; State Aid; cost-benefit analysis; risk management; development of OPRD projects, and general topics concerning EU Funds management – policies, EU Regulations; horizontal policies; economic integration and regional development; project management, staff performance evaluation, induction into civil service, etc.

In order to evaluate the effectiveness of trainings held, an inquiry was organized which gave a clear idea of the extent of their effectiveness and application in practice. Based on the results received, the following conclusions can be drawn:

- ✓ The Staff Training Programme of the MA of OPRD corresponds to the needs of employees at DG PRD and those stated by each member of directorate staff;

- ✓ Trainings find application in practice in the work of the employees;
- ✓ Objectives set have been achieved – the training needs of DG PRD staff have been met.

The main conclusion is that Training Programme 2010 was successfully completed by contributing to strengthening the administrative capacity of the Managing Authority of OPRD and has achieved its objectives.

For the purpose of strengthening the capacity of Regional Departments, monthly trainings were held in 2010 in connection with the launch of new grant schemes under OP “Regional Development” and the organization of information days for potential beneficiaries under the programme, by regions. In addition, regular meetings were held during the reporting period with the Regional Departments as regards cases arising in practice, problems and solutions in various areas of activity – on-the-spot checks; ex-ante control of public procurement documentation; payment claims; modifications required for *Version 6* of the Management and Implementation Manual of OPRD, etc.

In 2010, competitions were held for filling a total of 17 vacant positions. Two experts were appointed to management positions and 12 experts to positions with analytic and/or control functions, of which eight on the regional level and six on the central level.

In accordance with DCM No. 203/13.09.2010 on the amending and supplementing of the legislative acts of the Council of Ministers, the number of permanent staff of DG “Programming of Regional Development” was increased from 133 to 153.

Within the framework of the Managing Authority, new positions were created (for staff under European project and programme management) for the purpose of assisting the MA of OPRD in the management and implementation of urban development projects within the framework of the financial instrument JESSICA and integrated urban transport projects, in compliance with the adopted new structure.

Table 4. Organizational structure of OPRD’s MA

Structure	Permanent staff
Managing Authority of OPRD – central level	153
Director General, DG “Programming of Regional Development”	1
Deputy Director General - OPRD	2
“Programming and Evaluation” Department	Inclusive: 12
“Programming” Unit	8 of them
<i>Chief assistant officer for European projects and programmes management</i>	1
<i>Senior assistant officer for European projects and programmes management</i>	2
“Evaluation” Unit	3
“Implementation of Programme Priorities” Department	18 of them
<i>Chief assistant officer for European projects and programmes management</i>	1
<i>Junior assistant officer for European projects and programmes management</i>	4
“Monitoring” Department	20
“Financial Management and Control” Department	Inclusive: 28
“Financial Control” Unit	15
“Financial Planning and Payments” Unit	6
“Accounting” Unit	6
“Legislation, Risk Assessment and Irregularities” Department	10
“Organizational Development, Information and Publicity” Department	6
Managing Authority of OPRD – regional departments	
“North-West Region” Department (Vidin)	9
“North-Central Region” Department (Rousse)	10
“North-East Region” Department (Varna)	9

“South-West Region” Department (Sofia)	8
“South-Central Region” Department (Plovdiv)	10
“South-East Region” Department (Bourgas)	10

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

During the reporting period, the Managing Authority (MA) of OPRD organized and held trainings for potential beneficiaries in the form of information days across the country on the following six grant schemes:

- *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 the application of energy efficiency measures in municipal educational infrastructure of 178 small municipalities”*
- *BG161PO001/1.4-07/2010 “Support for integrated plans for urban regeneration and development”*
- *BG161PO001/1.4-06/2010 “Support for small-scale measures for prevention of floods in urban agglomerations”*
- *BG161PO001/4.1-04/2010 “Support for small-scale measures for prevention of floods in 178 small municipalities”*
- *BG161PO001/3.1-03/2010 “Support for development of natural, cultural and historical attractions”*

Two trainings were held for the purpose of strengthening the capacity of beneficiaries. The major topics covered by these trainings concerned the management of projects under the programme – the identification and reporting of irregularities; financial corrections; practical and legal problems related to the award of public procurement contracts; ex-ante control over tender documentation – frequently occurring mistakes, etc.

Measures were taken in 2010 to strengthen the capacity of specific beneficiaries of OPRD in connection with audit recommendations and the established need to provide additional support for preparation, management and implementation of the Mid-term Framework Investment Programmes and their project fiches. In December 2010, the Monitoring Committee of OPRD approved the following public bodies – specific beneficiaries under OPRD (MH, MC, MEYS, SAA, EA, MI, RIA, EA “ECNIS”, and MEET) as specific beneficiaries under Operation 5.3 of Priority Axis 5 “Technical Assistance” with a budget line for every specific beneficiary at the amount of EUR 200,000 and a total budget of EUR 1.8 million.

Trainings for beneficiaries were also held together with the National Association of Municipalities in the Republic of Bulgaria as part of the management and implementation of projects under OPRD, public procurement procedures, audit and control, irregularities and financial corrections.

Seminars, working meetings, and round tables were held on the following topics:

- *Sustainable tourism development*
- *Development of OPRD projects*
- *Challenges and progress of OPRD implementation*

Two-hundred and fifty (250) representatives of beneficiaries under the programme have been trained at the above-mentioned seminars, working meetings, and round tables.

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

A project within Priority Axis 5 “Technical assistance” was under implementation during the reporting period: BG161PO001/5-01/2008/014 “*Capacity building of OPRD beneficiaries for successful participation in OPRD implementation and absorption of resources granted by the Structural Funds through implementation of the training plan*”. After the procedure for the selection of a contractor held in January 2011, a contract with the following subject will be concluded: “Development of specific training under operations for beneficiaries and the provision of consultancy on the development of project proposals, management and implementation of projects under OPRD,” for the purpose of strengthening the capacity of beneficiaries for the development of project proposals, management and implementation of signed grant contracts under OP “Regional Development”. After the conclusion of the contract, which will be implemented for a period of 24 months, there shall be over 100 trainings and a minimum of 1,500 representatives of beneficiaries will be trained.

Within JASPERS initiative was carried out institutional support for the Managing Authority, as well as support for the specific beneficiaries Burgas, Sofia, Plovdiv, Stara Zagora, Russe, Varna and Pleven municipalities in preparation of projects/actions for modernization of the urban transport.

In 2010 started the implementation of a project for institutional support of the Managing Authority with the aim of founding a unit to support the MA in modernizing and developing the urban transport projects. The activity of the unit was intended to provide assistance and give recommendations within the feasibility studies and preparation of the application documents.

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

On **18.10.2010**, via the European Community Funds management system, SFC 2007, the European Commission was officially sent the revised version of the Operational Programme “Regional Development” 2007-2013. The revised programme contains all changes, adopted at the meetings of the Monitoring Committee of OPRD in 2009 and 2010.

On **25.10.2010**, a letter was received from the EC acknowledging the eligibility of the revised OPRD in accordance with Art. 37 of Regulation No 1083.

Changes to OPRD have been made in accordance with Art. 33 of Regulation No 1083/2006 and have become necessary because of the following requirements:

- *To take into account the impact of the global financial and economic crisis;*
- *To take into account the changes of national policy, aimed to develop the industrial areas;*
- *To take into account the changes of national policy, aimed to guarantee energy security for the country and higher energy efficiency;*
- *To focus on development of the growth poles – Sofia and the six big cities in compliance with the Leipzig Charter on Sustainable European Cities;*
- *Development of broadband infrastructure in the rural and peripheral areas.*

Concrete changes to OPRD consist of:

- 1) On the operational programme level a reallocation was made of EUR 20 million from Priority Axis 3 “Sustainable tourism development”, Operation 3.2 “Development of the regional tourist product and destination marketing” under Priority Axis 1**

“Sustainable and integrated urban development”, Operation 1.1, grant scheme BG161PO001/1.1-01/2007 “Support for ensuring suitable and profitable educational, social and cultural infrastructure, contributing towards the development of sustainable urban areas,” Component 1: Educational infrastructure – for the purpose of financing approved projects not financed due to exhausted resources. The financial resource of Operation 1.1 “Social infrastructure”, has thus become EUR 387 million, and of Operation 3.2 “Development of the regional tourist product and destination marketing” – EUR 12 million (**Fifth Meeting of the MC, 3-4.12.2009**)

2) Within the framework of Priority Axis 1 “Sustainable and integrated urban development”

A) Operation 1.3 “Organisation of the economic activities” has been cancelled because of changes in the national policy on development of industrial areas, and the free resource of EUR 120 million has been reallocated to Operations 1.1 and 1.4 for the support of activities related to the reconstruction /renovation of universities, the support of activities related to the reconstruction/renovation/transformation of social institutions for children at risk; providing support for the application of energy efficiency measures in educational institutions – municipal property, providing support for activities related to innovative cultural events, implementation of the JESSICA initiative (**Fourth MC Meeting, 30.04.2009**)

B) Under *Operation 1.4. “Improvement of the physical environment and risk prevention”*, the grant scheme for providing support for integrated urban regeneration and development plans – 36 municipalities have been selected as specific beneficiaries - centres of agglomeration areas in accordance with Annex 3a of OPRD (**Sixth MC Meeting, 04.06.2010**).

C) An additional resource of EUR 50 million was added to *Operation 1.5. “Sustainable urban transport systems”* for the development of the sustainable urban transport of Sofia Municipality, which has brought the value of the operation to EUR 210 million. The funds have been reallocated from Operation 1.4 “Improvement of the physical environment and risk prevention” (grant scheme for integrated urban development plans) (**Fifth MC Meeting, 3-4.12.2009**).

D) The specific beneficiaries selected under *Operation 1.5 “Systems for sustainable urban transport”* are the municipalities of the seven big cities: Sofia, Varna, Bourgas, Rousse, Pleven, Plovdiv and Stara Zagora (**Sixth MC Meeting, 04.06.2010**)

E) The scope of eligible activities under *Operation 1.5 “Sustainable urban transport systems”* has been extended, as follows (**Sixth MC Meeting, 04.06.2010**), by adding the activities: rehabilitation and reconstruction of street networks, including video surveillance systems, etc. in connection with the development of an integrated urban transport system; the construction of bicycle tracks and alleys, pedestrian zones, alleys and underpasses for pedestrians and cyclists, including related activities, such as the placement of street signs, road marking, etc. as part of the integrated urban transport system; measures in connection with parking organization at junctions of the public transport.

3) Within the framework of Priority Axis 2 “Regional and local accessibility”

A) The financial resource of Operation 2.2 “Information and communication networks” at the amount of EUR 20 million has been reallocated towards the construction of broadband connections to and inside the urban periphery, and the less urbanized territories, and rural areas. The specific beneficiary of this high-tech activity is the

Executive Agency “Electronic communication networks and information systems” (EA “ECNIS”) (**Fifth MC Meeting, 3-4.12.2009**).

B) The financial resource of Operation 2.3 “Access to sustainable and efficient energy resources” at the amount of EUR 60 million is entirely reallocated towards the construction of a intersystem gas connection Bulgaria-Serbia, the concrete concept of which will be decided on after a feasibility study has been carried out: the construction of a gas pipeline Dupnitsa – Dimitrovgrad – Niš or the route Sofia – Dimitrovgrad – Niš. The specific beneficiary under the scheme is the Ministry of Economy, Energy and Tourism (**Fifth MC Meeting, 3-4.12.2009**).

Within the framework of Priority Axis 3 “Sustainable tourism development”, the territorial scope of Operation 3.1 “Improvement of tourist attractions and related infrastructure” was extended; eligible beneficiaries are all municipalities with a population over 10,000 people. Where support is provided for cultural monuments of national and worldwide significance, the specific beneficiaries are all 264 municipalities. (**Sixth MC Meeting, 04.06.2010**)

- 4) **Within Priority Axis 4 “Local development and cooperation”,** Operation 4.1 “Small-scale local investments”, the activities related to the reconstruction/rehabilitation/modernization of industrial and business areas, and the organization of waste collection and transportation systems have been cancelled and the free resource of EUR 14 million has been reallocated to the application of energy efficiency measures in educational institutions – municipal property (**Fourth MC Meeting, 30.04.2009**).
- 5) With regard to the support under Operation 1.1 “Social infrastructure” and Operation 4.1 “Small-scale local investments” **for financing state and municipal hospitals,** the Plan for the Restructuring of Hospital Care adopted by the CM has been accepted as a legal base for the financing of activities, and not the existence of an approved National Healthcare Map. All texts of OPRD concerning the activities related to healthcare have been revised in compliance with the Plan (Fifth MC Meeting, 3-4.12.2009).
- 6) **Indicators on Priority Axis level** have been revised in connection with the changes to the Operational Programme, described above.

Decisions to change OPRD adopted at the 7th MC Meeting of OPRD:

- 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 *an Annex to the Supplement to the Plan for the Restructuring of Hospital Care of the Republic of Bulgaria.*
- MC has approved as *specific beneficiaries under Operation 1.1 “Social infrastructure”* in general the municipalities in the urban agglomeration areas in accordance with *Annex 2,* included in the summarized maps of residential and related services needed;
- MC has authorized the Head of the Managing Authority of OPRD to select the specific beneficiaries under the grant scheme “Support for the deinstitutionalization of social institutions providing services for children at risk” – pilot target municipalities in accordance with a Decision of the Working Group chaired by the Minister for EU Funds Management.
- MC has approved as specific beneficiaries under Operation 3.1 *“Improvement of tourist attractions and related infrastructure”* the Council of Ministers for the

implementation of grant scheme “Restoration and conservation of the Palace of Evksinograd and the adjoining park”

- MC has approved as specific beneficiaries under *Operation 5.3 “Strengthening the capacity of OPRD beneficiaries”* the following public bodies – specific OPRD beneficiaries (MH, MC, MEYS, SAA, EA, MI, RIA, EA “ECNIS”, and MEET), allocating a budget line of EUR 200,000 to each of them.

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

No cases of substantial modification pursuant to Art. 57 of Regulation (EC) No 1083/2006 have been detected.

2.6. Complementarity with other instruments

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

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

- On the level of submitting project proposals and signing a grant contract, beneficiaries shall provide a declaration that at the time of 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;
- Based on an order of the Minister of Regional Development and Public Works of 03.01.2008, *Coordinating Contact Groups* were established to act between the MA of OPRD and the MAs of the other operational programmes, as well as the Rural Development Programme, which include experts from the Programme’s Managing Authorities. The Coordinating Contact Group’s task is to provide interinstitutional coordination in the process of implementation of grant schemes under operations within the respective priority axes of OP “Regional Development” 2007-2013. The Coordinating Contact Group is convened when a decision on coordinating actions is required with regard to the respective programmes.
- Before a decision is made on the report of the evaluation committee, MA performs a check for lack of double funding according to the list of projects proposed for financing by the evaluation committee. A check of the project proposals includes checks in: MMIS, as well as a check for the lack of double funding under the PHARE Programme and other national and European funding programmes supporting similar activities. If doubts exist as to double funding, an official correspondence shall take place with the institutions providing the financial support. A checklist shall be filled in. In addition, before the conclusion of the grant contract, the approved candidates are obliged to submit a signed and sealed declaration of the lack of double funding for the project proposal or activities related to it.
- All OPRD projects have been entered into the single management and monitoring information system (MMIS).
- Furthermore, in compliance with the requirements of the European legislation, Art. 14 of the General Terms and Conditions of the contract and the Contract Implementation Instructions under OPRD, in order to guarantee the provision of required data and reporting to the MA, the beneficiary shall provide an adequate accounting system on contract level, according to sources of funding /ERDF, NB, and own contribution/. An on-the-spot check verifies if the

beneficiary has fulfilled the requirement for keeping separate analytical accounts for every grant contract. If expenses have been correctly reported, a check is performed of the number of projects for which the beneficiary has received financing and whether they have been financed from the budget or other resources; the supporting documents (proof of expenditure) from the contractors under OPRD contracts are scrutinized for reporting to other programmes, including the RDP. The suppliers' lots for accounts 4010 and 4020 are also checked by scrutinizing the purchase logs.

An example for a joint initiative illustrating the principle of complementarity between the ERDF and ESF is the project “Childhood for everyone”.

In February 2010 an inter-institutional working group was founded to assist the process of deinstitutionalization of children from specialized institutions. Its main aim was to elaborate an action plan for implementation of the Vision for deinstitutionalization of children in Republic of Bulgaria and to coordinate the deinstitutionalization projects financed within the Operational Programmes in Bulgaria.

On the basis of the above adopted documents, funds were allocated from both OP “Regional Development” and OP “Human Resources” to finance a joint project for improvement of life of children with disabilities from Bulgarian institutions and for creation of a model for transformation of the specialized institutions for children into alternative community services.

2.7. Monitoring arrangements

2.7.1. Monitoring

In 2010, two sessions of the Monitoring Committee (MC) of OPRD were held.

On June 4, 2010, the Sixth MC Session was held, at which the OPRD Annual Report 2010 was presented and the following major decisions were made:

- MC approved the Annual Report on Implementation of OPRD for 2009 and authorized the MA of OPRD to make the necessary changes in order to implement the adopted recommendations and comments.
- MC adopted the changes to the 2010 Indicative Annual Working Programme.
- MC approved the following changes to OPRD.

MC approved as specific beneficiaries under *Operation 1.5 “Sustainable urban transport systems”* the municipalities of the seven big cities: **Sofia, Varna, Bourgas, Rousse, Pleven, Plovdiv and Stara Zagora.**

MC approved the extension of the scope of eligible activities under Operation 1.5 “Sustainable urban transport systems”, as follows:

- *Rehabilitation and reconstruction of street networks, including video surveillance systems, etc. in connection with the development of an integrated system for urban transport;*
- *Construction/ reconstruction/ rehabilitation of pedestrian alleys and pavements, construction of bicycle tracks and alleys, pedestrian zones, alleys and underpasses for pedestrians and cyclists, including related activities, such as the placement of street signs, road marking, etc. as part of the integrated urban transport system;*
- *Measures in connection with the parking organization at junctions of the public transport.*

MC approved as specific beneficiaries under *Operation 1.4 “Improvement of the physical environment and risk prevention”*, **grant scheme “Support for integrated urban regeneration and development plans”** the 36 municipalities – centres of agglomeration areas in accordance with Annex 3a of OPRD, appointing them as specific beneficiaries under the scheme.

MC approved an **Extension of the territorial scope of Operation 3.1 “Improvement of tourist attractions and related infrastructure”** – eligible beneficiaries are all municipalities with a population over 10,000 people. Where support is provided for cultural monuments of national and worldwide significance, the specific beneficiaries are all 264 municipalities

At the Seventh MC Session, held on 1-2 December, 2010, the MC members were informed of the supplements and improvements made to the EC-approved Annual Report on OPRD Implementation for 2009; the progress achieved as at December 2010 in the implementation of the programme was also presented. Proposals for modifications of OPRD were put forward and the following decisions were made:

- MC adopted the 2011 Indicative Annual Working Programme of OPRD
- MC approved the following changes to OPRD:

MC approved as specific beneficiaries under *Operation 1.1 “Social infrastructure”* **the municipalities, on whose territory the municipal medical facilities** are located in accordance with *items 3 and 4 of Annex 1 to the Supplement to the Plan for the Restructuring of Hospital Care of the Republic of Bulgaria*.

MC has approved as specific beneficiaries under *Operation 3.1 “Improvement of tourist attractions and related infrastructure”* the Council of Ministers for the implementation of grant scheme **“Restoration and conservation of the Palace of Evksinograd and the adjoining park”**.

MC has approved as **specific beneficiaries under Operation 5.3 “Strengthening the capacity of OPRD beneficiaries”** the following public bodies – specific OPRD beneficiaries (**MH, MC, MEYS, SAA, EA, MI, RIA, EA “ECNIS”, and MEET**), allocating a budget line of EUR 200,000 to each of them or a total budget of EUR 1,800,000.

The monitoring of the implementation of contracts under projects in 2010 was carried out through:

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

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 checks, the data in technical reports on project progress and the financial reports, submitted by the beneficiaries. The on-the-spot checks were conducted by the Regional Departments and/or experts at the central administration of the MA, the Monitoring Department as regards technical monitoring and FMC as regards financial monitoring /where necessary/.

The quarterly technical reports include an overview of the technical progress: concerning the activities carried out and results achieved, the problems that arose and planned major activities. The reports and action plan for the coming period are presented by the 15th day of the month following the reporting period (reporting periods: January-March; April-June; July-September; October-December). The interim annual technical reports are presented by January 30th of the year following the reporting year.

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

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

Regular ex-ante control was exercised over procedures for the selection of contractors throughout the reporting period.

The purpose of ex-ante control on behalf of MA of OPRD is to obtain a reasonable assurance of conformity with the law when public procurement contracts, financed fully or partially by European funds, are awarded. Beneficiaries shall have to carry out public procurement procedures in accordance with the Law on Public Procurement and secondary legislation adopted with regard to its application.

The control over the public procurement procedures for selection of contractors was exercised through:

1. Ex-ante control of the documentation for participation in procedures for the selection of contractors;
2. Ex-ante control pursuant to Art. 20a of the Law on Public Procurement (LPP);
3. Sending observers to the committees on selection of contractors;
4. Follow-up control of the procedures for the selection of contractors – it is carried out during on-the-spot checks;

For all projects assessed by the Working Group as high-risk and any procedure under LPP, the public procurement contract documentation prepared by the beneficiaries shall be subject to ex-ante control by the respective Regional Department, in coordination with and with the approval of the Departments “Legislation, risk assessment and irregularities” and “Monitoring”.

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, shall be subject to ex-ante control by the respective Regional Department, in coordination with the Departments “Monitoring” and “Legislation, risk assessment and irregularities”.

The documentation for participation in a public procurement procedure of all specific beneficiaries of OPRD shall be subject to ex-ante control by the Departments “Monitoring” and “Legislation, risk assessment and irregularities”.

At the proposal of the Working Group for Risk Assessment or at his/her discretion, the Head of the Managing Authority may also select projects which are not assessed as high-risk ones, but

whose documentation is the subject to ex-ante control and whose procedures shall be witnessed by an observer.

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

- Discrepancy between the information stated in various documents of the public procurement procedure.
- Anti-discrimination criteria introduced into the documentation;
- In the public procurement notice, the fields “Economic and Financial Capacity” and “Technical Capacity”, 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.

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

In the Manual for Management and Implementation of OPRD a detailed procedure is described on detecting, reporting and follow-up resolving of irregularities that is applied both on central and regional level.

Irregularities were reported:

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

For the reporting period from 01.01.2010 to 31.12.2010, the MA registered 33 irregularity reports mainly concerning:

- violations and mistakes made in implementation of public procurement procedures and related secondary legislation – for example, introduced discrimination criteria in documentation; incorrect reduction of deadlines for receipt of tenders; violations and mistakes in defining selection criteria, evaluation indicators as well as in the proceedings of evaluation committees; errors in concluding contracts after performed public procurement procedures; discrepancies in the dates and information contained in various documents of the public procurement documentation; illegal separation of public procurements with the aim of using a less strict procedure in violation of the requirements of Article 15, Paragraph 6 of the Law on Public Procurement; conflict of interests.
- non-observance of requirements laid down in beneficiaries’ grant contracts – for example, change of project management team members without observance of the provisions stipulated in the grant contracts; non-compliance with contract texts indicating the obligatory contents of contracts with contractors; not submitting public procurement documents for the purpose of ex-ante control by the MA; non-observance of OPRD information and publicity measures.
- double funding – grants received from national funds /for example ‘Optimization of school network’ at the Ministry of Education, Youth, and Science or Council of Ministers Decree No 72 of 30 March, 2009 for the approval of budget credits under the 2009 Investment Programme;

- inaccurate implementation of contracts from a technical point of view – implementation of construction works without observing the legislation; non-observance of technical designs; lack of technical designs when such are required by the Law on Spatial Development; lack of construction supervision; implementation of project activities without obtaining the preliminary approval of the MA of OPRD.

Checks were performed with regard to the irregularity reports received, as the result of which

- a verification procedure is in progress concerning 17 irregularity reports in order to determine whether irregularities exist – unscheduled on-the-spot checks were organized or the relevant control authorities were notified such as: Public Financial Inspection Agency, National Construction Control Directorate, National Revenue Agency, the relevant prosecutor’s office for performing a check, suspected crimes were reported;
- the procedure related to one irregularity report was terminated, including with regard to some verified irregularities;
- two irregularity reports were confirmed and submitted to the Anti-fraud Co-ordination Service, concerning financial interests of the European Communities, in accordance with the requirements of governing European and Bulgarian legislation.

2.7.2. Evaluation

In accordance with the Evaluation Plan of OP “Regional Development”, the first operational evaluation of OPRD “**Review of the grant schemes launched under OPRD 2007-2013**” was completed in January 2010. It was conducted in the period September 2009 – January 2010 under Consultancy Services Contract No 241/ 27.08.2009 with Prime Microfund Association. The evaluation comprised also a review of: the preparation and launch, the evaluation and conclusion of contracts, and the systems and procedures of MA of OPRD for monitoring and implementation of 14 grant schemes launched in 2007 and 2008.

On basis of the review, 14 individual reports on the different grant schemes were prepared and presented, as well as a summary evaluation report on progress at the Operational Programme level with recommendations for corrective actions and improvements in the management of grant schemes. The contractor proposed specific interventions regarding the stage of preparation and design of schemes, the stage of evaluation of project proposals and conclusion of contracts, and the stage of implementation and monitoring of the results of projects approved under the competition-based project selection schemes and the schemes for direct award of grants to specific beneficiaries. Furthermore, recommendations were given with regard to the management and implementation procedures under Priority Axis 5 “Technical Assistance” of OPRD.

The recommendations given by the contractor have been taken into account during the revision of the Procedure Manual of OPRD (version 6) and the preparation of the forthcoming grant schemes.

In accordance with OPRD’s Procedure Manual, Chapter 16 “Evaluation of the implementation of OPRD”, and in line with the Evaluation Plan of OPRD, a Steering Group for Evaluation of OPRD was established in February 2010. In March 2010, the Steering Group updated the Evaluation Plan for OPRD.

In May 2010, Project BG161PO001/5-01/2008/037 “Mid-term Evaluation of Operational Programme Regional Development 2007-2013”, financed under Priority Axis 5 “Technical

Assistance”, was approved with Order No RD-02-14-750/10.05.2010 of the Minister of Regional Development and Public Works.

On basis of a procurement procedure under the Public Procurement Act, a consultancy services contract for “Mid-term Evaluation of Operational Programme Regional Development 2007-2013” was signed with KPMG Bulgaria and KPMG Advisory. The value of the contract is EUR 190 200,58 and its duration covered 6 months.

The evaluation comprised:

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

The mid-term evaluation of OPRD 2007-2013 should be completed in February 2011, producing **specific conclusions and applicable recommendations** for changes informing practical interventions, including in relation to the programming process for the next 2014-2020 programming period.

The following **preliminary conclusions** of the mid-term evaluation of OPRD were presented at the Seventh Monitoring Committee of OPRD on 01-02.12.2010:

- The SWOT analysis remains valid, relevant and generally compliant with the current socio-economic environment;
- The OPRD strategy and operations adequately reflect the SWOT analysis;
- The scope of OPRD is too broad;
- There is adequate general coherence, both internal and external, of objectives. There is no conflict between the OPRD objectives at the programme level and at the operations and schemes level;
- While the logic of OPRD interventions is clear, these are focused more on removing obstacles instead of being used as drivers of growth;

- An important factor in the current programme is that interventions are less integrated (e.g. growth poles) and consist mainly in separate projects;
- In consequence of the global economic crisis, a more focused and strategic approach to investment projects has been adopted;
- At times of crisis, local authorities rely on OPRD as their only source of finance;
- The infrastructural measures of the programme act as a counterbalance of the negative impact of the crisis on the construction sector.

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

Not applicable.

3. IMPLEMENTATION BY PRIORITY

3.1. Priority Axis 1 – Sustainable and integrated urban development

Allocations to this Priority Axis amount to EUR 839 067 973, including EUR 713 207 777 in contribution from the European Regional Development Fund. The total amount makes up 52,40% of total programme budget.

3.1.1. Achievement of targets and analysis of the progress

Information on all schemes launched under Priority Axis 1 over the reporting period is presented in Table 8.

Table 6. Grant schemes launched and project proposals submitted:

Operational Programme Regional Development	Date of publication	Total budget, EUR	Co-financing from ERDF (85%), EUR	National funding, (15%), EUR	Projects received as at 1.01.2010 - 31.12.2010
Operation 1.1 "Social Infrastructure"					
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"	November 14, 2007	125 399 830	106 589 856	18 809 974	The call for proposals has been cancelled
BG161PO001/1.1-02/2007 "Support for provision of adequate and cost-effective state educational infrastructure contributing to development of sustainable urban areas"	February 29, 2008	5 884 684	5 001 982	882 702	6 project fiches Specific beneficiary MEYS
BG161PO001/1.1-03/2008 "Support for provision of adequate and cost-effective state social infrastructure contributing to development of sustainable urban areas"	February 29, 2008	2 802 231	2 381 896	420 335	-

BG161PO001/1.1-04/2008 "Support for provision of adequate and cost-effective labour office infrastructure contributing to development of sustainable urban areas"	February 29, 2008	2 802 231	2 381 896	420 335	-
BG161PO001/1.1-05/2008 "Support for provision of adequate and cost-effective state cultural infrastructure contributing to development of sustainable social areas"	June 25, 2008	14 711 712	12 504 955	2 206 757	8 project fiches Specific beneficiary MC
BG161PO001/1.1-06/2009 "Support for renovation and modernization of state healthcare facilities in urban agglomerations"	April 29, 2009	75 660 233	64 311 198	11 349 035	The procedure is cancelled
BG161PO001/1.1-07/2009 "Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations"	September 30, 2009	19 617 614	16 674 971, 90	2 942 642,10	24 project proposals
BG161PO001/1.1-08/2010 "Support for reconstruction, renovation and equipment of state medical and healthcare facilities in urban agglomerations"	January 30, 2010	75 660 233	64 311 198	11 349 035	2 mid-term framework investment programmes and 6 project fiches Specific beneficiary MH
BG161PO001/1.1-09/2010 "Support for implementation of energy efficiency measures in municipal educational infrastructure in urban agglomerations"	February 22, 2010	40 000 000	34 000 000	6 000 000	51 project proposals
BG161PO001/1.1-10/2010 "Support for design and promotion of innovative cultural events"	November 09, 2010	10 000 000	8 500 000	1 500 000	Deadline for submission of project proposals 28.02.2011
Operation 1.4 "Improvement of the physical environment and risk prevention"					
BG161PO001/1.4-01/2007 "Support for reduction and prevention of risks and damages caused by fire in urban agglomeration areas"	December 15, 2007	7 000 000	5 950 000	1 050 000	-
BG161PO001/1.4-02/2008 "Support for improvement of the urban environment"	August 20, 2008	124 804 756	106 084 042	18 720 714	-
BG161PO001/1.4-03/2008 "Support for construction and consolidation of landslide prevention small-scale infrastructure in urban"	October 13, 2008	12 383 820	10 526 247	1 857 573	-

<i>agglomerations”</i>					
<i>BG161PO001/1.4-04/2009 “Support for landslide prevention small-scale infrastructure in urban agglomerations”</i>	<i>July 15, 2009</i>	<i>4 864 900, 84</i>	<i>4 135 165, 71</i>	<i>729 736, 13</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>56 342 176,84</i>	<i>47 890 850,31</i>	<i>8 451 326,53</i>	<i>64 project proposals</i>
<i>BG161PO001/1.4-06/2010 “Support for small-scale measures for flood prevention in urban agglomerations”</i>	<i>01.07.2010</i>	<i>21 176 471</i>	<i>18 000 000,35</i>	<i>3 176 470,65</i>	<i>51 project proposals</i>
<i>BG161PO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”</i>	<i>04.08.2010</i>	<i>10 992 778</i>	<i>9 343 859</i>	<i>1 648 916</i>	<i>Deadline for submission of project proposals 21.01.2011</i>
<i>BG161PO001/1.4-08/2010 “Joint European Support for Sustainable Investment in City Areas (JESSICA)”</i>	<i>19.10.2010</i>	<i>33 000 000</i>	<i>28 050 000,00</i>	<i>4 950 000,00</i>	<i>Funding Agreement between the Government of the Republic of Bulgaria, represented by the Minister of Regional Development and Public Works and the European Investment Bank (EIB) on establishing a JESSICA Holding Fund within EIB</i>
Operation 1.5 Sustainable Urban Transport Systems					
<i>BG161PO001/1.5-01/2010 “Support for integrated urban transport in Bourgas Municipality”</i>	<i>10.06.2010 z.</i>	<i>56 000 000</i>	<i>47 600 000,00</i>	<i>8 400 000,00</i>	<i>1 project proposal</i>

3.1.1.1. Information on the physical progress of the priority

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	Achievement	N/A	N/A	0	0 ⁽²⁾						0

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
greenhouse gas emissions (CO ₂ and equivalents, kt) Core indicator⁽¹⁾	Target	N/A	N/A	21 ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	56 ⁽¹⁾	56
	Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Result indicators											
Energy savings from refurbished buildings (MWh)	Achievement	N/A	N/A	0	0 ⁽³⁾						0
	Target	N/A	N/A	44 400	N/A	N/A	N/A	N/A	N/A	119 000	119 000
	Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Students benefiting from improved educational infrastructure (number) Core indicator⁽⁴⁾	Achievement	N/A	N/A	0	8827						8827
	Target	N/A	N/A	6 300	N/A	N/A	N/A	N/A	N/A	10 000	10 000
	Baseline	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)	Achievement	N/A	N/A	0	0 ⁽⁵⁾						0
	Target	N/A	N/A	200 000	N/A	N/A	N/A	N/A	N/A	600 000	600 000
	Baseline	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)	Achievement	N/A	N/A	18 165	18 165 ⁽⁶⁾						18 165
	Target	N/A	N/A	100 000	N/A	N/A	N/A	N/A	N/A	230 000	230 000
	Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New enterprises attracted at the renewed, rehabilitated renovated industrial zones (number)	Achievement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	100
	Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Use of urban public transport (incl. disabled), % Core indicator⁽⁷⁾	Achievement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5 ⁽⁷⁾	5
	Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Projects improving the physical environment, attractiveness of the towns and risk prevention (number) Core indicator⁽⁸⁾	Achievement	N/A	N/A	0	2 ⁽⁹⁾						2 ⁽⁹⁾
	Target	N/A	N/A	80 ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	200 ⁽⁸⁾	200
	Baseline	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 and renewed/rehabi	Achievement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	20
	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
Industrial zones (number)											
Health facilities improved (number)	Achievement	N/A	N/A	0	0 ⁽¹⁰⁾						0
	Target	N/A	N/A	8	N/A	N/A	N/A	N/A	N/A	35	35
	Baseline	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education facilities (number)	Achievement	N/A	N/A	0	29 ⁽¹¹⁾						29
	Target	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
Culture facilities improved (number)	Achievement	N/A	N/A	2	2 ⁽¹²⁾						2
	Target	N/A	N/A	35	N/A	N/A	N/A	N/A	N/A	90	90
	Baseline	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social services facilities improved (number)	Achievement	N/A	N/A	0	0 ⁽¹³⁾						0
	Target	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline	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)	Achievement	N/A	N/A	0	0 ⁽¹⁴⁾						0
	Target	N/A	N/A	7	N/A	N/A	N/A	N/A	N/A	36	36
	Baseline	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The 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 SCF system, the targets for 2009 and 2015 are indicated cumulatively at programme level.

(2) Achievement on this indicator is not reported for 2010 because only five projects were completed 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" and the effect of the energy efficiency measures should be reported 2 years after project's completion, i.e. in 2012.

(3) Achievement on this indicator is not reported for 2010 because only 5 projects for improvement of educational and cultural infrastructure were completed and the energy savings from the renovated buildings should be reported after at least one heating season has elapsed, i.e. in 2011.

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

(5) Achievement on this indicator is not reported for 2009 since there were no contracts signed and therefore no implementation of activities to contribute to progress on the indicator.

(6) Achievement on this indicator is not reported for 2010 since there were no completed contracts with activities contributing to progress on this indicator.

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

(8) The indicator corresponds to two 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". In the SCF system the corresponding targets for 2009 and 2015 are, respectively, 40 and 70 projects for Core Indicator 31, and 40 and 130 projects for Core Indicator 39.

(9) Only two risk prevention projects were completed in 2010.

(10) Achievement on this indicator is not reported for 2009 because there were no contracts signed and therefore no implementation of relevant activities to contribute to progress on the indicator.

(11) Reported is number of buildings (improved educational infrastructure) for 2010.

(12) Achievement on this indicator is not reported because in 2010 there were no completed projects with activities contributing to the progress on the indicator.

(13) Achievement on this indicator is not reported for 2009 because there were no completed projects for improvement of social infrastructure.

(14) Achievement on this indicator is not reported for 2009 because there were no contracts signed and therefore no implementation of activities to contribute to progress on the indicator.

3.1.1.2. Information on the financial progress of the priority

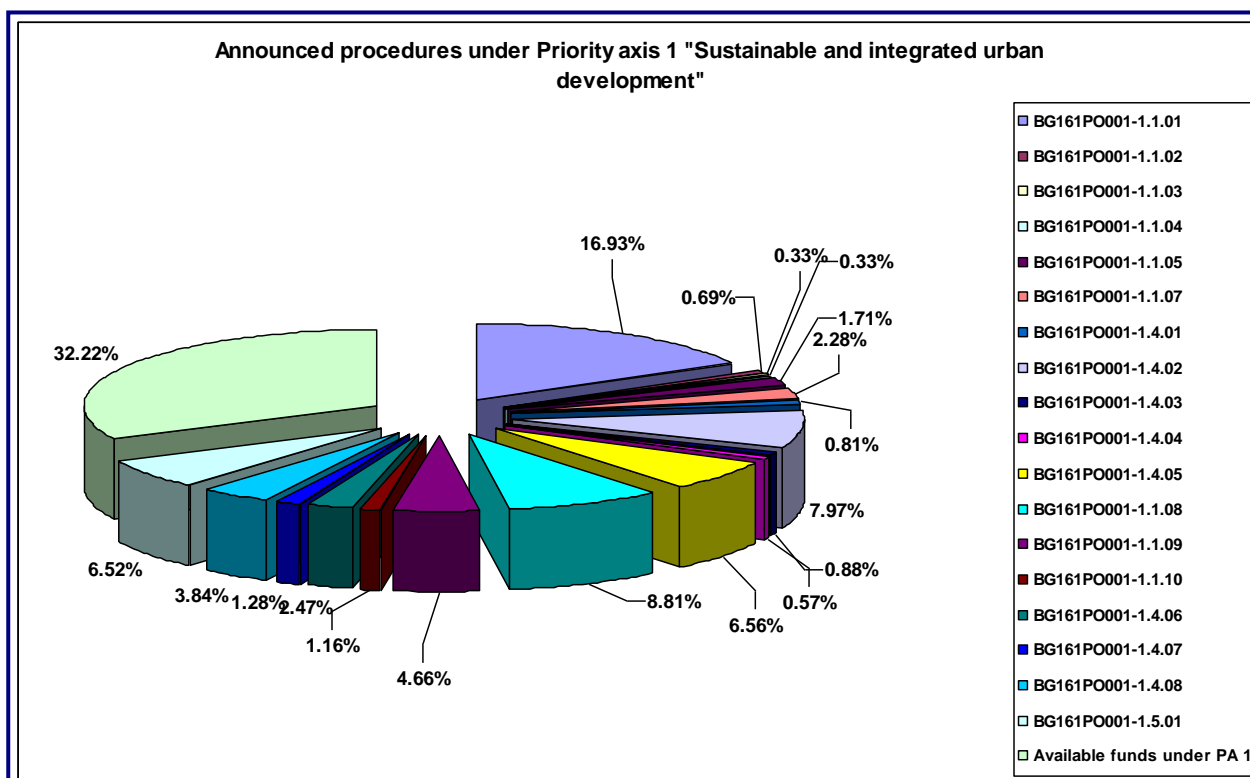
Table 8 Contracted, disbursed and certified funds in the period 01.01.2010 - 31.12.2010

Priority axis	Financial implementation		
	Contracted funds EUR	Disbursed funds EUR	Certified funds EUR
1. Sustainable and integrated urban development	247 511 430,56	95 001 892.96	68 375 787,43

3.1.2. Qualitative analysis

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

The calls for proposals published in the reporting period contribute to the achievement of this objective by supporting the provision of adequate and 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.

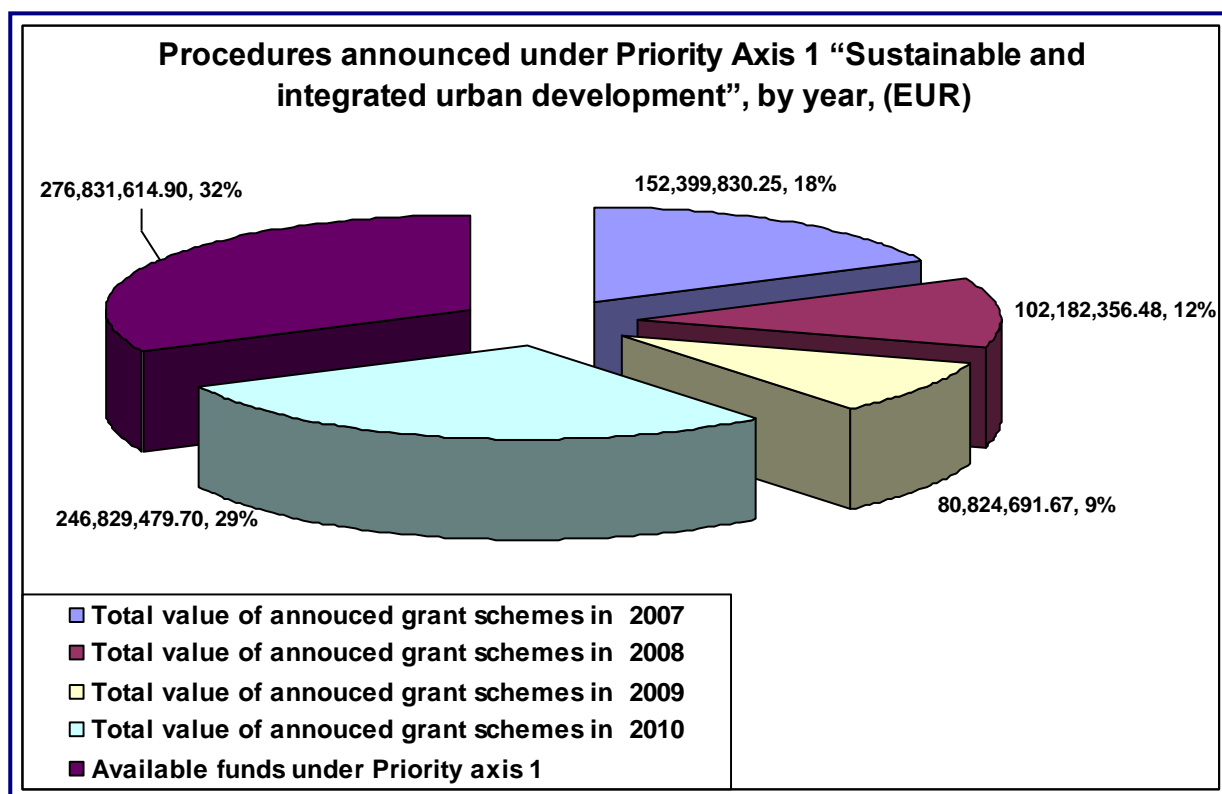


Note: scheme BG161PO001/1.1-06/2008 "Support for renovation and modernization of state medical and healthcare facilities in urban agglomerations" has not been reported in the number of schemes because it was

cancelled. It is 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" which is reported in 2010.

Operation 1.1 Social infrastructure

Operation 1.1 aims to provide 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.



RESULTS:

- *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 modernization of the educational, social and cultural infrastructure, as well as ensuring social inclusion and equal access of vulnerable groups to municipal infrastructure.

The resource which became available under the scheme as a result of its de-commitment from the List of project proposals approved but not financed due to shortage of financial resource was used in 2010 to sign 9 contracts totalling **EUR 24 549 225.51**. The contracts concluded are for improvement of educational infrastructure.

Table 9 Expected results of grant scheme BG161PO001/1.1-01/2007 “Support for provision of adequate and cost-effective educational, social and cultural infrastructure contributing towards development of sustainable urban areas”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of contracts concluded	9	2	0	1	1	2	3
Amount of the grant for concluded contracts, EUR	24 549 225,51	4 633 825,54		2 862 437,00	2 992 588,16	5 972 145,48	8 088 229,33
Number Roma/ethnic minorities benefiting from project activities	674			317			357
Number of people with disabilities	32			10			22
Energy savings (MWh/year)	11 400,11	2 513		1972	558	1143,6	5213,92

➤ **Scheme BG161PO001/1.1-02/2008 “Support for provision of adequate and cost-effective state educational infrastructure contributing to development of sustainable urban areas”**

The specific objectives of the grant scheme are: improvement, renovation and modernization of state educational infrastructure and ensuring social inclusion and equal access of vulnerable groups to state educational infrastructure. The scheme provides support for projects to the amount from EUR 250 000 to EUR 3 million for renovation, reconstruction, supply of equipment, energy audits, implementation of energy efficiency measures and installations based on RES, and for better access for vulnerable groups. Specific beneficiary is the Ministry of Education, Youth and Science (MEYS). The operation was launched as a grant scheme without fixed deadline for application.

Six grant contracts totalling EUR 4 684 784,76 were signed on 30.11.2010. Funds will be used for repair, reconstruction, renovation and equipment of state-owned schools managed by MOEW, including for lecture halls, libraries, labs, sports facilities, school buildings including surrounding yards, and hostels; implementation of energy efficiency measures, RES measures, improved access for people with disabilities.

- The grant is expected to contribute to achievement of the following indicator targets:
 - Total students benefiting from improved educational infrastructure – 11 317
 - Reconstructed/renovated/equipped educational facilities – 9 secondary vocational schools

Total of 8 contracts to the total amount of EUR 5 597 385,48, making up 95% of the allocated financial resource, are concluded at 31.12.2010.

Table 10 Information about scheme BG161PO001/1.1-02/2008 “Support for provision of adequate and cost-effective state educational infrastructure contributing to development of sustainable urban areas”

Type of procedure	Direct award procedure
Date of publication	29.02.2008 Project proposals were evaluated and contracts were concluded in 2010

Status of the scheme	Current
Specific beneficiary	Ministry of Education, Youth and Science
Envisaged funds, EUR	EUR 5 884 684,25
Submitted project fiches	6
Approved project fiches	6
Rejected project fiches	-
Number of evaluation committees	1
Number of contracts concluded in 2010	6
Total amount of contracts concluded in 2010	EUR 4 684 784,76

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

Table 11 Expected results of Scheme BG161PO001/1.1-02/2008 “Support for provision of adequate and cost-effective state educational infrastructure contributing towards development of sustainable urban areas”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	6	1	1	0	0	2	2
Number of contracts concluded	4 684 784,76	736 381,13	542 986,29			1 611 127,05	1 794 290,29
Amount of the grant for concluded contracts, EUR	470,00	104	30			209	127
Number Roma/ethnic minorities benefiting from project activities	216,00	9	118			29	60
Number of people with disabilities	5 262,27	1 291	520			3 393	57,83
Energy savings (MWh/year)	6	1	1	0	0	2	2

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

Five grant contracts totalling EUR 5 505 896,59 were signed on 23.02.2010 for: capital repair and reconstruction of the National Museum of Bulgarian Fine Arts; construction, rehabilitation and modernization of the building of the opera theatre in Rousse; modernization of the main stage of “Stoyan Bachavrov” Drama Theatre in Varna; rehabilitation of the building of the Secondary Vocational School of Printing Arts and Photography in Sofia and modernization of the building of the “Dorbin Petkov” National School of Music and Dance Art in Plovdiv.

Another eight contracts totalling EUR 5 591 785,85 were signed on 05.08.2010 for: reconstruction, modernization and improvement of the infrastructure of the National Museum of History, Bulgaria Concert Complex – Sofia, “Aleko Konstantinov” Satirical Theatre – Sofia, National Museum of Polytechnics – Sofia, Opera and Philharmonic Society - Bourgas, Opera and Philharmonic Society – Ruse, “Pancho Vladigerov” National School of Music and Drama Art – Burgas, “Vasil Drumev” Drama and Puppet Theatre – Shoumen .

Total of 15 contracts to the total amount of EUR 13 028 269,68, making up 89% of the allocated financial resource were signed at 31.12.2010.

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	June 25, 2008
Deadline for submission of project proposals	For 2008 – September 30 For 2009 – July 10 For 2010 – March 1-31 and December 1-30 For 2011 – February 1 -28 and June 1-30
Specific beneficiary	Ministry of Culture
Allocated funds, EUR	EUR 14 711 712,16
Number of evaluation committees for 2010	1
Number of project fiches submitted in 2010	8
Number of approved project fiches	8
Number of rejected project fiches	-
Number of contracts concluded in 2010	13
Total amount of contracts signed in 2010	EUR 11 097 682,44

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

Table 13: Expected results of 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	13	0	2	2	2	1	6
Number of contracts signed	11 097 682,44		1 043 715,27	2 859 075,35	1 161 013,22	371 511,46	5 662 367,14
Grant amount of contracts signed, EUR	64 275,00		9676	34220	1650	4562	14 167
Number of Roma/ethnic minorities benefiting from project activities	38 730,00		18000	18437	350	120	1823
Number of people with disabilities	3 747,28		607,49	425,00	794,20	87,59	1 833,00
Energy savings (MWh/year)	13	0	2	2	2	1	6

➤ **Scheme BG161PO001/1.1-07/2009 “Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations”**

The scheme was launched in September 2009. Thirteen contracts totalling EUR 19 593 881,23 were signed on June 2, 2010 for: implementation of energy efficiency measures in the educational infrastructure of universities, ensuring equal access of disadvantaged groups to the education service offered in universities. According to the Guidelines for Application published for the scheme, candidates shall secure minimum 5% in own contribution.

Table 14 Information on 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 deadline for application
Date of publication	September 30, 2009
Deadline for submission of project proposals	February 1, 2010
Eligible candidates	State universities within the scope of Art. 17 of the Higher Education Act, domiciled on the territory of the following municipalities: Sofia Municipality, Plovdiv, Varna, Bourgas, Rousse, Stara Zagora and Pleven
Allocated funds, EUR	EUR 19 617 614
Number of evaluation committees in 2010	1
Number of project proposals submitted in 2010	24
Number of approved project proposals	13
Number of projects proposals approved but not financed	2
Number of rejected project proposals	9

Number of contracts concluded in 2010	13
Total amount of contracts concluded in 2010	EUR 19 593 881,23

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

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

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	24	1	1	2	2	4	14
Number of contracts concluded	13	1	0	2	0	2	8
Amount of the grant for concluded contracts, EUR	19 593 881,23	1 902 681,78	0,00	2 665 487,38	0,00	2 881 708,52	12 144 003,55
Number of Roma/ethnic minorities benefiting from project activities	0	0	0	0	0	0	0
Number of people with disabilities	947	33		111		100	703
Energy savings (MWh/year)	17 860,16	1 891		145,00		3 521,01	12 303,15

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

The scheme was launched in January 2010. The objectives of the grant scheme are: to improve, renovate and modernize the state healthcare infrastructure in urban areas and to ensure social inclusion and equal access of disadvantaged groups. A Mid-term Framework Investment Programme and 6 project fiches were submitted on March 31, 2010. By Decision RD-02-14-827/15.05.2010 of the Head of MA the Mid-term Framework Investment Programme was rejected because it scored less than the minimum number of points set in the Guidelines for Application. A new Mid-term Framework Investment Programme and 6 project fiches were submitted on September 30, 2010. A new evaluation committee was established. It continues its work in 2011.

Supported activities include:

- Component 1 – Reconstruction, renovation and equipment of buildings/premises of state medical facilities (including purchase of ambulances) in accordance with the approved National Health Strategy 2008-2013 and the Concept for Restructuring Hospital Care in Bulgaria 2010-2017;
- Component 2 – Reconstruction, renovation, optimization (building on to, raising the height of), including the adjoining yard, and equipment/furnishing of building stock, aimed at restructuring of the facilities of Homes for medical and social care for children aged 0-3 in accordance with the Vision of Deinstitutionalization of Children in Bulgaria and the Concept for Restructuring of Hospital Care in Bulgaria 2010-2017;
- Component 3 – Reconstruction, renovation, expansion and equipment of state medical facilities with radiation units for socially significant oncologic diseases;

- Carrying out of energy consumption audits and implementation of energy efficiency measures, under the three components;
- Implementation of installations/facilities based on use of alternative Renewable Energy Sources, under the three components;
- Improvement of the access to people with disabilities to the above state medical facilities, under the three components.

Each project proposal shall include a combination of an investment component (renovation/reconstruction/energy efficiency measures) and supply of equipment under the individual components which are interrelated and contribute to sustainable improvement of the infrastructure concerned.

Project proposals shall envisage building of architectural environment accessible to people with disabilities. In that light, all project proposals shall be compliant with Ordinance No. 4/1 July 2009 on the restructuring, implementation and maintenance of constructed facilities in accordance with the requirements for an environment accessible to the population, including to people with disabilities.

Table 16 Information on scheme BG161PO001/1.1-08/2010 “Support for reconstruction, renovation and equipment of state medical and healthcare facilities in urban agglomerations”

Type of procedure	Direct award procedure
Status of scheme	Current
Date of publication	29.01.2010
Deadline for submission of project proposals	Components 1 and 3 – March 31, 2010, September 30, 2010 and January 31, 2011; Component 2 – January 31, 2011 and March 15, 2011
Specific beneficiary	Ministry of Health
Allocated funds, EUR	EUR 75 660 233
Number of evaluation committees in 2010	1
Number of project fiches submitted in 2010	2 Mid-term Framework Investment Programmes and 16 project fiches
Number of approved project fiches	-
Number of rejected project fiches	Rejected Mid-term Framework Investment Programme

➤ ***Scheme BG161PO001/1.1-09/2010 “Support for implementation of energy efficiency measures in municipal educational facilities in urban agglomerations”***

The scheme was launched on 22.02.2010 with the objective to provide municipal educational infrastructure with high energy efficiency, contributing towards development of sustainable urban areas and sustainable local development; to improve the energy efficiency of municipal educational facilities; to ensure use of RES in municipal educational facilities. It follows 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 is a response to the energy crisis of early 2009.

Fifty-one project proposals were submitted and an evaluation committee was established. Twenty-two grant contracts were signed on 13.12.2010. Another 24 project proposals totalling EUR 28 567 706,52 were approved but were not financed due to shortage of financial resource under the scheme.

Supported activities include implementation of energy efficiency measures in municipal educational facilities – nurseries and kindergartens, including gyms (*heat insulation, replacement of window frames, local installations and/or connection to central heating, gas supply etc.*).

Table 17 Information on 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 deadline for application
Status of the scheme	Current
Date of publication	22.02.2010
Deadline for submission of project proposals	21.06.2010
Eligible candidates	86 municipalities in urban agglomeration areas
Allocated funds, EUR	EUR 40 000 000
Number of evaluation committees in 2010	1
Number of project proposals submitted in 2010	51
Number of project proposals approved	23
Number of project proposals approved but not financed	24
Number of rejected project proposals	4
Number of contracts concluded in 2010	23
Total amount of contracts concluded in 2010	EUR 39 800 972,98

Table 18: Expected results of 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	51	3	9	6	8	15	10
Number of contracts signed	23	2	4	3	4	5	5

Grant amounts of concluded contracts, EUR	39 800 972,98	2 748 186,16	7 810 777,64	6 378 671,90	4 418 657,21	10 067 300,43	8 377 379,63
Improved educational facilities – in sq. m. of total floor area	481 977	51565,66	118591,91	80 467	58 226	102 623	70503,5
Improved educational facilities	198	11	32	54	19	45	37
Number of Roma/ethnic minorities benefiting from project activities	506	0	0	0	0	495	11
Number of people with disabilities	61	61	0	0	0	0	0
Energy savings (MWh/year)	57 467,352	2 334,360	11 272,142	12 160,311	5 375,544	15 223,912	11 101,083
Reduced greenhouse gas emissions (CO2 and equivalent) – kt/annual average	22,482	2,522	4,203	4,497	1,570	6,089	3,601
Number of students/children benefiting from improved educational facilities	67 991	13 353	10 113	7 992	7 477	12 788	16 268

➤ ***Scheme BG16IPO001/1.1-10/2010 “Support for design and promotion of innovative cultural events”***

The scheme was launched in November 2010 with the overall objective to encourage development, renovation and enrichment of cultural life by organizing and promoting cultural events as a main factor for building the identity and uniqueness of settlements in urban areas; to design and develop new, unconventional forms of cultural events based on innovative ideas and practices of presentation and promotion of such events; to create conditions for equal access to culture for the members of different social and ethnic groups, supporting their inclusion in the cultural processes.

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

➤ ***Table 19 Information on scheme BG16IPO001/1.1-10/2010 “Support for design and promotion of innovative cultural events”***

Type of procedure	Open competition-based project selection procedure with a fixed deadline for application
Status of scheme	With a fixed deadline for application
Date of publication	09.11.2010

Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 10 000 000
Deadline for submission of project proposals	28.02.2011

➤ **Support for the deinstitutionalization of children in Bulgaria**

An interinstitutional Working Group on the deinstitutionalization of children placed in specialized institutions was established with Order No. RD-01-158/15.02.2010 of the Minister of Labour and Social Policy and tasked to develop an action plan for implementation of the Vision for Deinstitutionalization of the Children in Bulgaria and provide coordination of the deinstitutionalization projects financed under the EU operational programmes in Bulgaria.

On 24.02.2010 the Council of Ministers approved the policy document “*Vision for Deinstitutionalization of the Children in Bulgaria*”, developed by the interinstitutional Working Group in cooperation with representatives of stakeholder institutions. A public discussion of the document took place, with participation of 23 Bulgarian non-governmental organizations and UNICEF. The reform should result in prevention of placing and raising children outside their families and shall include development of new services, including closing of the conventional residential institutions and replacing them with a network of community-based services. The foremost priority in implementing the document shall be the closure of special childcare homes for children with disabilities in parallel with the medical and social care homes for children aged 0 – 3. With a view to reaching the goals of “Vision for Deinstitutionalization of the Children in Bulgaria”, on November 24, 2010 the Council of Ministers approved an Action Plan for implementation of the “Vision for Deinstitutionalization of the Children in Bulgaria” National Strategy, which envisages implementation of 5 projects within 15 years aimed at:

- *Development of a system of family- and community-based services across the country and systematic closure of all conventional residential childcare institutions in Bulgaria, ensuring for each child long- or short-term placement in family-based care.*
- *Development of the necessary legal and regulatory framework in support of the transition to family- and community-based care.*
- *Improving the effectiveness of the care system for vulnerable children and their families.*

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

Between September 10 and October 15, 2010, within Project “Childhood for All”, the State Agency for Child Protection (SACP) reviewed and analyzed the assessment of the needs of children with disabilities aged up to 3 (Medical and Social Care Homes for Children – MSCHC) and of all children and juveniles with disabilities placed in Homes for Children with Mental Retardation (HCMR) and Homes for Children with Physical Disabilities (HCPD) across the country. The objective of the assessment was to plan a set of community-based services to replace institutionalized care. It covered 1797 children and juveniles in a total of 55 specialized institutions). The assessment produced National Map of Residential Services.

Scheduled for launching in January 2011 is the scheme “*Support for deinstitutionalization of social institutions providing services for children at risk*” aimed at building adequate infrastructure to replace institutional care and open up new opportunities for children with

disabilities and their families to receive support in the community and in their natural environment. In light of the forthcoming launch of the scheme, on 25.11.2010 MA of OPRD held information meeting under the motto “Childhood for All” to present progress on deinstitutionalization to municipalities and potential beneficiaries.

Operation 1.4: Improvement of the physical environment and risk prevention

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

➤ *Scheme BG161PO001/1.4-04/2009 “Support for small-scale infrastructure to prevent landslides in urban agglomerations”*

The scheme was launched on July 15, 2009. The evaluation committee finished its work in December 2009 and a grant award decision of the Head of MA was issued. Eleven grant contracts totalling EUR 4 387 609,21 were signed on 05.02.2010.

The activities to be implemented under the approved project proposals will contribute to consolidation of **11 landslides and landslips**. In consequence, 557 real estates (private and public) and 38 960 sq. m. in road sections will be saved from being compromised and becoming unusable.

This is the second scheme for support to prevent landslides in urban agglomerations and it was announced in order to absorb the resource unutilized under an earlier scheme – BG161PO001/1.4-03/2009.

The specific objectives of the scheme to prevent landslides in urban agglomerations include:

- Ensuring protection of the life and property of people residing in urban agglomerations through support for activities for reinforcement and consolidation of landslides;
- Reducing the expansion/occurrence of landslides by establishing automated monitoring systems.

Eligible activities include:

- *Infrastructural measures for consolidation and stabilization of landslides, including demolition of unlawful buildings and facilities triggering landslide growth; demolition of unusable buildings and facilities compromised by the release of the landslide;*
- *Construction of facilities to bring underground water below the level of the sliding surface (horizontal drilling, collectors, etc.) and discharge it outside the landslide area;*
- *Construction of facilities for surface drainage outside the landslide area (trenches, ditches, edge drains, etc.);*
- *Infrastructural measures and construction of new installations for strengthening and structural supporting of the landslide, including re-battering, surface drainage and bathyal underground drainage, anchor, pile and pile-anchor structures, drainage systems, ditches and shafts, retaining walls, anchor walls, groove walls, etc.;*
- *Construction of facilities at landslips – reinforcing the active zone of the landslip, covering with wire nets, protection ditches, catchment nets, catchment walls, protection earth banks, protection canopies, etc.*
- *Vertical planning of the landslide area to ensure stability of the slope;*

- *Building automated measurement and control systems (MCS) to monitor landslide behaviour after the infrastructural measures.*

The grant awarded under the current and the previous scheme for support of landslide measures in urban agglomerations totalled EUR 11 069 260,13.

Table 20 Information on scheme BG161PO001/1.4-04/2009 “Support for small-scale infrastructure to prevent landslides in urban agglomerations”

Type of procedure	Open competition-based project selection procedure with a fixed deadline for application
Status of scheme	With a fixed deadline for application
Date of publication	15.09.2009
Deadline for submission of project proposals	06.11.2009
Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 4 864 900, 84
Number of evaluation committees	1 in 2009
Number of project proposals submitted	16 project proposals submitted in 2009 (1 beyond the deadline)
Number of project proposals approved in 2009	11
Number of project proposals approved but not financed in 2009.	-
Number of project proposals rejected in 2009	4
Number of contracts concluded in 2010	11
Total amount of contracts concluded in 2010	EUR 4 387 609,21

Table 21: Expected results of scheme BG161PO001/1.4-04/2009 “Support for small-scale infrastructure to prevent landslides in urban agglomerations”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	0						
Number of contracts concluded	11	1	3	2	1	2	2
Amount of the grant for concluded contracts, EUR	4 387 609,21	497 255,90	1 072 329,59	806 430,56	313 786,08	946 962,98	750 844,10
Population benefiting from consolidation of landslide	80 421,00	50 000,00	2 985,00	1 980,00	460,00	16 885,00	8 111,00

Number of real estates (private and public) saved from being compromised and becoming unusable as a result of reduced landslide risk	557,00	37,00	32,00	304,00	15,00	59,00	110,00
Stretch of road sections saved from being compromised and becoming unusable as a result of consolidation and reinforcement of the landslide (sq. km)	43 006,00	2 416,00	27 750,00	1 450,00	4 140,00	850,00	6 400,00
Landslide area reinforced and/or equipped with a measurement and control system (MCS) (sq. km.)	591 966,39	144 300,00	57 022,39	334 155,00	574,00	15 615,00	40 300,00

➤ ***Scheme BG16IPO001/1.4-05/2009 “Support for integrated and sustainable development through improved urban environment”***

The scheme was launched in 2009. The deadline for submission of project proposals was 08.02.2010. The main objective of the scheme is to improve the physical aspects of the urban environment in agglomeration areas; to create conditions for integration of disadvantaged groups through improvements in the physical and living environment, including through improved access to administrative and social services; to enhance the safety and security of the urban environment.

Supported activities include:

- 1. Construction and rehabilitation of public recreation areas like parks, children playgrounds, etc., including mounting of benches, arbours, reconstruction of drinking water fountains, fountains, statues, monuments and other urban furniture elements.*
- 2. Construction, reconstruction, rehabilitation of pedestrian alleys and sidewalks, bike tracks and alleys, pedestrian areas and underpasses for pedestrians and bikers, including related activities like placing indicating marks, etc.*
- 3. Rehabilitation and reconstruction of street networks, construction of public parking lots at some distance away from main streets.*
- 4. Implementing energy saving street lighting, as well as security enhancement and crime prevention measures like installing lighting at parking lots, security surveillance systems in public places, etc.*
- 5. Building accessible architectural environment, including improved access to municipal administration buildings for people with disabilities.*

Candidates under the scheme were required to secure minimum of 5% in own contribution.

An evaluation committee was established in 2010 to evaluate the project proposals submitted (64).

Twenty-one contracts for urban development measures were signed on 16.07.2010. The grants will contribute for: construction, rehabilitation, restoration of public recreation areas like parks,

green areas, children playgrounds, etc.; construction, reconstruction rehabilitation of pedestrian alleys and sidewalks, bike tracks and alleys, underpasses for pedestrians and bikers; rehabilitation and reconstruction of street network, construction of public parking lots at some distance away from main streets; implementation of energy saving street lighting and of security enhancement and crime prevention measures like mounting lighting on parking areas, security surveillance systems in public places, etc.; building accessible architectural environment, including improved access to municipal administration buildings for people with disabilities.

Table 22 Information on scheme BG161PO001/1.4-05/2009 "Support for integrated and sustainable development through improved urban environment"

Type of procedure	Open competition-based project selection procedure with a fixed deadline for application
Status of scheme	With a fixed deadline for application
Date of publication	25.09.2009
Deadline for submission of project proposals	08.02.2010
Eligible candidates	86 municipalities within urban agglomerations (exclusive of municipalities that have signed contracts under OPRD scheme BG161PO001/1.4-02/2008 "Support for improvement of the urban environment")
Allocated funds, EUR	EUR 56 342 176,84
Number of evaluation committees in 2010	1
Number of project proposals approved	21
Number of project proposals submitted in 2010	64
Number of project proposals approved but not financed	2
Number of project proposals rejected	41
Number of contracts concluded in 2010	21
Total amount of contracts signed in 2010 (grant)	EUR 54 398 995,44

Table 23: Expected results of scheme BG161PO001/1.4-05/2009 "Support for integrated and sustainable development through improved urban environment"

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of project proposals submitted	64	7	7	12	13	16	9
Number of contracts concluded	21	3	4	5	4	4	1

Amount of the grant for concluded contracts, EUR	54 398 995,44	8 299 541,14	8 652 469,82	11 827 915,93	14 173 463,86	9 241 712,07	2 203 892,63
Energy savings from implemented energy saving street lighting (MWh/year)	15 697,29	17,20	14 567,00	162,80	71,03	239,29	639,97
Square meters in improved park environment, greened areas, children playgrounds	1 512 146,45	150 704,00	52 770,00	65 697,00	1 173 694,45	54 919,00	14 362,00
Square meters in constructed /rehabilitated pedestrian and bike alleys, sidewalks	425 321,52	55 819,00	57 437,00	66 731,00	152 412,52	85 034,00	7 888,00
Square meters in reconstructed and rehabilitated street network elements	214 131,88	58 761,00	11 766,00	62 515,00	15 720,55	54 014,33	11 355,00
Parking places made available at some distance away from transport nodes in peripheral urban areas	1 396	358	331	375	168	164	0
Population benefiting from rehabilitated urban environment	1 556 185	238 028	223 995	600 173	337 823	116 313	39 853
People with disabilities with facilitated access	71 041	20 450	12 472	12 234	10 243	9 642	6 000

➤ ***Scheme BG16IPO001/1.4-06/2010 “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.

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

Candidates under the scheme shall secure minimum of 5% in own contribution.

An evaluation committee was established in 2010 to evaluate the project proposals submitted (50).

Table 24 Information on scheme BG16IPO001/1.4-06/2010 “Support for small-scale interventions to prevent floods in urban agglomerations”

Type of procedure	Open competition-based project selection procedure with
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	a fixed deadline for application
Status of scheme	With a fixed deadline for application
Date of publication	01.07.2010
Eligible candidates	86 municipalities within urban agglomeration areas
Allocated funds, EUR	EUR 21 176 471
Deadline for submission of project proposals	30.11.2010
Number of evaluation committees in 2010	1
Number of project proposals submitted in 2010	50

➤ ***Scheme BG16IPO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”***

The scheme was launched in 2010 and the deadline for applications was set at 21.01.2011.

The overall objective of the scheme is development of integrated urban development plans aimed at sustainable and permanent overcoming of the high concentration of economic, environmental and social problems in 36 cities – centres of agglomeration areas.

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

Supported activities include: development of an integrated urban regeneration and development plan with time horizon 2020.

Table 25 Information on scheme BG16IPO001/1.4-07/2010 “Support for integrated urban regeneration and development plans”

Type of procedure	Direct award procedure
Status of scheme	With a fixed deadline for application
Date of publication	04.08.2010
Eligible candidates	36 municipalities – centres of agglomeration areas
Allocated funds, EUR	EUR 10 992 778

Deadline for submission of project proposals	21.01.2011
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➤ ***Scheme BG161PO001/1.4-08/2010 Joint European Support for Sustainable Investment in City Areas (JESSICA)***

Implementation of the JESSICA Initiative registered progress in the reporting period. The Funding Agreement between the Government of the Republic of Bulgaria, represented by the Minister of Regional Development and Public Works, and the European Investment Bank (EIB) on establishment of a JESSICA Holding Fund within EIB was signed on 29.07.2010.

The funding agreement was ratified by the National Assembly on 7.10.2010 and took effect from October 19, 2010 by promulgation of the Act on Ratification in the State Gazette. The total resource is EUR 33 million.

Indicative allocation of JESSICA resources: EUR 12,6 million for Sofia and EUR 18,8 million for Plovdiv, Varna, Bourgas, Rousse, Stara Zagora and Pleven. The balance is for management of the fund.

The members of the Investment Board of JESSICA Holding Fund Bulgaria were nominated – two deputy-ministers from MRDPW, one each from the Ministry of Economy, Energy and Tourism and the Ministry of Finance, and the Head of Cabinet of the Minister of EU Funds Management. The Investment Board provides control and monitoring on the implementation of JESSICA.

A JESSICA kick-off conference was held on 8.12.2010 with participation of stakeholders and potential partners.

Operation 1.5 Sustainable urban transport systems

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

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

The scheme was published in June 2010. Specific beneficiary is Bourgas Municipality. An evaluation committee was established following the submission of the project proposal. The first major project within the meaning of Article 39 of Regulation No 1083/2006 under OP Regional Development was signed on 26.11.2010.

The total amount of the project is EUR 67 071 840,00, including EUR 55 998 279,00 in grant and EUR 11 073 561 in candidate’s own contribution.

Table 26 Information on scheme BG161PO001/1.5-01/2010 “Support for integrated urban transport in Bourgas Municipality”

Type of procedure	Direct award procedure, major project within the meaning of Art. 39 of Regulation No 1083/2006
Status of scheme	With a fixed deadline for application
Date of publication	10.06.2010
Deadline for submission of project proposals	10.09.2010

Specific beneficiary	Bourgas Municipality
Allocated funds	EUR 56 000 000
Project proposals submitted	1
Project proposals approved	1
Project proposals rejected	-
Number of evaluation committees	1
Number of contracts concluded in 2010	1
Total amount of contracts signed in 2010 (grant)	EUR 55 998 279,00

➤ **Project in implementation**

The total number of contracts in implementation in 2010 under Priority Axis 1 is 184, signed respectively in 2008, 2009 and 2010:

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	71
BG161PO001/1.1-02/2008	Support for provision of adequate and effective state educational infrastructure, contributing to development of sustainable urban areas	8
BG161PO001/1.1-03/2008	Support for provision of adequate and effective state social infrastructure, contributing to development of sustainable urban areas	2
BG161PO001/1.1-04/2008	Support for provision of adequate and effective infrastructure of labour offices, contributing to development of sustainable urban areas	9
BG161PO001/1.1-05/2008	Support for provision of adequate and effective state cultural infrastructure, contributing to development of sustainable urban areas	15
BG161PO001/1.1-07/2009	Support for provision of adequate and cost-effective infrastructure of universities in urban agglomerations	13
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	18

BG161PO001/1.4-03/2008	Support for construction and consolidation of small-scale infrastructure to prevent landslides in urban agglomerations	15
BG161PO001/1.4-04/2009	Support for small-scale infrastructure to prevent landslides in urban agglomerations	11
BG161PO001/1.4-05/2009	Support for integrated and sustainable development through improvement of the urban environment	21

Note: Contracts under scheme BG161PO001/1.1-09/2010 - 23 in number, concluded on 13.12.2010, were not included because their actual implementation will start in 2011.

At 31.12.2010, the European Investment Bank prepared a list of the activities of JESSICA Holding Fund and a procedure for selection of Urban Development Funds (UDF), which were approved by the Investment Board.

The contract under scheme BG161PO001/1.5-01/2010 "Support for integrated urban transport in Bourgas Municipality" was concluded on 26.11.2010; actual implementation will start in 2011.

To monitor project implementation, MA performed total of 141 on-the-spot checks, including 44 under the Annual On-the-spot Checks Plan and 97 unexpected on-the-spot checks.

➤ **Terminated contracts**

Four grant contracts were terminated over the reporting period, as follows:

Beneficiary	Contract No	Date of contract cancellation	Reasons for cancellation
Rousse Municipality	BG161PO001/1.1-01/2007/008	30.4.2010	The beneficiary requested cancellation of the contract on account of being unable to implement the project activities
Kaspichan Municipality	BG161PO001/1.1-01/2007/047	05.8.2010	The beneficiary requested cancellation of the contract on account of having financial difficulties with the implementation of the major project activities due to the financial and economic crisis
Targovishte Municipality	BG161PO001/1.4-03/2008/002	07.10.2010	The beneficiary requested cancellation of the contract on basis of a decision of the Municipal Council
Dolna Mitropolia Municipality	BG161PO001/1.4-03/2008/007	28.7.2010	The beneficiary requested cancellation of the contract on account of being unable to implement the project activities

➤ **Completed projects**

Over the reporting period, five 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 in 2010. 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	90 975 people
2	Improved educational infrastructure (number)	29 buildings
3	Number of people with disabilities benefiting from the intervention	95 people
4	Number of representative of Roma/other ethnic minorities benefiting from the project results	575 people
5	Students benefiting from improved educational infrastructure (number)	8 827 students

Over the reporting period, two projects under scheme BG161PO001-1.4-03/2008 “Support for construction and consolidation of small-scale infrastructure to prevent landslides in urban agglomerations” were completed in 2010, contributing to the following achievement on indicators:

No.	Indicator	Reported achievement
1	Length of road sections saved from compromising or becoming unusable as a result of the consolidation and stabilization of the landslide	5,81 km
2	Landslide area	23 400 sq. m.
3	Population benefiting from the intervention	51 375 people

➤ **Support for the growth poles – the 7 big cities (Sofia, Plovdiv, Varna, Rouse, 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 over the reporting period.

Table 27: Information on the allocation of the financial resource for support of the 7 big cities

Municipalities	Indicative allocation (EUR)	Allocation achieved, <u>exclusive of column 7</u> (4+5+6) (EUR)	Contracts signed, including with specific beneficiaries (EUR)	Allocations in framework programme s of specific beneficiarie s (MH, MC, SAA) (EUR)	Funds on forthcoming schemes (EUR)	Funds on forthcoming schemes with no preliminary indicative allocation, (EUR)
1	2	3	4	5	6	7
Sofia Municipality	100 000 000		33 824 711	25 204 408	50 000 000 (urban transport) 511 292 (integrated)	10 000 000 (innovative cultural)

					plans) 3 323 397 (municipal hospitals) 1 000 374 (floods)	events) 40 031 869 (housing policy) 42 734 034 (deinstitution alization)
TOTAL Sofia Municipality	100 000 000	113 864 182	33 824 711	25 204 408	54 835 063	
TOTAL 6 big municipalities (Plovdiv, Varna, Bourgas, Rousse, Pleven, Stara Zagora)	300 000 000		159 375 079	25 801 146	104 127 475 (urban transport, 5 cities) 3 067 751 (integrated plans) 13 293 588 (municipal hospitals) 916 818 (floods)	
TOTAL 6 municipalities	300 000 000	306 581 858	159 375 079	25 801 146	121 405 633	
TOTAL 29 municipalities within the agglomerations of Sofia and the 6 big cities	110 000 000		64 320 645	690 556	1 911 798 (municipal hospitals) 7 408 917 (floods)	
TOTAL 29 municipalities:	110 000 000	74 331 916	64 320 645	690 556	9 320 715	
TOTAL 50 municipalities outside agglomerations of Sofia and the 6 big cities	349 000 000		190 472 208	30 149 261	11 509 568 (floods) 7 413 735 (integrated plans) 31 911 369 (municipal hospitals)	
TOTAL 50 municipalities:	349 000 000	271 456 141	190 472 208	30 149 261	50 834 672	
TOTAL 86 municipalities:	859 000 000	766 234 097	447 992 643	81 845 371	236 396 083	92 765 903

➤ Support for sustainable urban transport within the JASPERS Initiative

With the project “Integrated urban transport in Bourgas Municipality”, Bourgas Municipality was selected among the municipalities of the seven big cities in Bulgaria as the pilot municipality under JASPERS for the implementation of a major infrastructural project for modernization of urban transport.

Over the reporting period, an application form for a major investment project for funding from ERDF was developed with assistance from the consultants of ARUP Consortium and submitted to the MA of OPRD.

▪ Project to support urban transport in Sofia Municipality

Within the project, JASPERS selected a consultant under a framework agreement. On 05.05.2010, the Consultant, in cooperation with Sofia Municipality and MA of OPRD, held a kick-off meeting. A meeting to discuss the completion of project phase 1 was held on 14.09.2010. A meeting to discuss the preparation and implementation of a major project and the

indicative breakdown of the project by component for the next programming period 2014 – 2020 was held on 28.10.2010. At the end of December 2010, the consultant submitted a report on the second phase of implementation and a draft application form.

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

Implementation of a project for institutional support to MA was started in 2010 with the aim to establish a unit to support MA on the modernization and development of urban transport. The task of the unit is to provide assistance and give recommendations within pre-investment studies and within the preparation of application documents for submission to MA of OPRD.

An ARUP consultant was selected within the project on 18.11.2010 and a kick-off joint working meeting with the experts from the Project Implementation Unit (PIU) was held. The consultant selection will support the work of the unit.

MA representatives make jointly with the JASPERS consultancy team on-the-spot visits to the cities where meetings on the progress are organized. In parallel, on-the-spot visits are made also to the proposed project components (e.g. trolley depots, bus stations, extension of the trolley network).

Furthermore, MA organizes in cooperation with the municipalities joint meetings with representatives of the seven cities hosted on a rotation principle by each one of the towns and the total progress report on projects is reported to EC.

3.1.3. Significant problems encountered and measures taken to overcome them

➤ **Failure to announce the scheme for reconstruction/renovation of medical and health facilities in urban areas**

Eligible candidates include municipalities having on their territory municipal medical facilities included in the Concept for Restructuring of Hospital Care in Bulgaria, approved by the Council of Ministers. The concept provides the basis for development of the two grant schemes under OPRD. The reasons to postpone the launch of the scheme include:

- Amendment and subsequent supplementing of the Concept for Restructuring of Hospital Care developed by the Ministry of Health,
- A need to hold additional meetings and discussions with stakeholders – Ministry of Health, NAMRB, municipalities, with a view to agreeing on a common vision for implementation of the scheme and elaborating the specific application requirements.

The scheme was included in the 2011 Indicative Annual Work Programme.

➤ **Implementation of projects under schemes launched in 2007 and allowing application with projects at conceptual design level continued in 2010** – this necessitated changes in the Bills of Quantities called by subsequent development of technical/detailed designs and a need to annex the respective grant contracts. MA made amendments to the types and quantities of construction and assembly works under the objects of intervention, in accordance with the approved procedures.

3.2. Priority Axis 2 Regional and Local Accessibility

The funds allocated for this Priority Axis amount to **400 318 689** EUR, of which **340 270 886** EUR is the amount of the EU contribution. The total amount accounts for **25,00%** of the programme.

3.2.1. Achievement and analysis of the progress

In the reporting period the implementation of the contracts signed in 2008 under the grant scheme for municipal roads continued together with the submission and evaluation of project proposals and follow-up signing of contracts with the specific beneficiary Road Infrastructure Agency (RIA) under the grant scheme BG161PO001/2.1-01/2007 “Support for the rehabilitation and reconstruction of second- and third-class roads”. RIA submitted 1 project fiche for “Lot 31 Rehabilitation and reconstruction of road II-18 – the South Section of Sofia Ring Road from 41+137,87 km to 44+720 km and road link No 2 of a road junction in Mladost District in the section from Sofia Ring Road to the beginning of the Overpass”. In 2009 15 project fiches were submitted and evaluated in the reporting period by an evaluation committee set up in 2010. 15 contracts were concluded to the amount of EUR 152 846 670,01.

In 2010 1 contract from the list of approved project proposals but not financed due to shortage of funds was concluded to the amount of EUR 2 516 336,70 as a result of the released funds under scheme BG161PO001/2.1-02/2007 “Support for sustainable and integrated local development through rehabilitation and reconstruction of the municipal road network”.

Under Priority Axis 2, one Call for proposals was launched under operation 2.3 Access to sustainable and energy efficient resources – scheme BG161PO001/2.3-01/2010 “Preparation, studies and design of an inter-system gas connection Bulgaria-Serbia” with specific beneficiary Ministry of Economy, Energy and Tourism as a beneficiary.

Table 28. Announced grant schemes:

Operational Programme Regional Development	Date of Publication	Total budget, EUR	Co-financing from ERDF, EUR (85%)	National funding, EUR (15%)	Projects received as at 1.01.2010 - 31.12.2010
Operation 2.1. “Regional and local road infrastructure”					
BG161PO001/2.1-01/2007 “Support for rehabilitation and reconstruction of second- and third-class roads”	1 November 2007	256 203 961	217 773 367	38 430 594	1 project fiche
BG161PO 001/2.1 -02/2007 “Support for sustainable and integrated local development through rehabilitation and reconstruction of the municipal road network”	14 November 2007	64 050 991	54 443 342	9 607 649	The project collection procedure was cancelled
BG161PO001/2.3-01/2010 “Preparation, research and design of an intersystem gas connection Bulgaria- Serbia”	15 November 2010	6 000 000	5 100 000	900 000	The deadline for application is 15.02.2011.

3.2.1.1. Information on the physical progress of the Priority Axis 2

Table 29. Information on the physical progress under Priority Axis 2

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
PRIORITY AXIS 2											
Impact Indicator											
Reduction of greenhouse emissions (CO2 and equivalents, kt)	Value achieved	N/A	N/A	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

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Core indicator (1)											
Result Indicators											
Value for timesavings in Euro / year stemming from reconstructed roads for passengers and freight Core indicator (3)	Value achieved	N/A	N/A	0	0 ⁽⁴⁾						0
	Target value	N/A	N/A	46000	N/A	N/A	N/A	N/A	N/A	208000	208000
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional population covered by broadband access Core indicator (5)	Value achieved	N/A	N/A	0	0 ⁽⁶⁾						0
	Target value	N/A	N/A	14% ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	20% ⁽⁵⁾	20%
	Baseline value	10.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increased passengers and freight traffic on the rehabilitated roads (baseline 2006)	Value achieved	N/A	N/A	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
% of municipalities with gas distribution licences granted	Value achieved	N/A	N/A	0	0 ⁽⁸⁾						0
	Target value	N/A	N/A	54%	N/A	N/A	N/A	N/A	N/A	59%	59%
	Baseline value	49%	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 ⁽⁹⁾						0
	Target value	N/A	N/A	150	N/A	N/A	N/A	N/A	N/A	500	500
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Constructed high-pressure gas pipelines (km)	Value achieved	N/A	N/A	0	0 ⁽¹⁰⁾	N/A	N/A	N/A	N/A		0
	Target value	N/A	N/A	80	N/A	N/A	N/A	N/A	N/A	425	425
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Km of reconstructed roads (km) Core indicator	Value achieved	N/A	N/A	12,2	128,18 ⁽¹¹⁾	N/A	N/A	N/A	N/A		128,18
	Target value	N/A	N/A	500	N/A	N/A	N/A	N/A	N/A	1300	1300
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of projects (road, ICT, gas)	Value achieved	N/A	N/A	2	15 ⁽¹²⁾	N/A	N/A	N/A	N/A		15
	Target value	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A	70	70
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The indicator corresponds to 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) In 2010 this indicator was not achieved as the impact of improved road infrastructure should be reported 2 years after completion of the projects, hence in 2012.

(3) The indicator corresponds to Core indicator No 20 "Values of timesavings in Euro/year stemming from new and reconstructed roads".

(4) In 2010 this indicator was not achieved because time saved value as a result of improved road infrastructure should be reported 2 years after completion of the projects, hence in 2012.

Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
(5) The indicator corresponds to Core indicator No 12 „Number of additional population covered by broadband access”. In the SFC system the indicator is measured in numbers and the corresponding numbers for the 2009 and 2015 targets are 260 000 and 725 000 respectively.										
(6) In 2010 this indicator was not achieved, since no contracts had been concluded and therefore no relevant activities contributing to the progress of this indicator were implemented.										
(7) In 2010 this indicator was not achieved because increased traffic value as a result from improved road infrastructure should be reported 2 years after the completion of the projects, hence in 2012.										
(8) In 2010 this indicator was not achieved since no contracts had been concluded and therefore no relevant activities contributing to the progress of this indicator were implemented.										
(9) In 2010 this indicator was not achieved since no contracts had been concluded and therefore no relevant activities contributing to the progress of this indicator were implemented.										
(10) In 2010 this indicator was not achieved since no contracts had been concluded and therefore no relevant activities contributing to the progress of this indicator were implemented.										
(11) The achievement made under this indicator is still smaller than the target for 2009 because in 2009 and 2010 only 15 projects were completed with activities contributing to progress achieved under this indicator.										
(12) The achievement made under this indicator is still smaller than the target for 2009 because in 2009 and 2010 only 15 projects were completed with activities contributing to progress achieved under this indicator.										

3.2.1.2. Information on the financial progress of the Priority Axis

Table 30. Contracted, disbursed and certified funds in the period 01.01.2010-31.12.2010

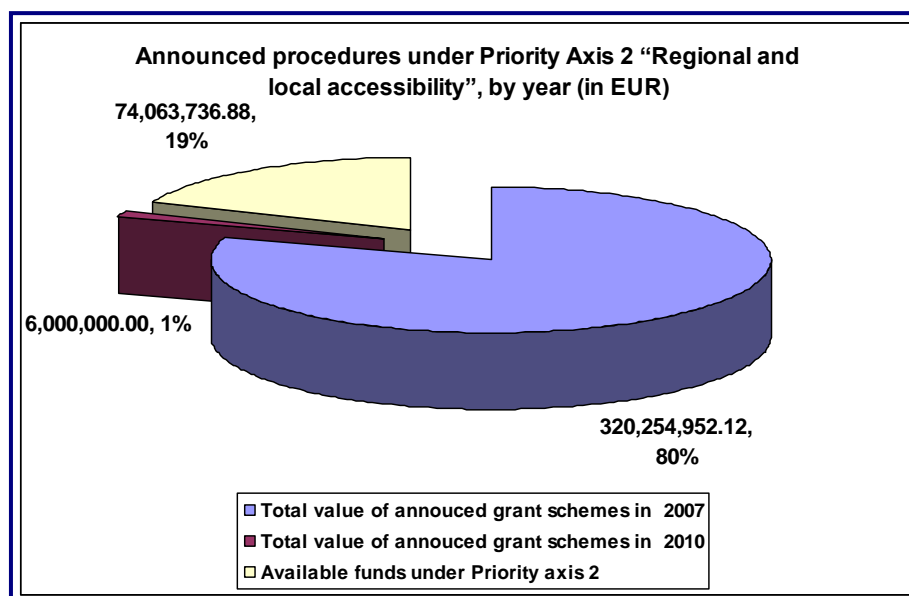
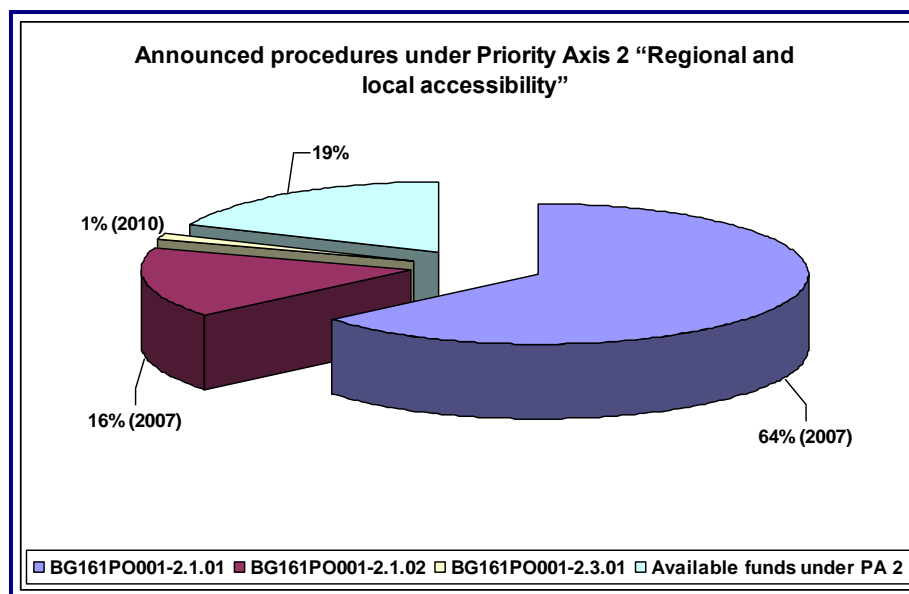
Priority Axis	Financial implementation		
	Contracted (EUR)	Disbursed (EUR)	Certified (EUR)
2. Regional and local accessibility	155 363 006,71	41 799 349,57	30 651 816,97

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.

As a result of the implemented projects contracted in 2010 for rehabilitation/reconstruction of second- and third-class roads, 15 lots with 26 road sections 311 km long in total will be rehabilitated/reconstructed.

In 2010 a contract was concluded for the project fiche “Lot 31 Rehabilitation and reconstruction of road II-18 – the South Section of Sofia Ring Road from 41+137,87 km to 44+720 km and road link No 2 of a road junction in Mladost District in the section from Sofia Ring Road to the beginning of the Overpass”. The section is 3,582 km long.



RESULTS:

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

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

In December 2009 an evaluation committee was established for the evaluation of 15 project fiches from the second stage submitted in the end of November 2009. The committee continued its work in 2010 when the projects were approved. On 29 April 2010, 15 contracts were concluded. The total grant amount is EUR 135 485 052.11.

The funds will be allocated for the reconstruction and rehabilitation of second- and third-class roads providing interregional connections and for the reconstruction and rehabilitation of second-

and third-class roads providing access to potential regions in terms of tourism development. The grant contracts will be for 26 road sections 311 km long in total.

On 19 November 2010, 1 contract was concluded under Project “Lot 31 Rehabilitation and reconstruction of road II-18 – the South Section of Sofia Ring Road from 41+137,87 km to 44+720 km and road link No 2 of a road junction in Mladost District in the section from Sofia Ring Road to the beginning of the Overpass”. The grant awarded under OPRD amounts to EUR 17 361 617.91.

As of 31.12.2010 the amount of EUR 218 840 436.60 was contracted or 85% of the budget of the scheme.

Table 31: Information on scheme BG161PO001/2.1-01/2007 “Support for the rehabilitation and reconstruction of second- and third-class roads”

Type of procedure	Direct grant award procedure
Date of publication	1 November 2007
Deadline for submission of project proposals	for 2009 – 30 January 2009; – 30 November 2009; for 2010 – 30 December 2010; for 2011 – 30 June 2011;
Status of the scheme	Ongoing
Beneficiary	Road Infrastructure Agency
Allocated funds	256 203 961 EUR
Submitted project proposals	16 (in 2009 15 project proposals were submitted and 1 in 2010)
Approved project proposals	16
Rejected project proposals	-
Number of evaluation committees	2
Contracts concluded in 2010	16
Total amount of grant contracts concluded in 2010	152 846 670.01 EUR

Table 32: Results of scheme BG161PO001/2.1-01/2007 “Support for the rehabilitation and reconstruction of second- and third-class road”

	Total	NW	NC	NE	SE	SC	SW
Number of submitted contracts	1						1
Number of concluded contracts	16	4	2	3	0	6	1
Grant amount under the contracts	152 846 670,01	28 418 889,98	19 519 916,03	22 065 080,62		65 481 165,48	17 361 617,91

concluded in EUR							
Increased traffic of passengers and freight on rehabilitated roads (on average per day, baseline 2006)	160	40	20	30		60	10
Time savings in Euro / year stemming from new and reconstructed roads for passengers and freight	2 618 964	143 705,91	35 651,10	78 284,11		268 252,25	2 093 070,60
Expected km of reconstructed / rehabilitated second- and third-class roads	315,017	69,605	42,238	63,112		136,48	3,582

- *Scheme BG161PO 001/2.1-02/2007 Support for sustainable and integrated local development through the rehabilitation and reconstruction of the municipal road network*

The grant scheme aims at improving accessibility to the road network by reconstructing and rehabilitating the municipal road network. Projects were funded under the grant scheme in the amount from EUR 100 000 to EUR 2.5 million.

In May 2009 by decision of the MA of OPRD the call for proposals under the grant scheme was closed due to exhausted funds.

As a result of the released funds under the scheme in 2010, 1 contract was selected from the List of approved project proposals but not financed due to shortage of funds and concluded to the amount of 2 516 336.70 EUR.

Operation 2.3 Access to sustainable and energy efficient resources

The objective is to implement projects for an intersystem gas connection between Bulgaria and Serbia aiming at enhanced security and diversification of natural gas supplies for Bulgaria.

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

Type of procedure	Direct grant award
Status of the scheme	The scheme sets a deadline for applications
Date of publication	15.11.2010
Beneficiary	Ministry of Economy, Energy and Tourism
Allocated funds, EUR	6 000 000 EUR
Deadline for submission of project proposals	15.02.2011

This scheme aims at preparing and carrying out feasibility studies and preparatory work for the implementation of an intersystem gas connection between Bulgaria and Serbia.

The specific objective is to carry out feasibility studies with at least 3 alternatives, select the best possible route for the intersystem gas connection in economic, technical, geographical and technological terms, prepare the application documents for major projects under Article 39 of Regulation (EC) No 1083/2006.

➤ **Ongoing projects**

The total number of ongoing grant contracts in 2010 under Priority Axis 2 was 59 which were concluded in the time period 2008-2010; 29 of them are for the rehabilitation/reconstruction of second-class and third-class roads and 30 of them are for the rehabilitation/reconstruction of the municipal road network:

Grant Scheme	Name	Number of contracts
BG161PO001/2.1-01/2007	Support for the rehabilitation and reconstruction of second- and third-class roads	29
BG161PO001/2.1-02/2007	Support for sustainable and integrated local development through rehabilitation and reconstruction of the municipal road network	30

57 on-the-spot checks were carried out to monitor project implementation of which 13 were carried out under the Annual Plan for On-the-spot Checks and 44 were carried out without prior warning.

➤ **Terminated contracts**

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

Beneficiary	Contract No	Date of contract cancellation	Reasons for cancellation
Road Infrastructure Agency	BG161PO001/2.1-01/2007/001/003	21.9.2010	The beneficiary requested cancellation of the contract due to failure to carry out a procedure for selection of a contractor for construction works as a result of established errors in the technical designs.

➤ **Completed projects**

In the reporting period 13 projects for the reconstruction and rehabilitation of municipal roads were completed. The main project activities include upgrading the road surface of the municipal road network and ensuring its adequate use, repairing and construction of new drainage facilities, improving the safety of road traffic and facilitating travelling between settlements. New road signs and markings were planned and implemented. The municipal road network 115,981 km long was rehabilitated and reconstructed as a result of the completed projects.

3.2.3. Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

3.3. Priority Axis 3 Sustainable tourism development

The funds under this Priority Axis are to the amount of EUR 218 093 623 of which EUR 185 379 580 is the Community contribution. The total amount adds up to 13,62% of the programme's budget.

3.3.1. Achievement and analysis of the progress

In the reporting period the MA of OPRD launched 2 grant schemes, one of them implemented under Operation 3.1 "Enhancement of tourist attractions and related infrastructure", the other under Operation 3.2 "Regional tourist product development and marketing of destinations". The total amount of funds allocated under the launched grant schemes is 92 040 551.90 EUR. The Call for proposals under Operation 3.1 aims at developing competitive natural, cultural and historical attractions and/or groups of attractions able to draw a significant number of visitors and at supporting tourism locations with considerable potential for tourism development. The Call for proposals under Operation 3.2 aims at achieving efficient use of cultural material and non-material heritage in order to develop sustainable cultural tourism, supporting tourist destinations with cultural and historical heritage of huge tourism potential, supporting the conservation and protection of national and world cultural heritage as tourism resources. The specific beneficiary is the Ministry of Culture.

Within the framework of the two-stage procedure, after the competitive pre-selection of projects with a deadline for application launched in 2009 under Operation 3.1 - BG161PO001/3.1-02/2008 "Support for the development of tourist attractions", in 2010 the second stage was launched entailing the submission of detailed application forms by the applicants approved at the first stage. 27 project proposals were submitted.

In the reporting period 34 project proposals and 1 Mid-term Framework Investment Programme were submitted. 27 project proposals and 1 Mid-term Framework Investment Programme were evaluated. 15 project proposals were approved. The Mid-term Framework Investment Programme was withdrawn.

8 contracts were concluded in the total grant amount of EUR 10 775 605.56.

As of 31.12.2010 the total grant amount under Priority Axis 3 is EUR 34 687 759.38 or 18% of the funds allocated under Priority Axis 3.

Table 33. Announced grant schemes

Operational Programme Regional Development	Date of publication	Total budget, EUR	Co-financing from ERDF, EUR (85%)	National funding, EUR (15%)	Projects received as at 31.12.2009
Priority Axis 3 "Sustainable tourism development"					
BG161PO001/3.1-01/2008 "Support for monuments of culture of national and world significance, contributing to sustainable tourism development"	15 July 2008	11 449 914	9 732 427	1 717 487	7 project fiches

BG161PO001/3.1-02/2009 "Support for development of tourism attractions"	30 June 2009	42 364 686	36 009 983	6 354 703	Stage 2: 27 detailed application forms
BG161PO001/3.1-03/2010 "Support for development of natural, cultural and historical attractions"	16 August 2010	88 850 934,90	75 523 294,66	13 327 640,24	Deadline for applications 15 March 2011
BG161PO001/3.2-01/2010 "Support for organization of events of regional and national scope and impact"	30 June 2010	3 189 617,00	2 711 174,45	478 442,55	01 November 2010 for the Framework Investment Programme; 30 November 2010 for project fiches; 10 January 2011 for the Framework Investment Programme and 11 February 2011 for project fiches.
BG161PO001/3.3-01/2008 "Support for the effective national marketing of the tourist product and improved information services"	25 June 2008	32 714 044	27 806 938	4 907 106	-

3.3.1.1. Information on the physical progress of the Priority Axis

Table 34: 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 (mln. EUR)	Value achieved	N/A	N/A	0	0 ⁽¹⁾						0
	Target value	N/A	N/A	1050	N/A	N/A	N/A	N/A	N/A	1475	1475
	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 ⁽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
Number of nights spent outside developed areas (mln.)	Value achieved	N/A	N/A	0	0 ⁽³⁾						0
	Target value	N/A	N/A	3,9	N/A	N/A	N/A	N/A	N/A	N/A	7,0
	Baseline value	2,5 (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 (number)	Value achieved	N/A	N/A	0	0 ⁽⁴⁾						0
	Target value	N/A	N/A	20000	N/A	N/A	N/A	N/A	N/A	500000	500000
	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	Value achieved	N/A	N/A	0	0 ⁽⁵⁾						0

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
attractions and information services (%)	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 (organizations, companies) in international, national and regional tourism fairs and exhibitions	Value achieved	N/A	N/A	0	0 ⁽⁶⁾						0
	Target value	N/A	N/A	1000	N/A	N/A	N/A	N/A	N/A	1500	1500
	Baseline value	900 (2006)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output Indicators											
Total number of projects for tourism development Core indicator (7)	Value achieved	N/A	N/A	0	0 ⁽⁸⁾						0
	Target value	N/A	N/A	36	N/A	N/A	N/A	N/A	N/A	147	147
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of developed tourist attractions /sites	Value achieved	N/A	N/A	0	0 ⁽⁹⁾						0
	Target value	N/A	N/A	25	N/A	N/A	N/A	N/A	N/A	95	95
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of national programmes for marketing and promotion supported, and projects for destinations product development and marketing	Value achieved	N/A	N/A	0	0 ⁽¹⁰⁾						0
	Target value	N/A	N/A	11	N/A	N/A	N/A	N/A	N/A	52	52
	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	N/A	N/A		
	Target value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70 % of TICs are included in the network	70 % of TICs are included in the network
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>(1) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(2) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(3) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(4) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(5) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(6) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(7) The indicator corresponds to Core indicator No 34 "Number of projects (tourism)".</p> <p>(8) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p> <p>(9) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.</p>											

Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
period.										
(10) As of 2010 the indicator was not achieved because no projects were completed under Priority Axis 3 for the reporting period.										

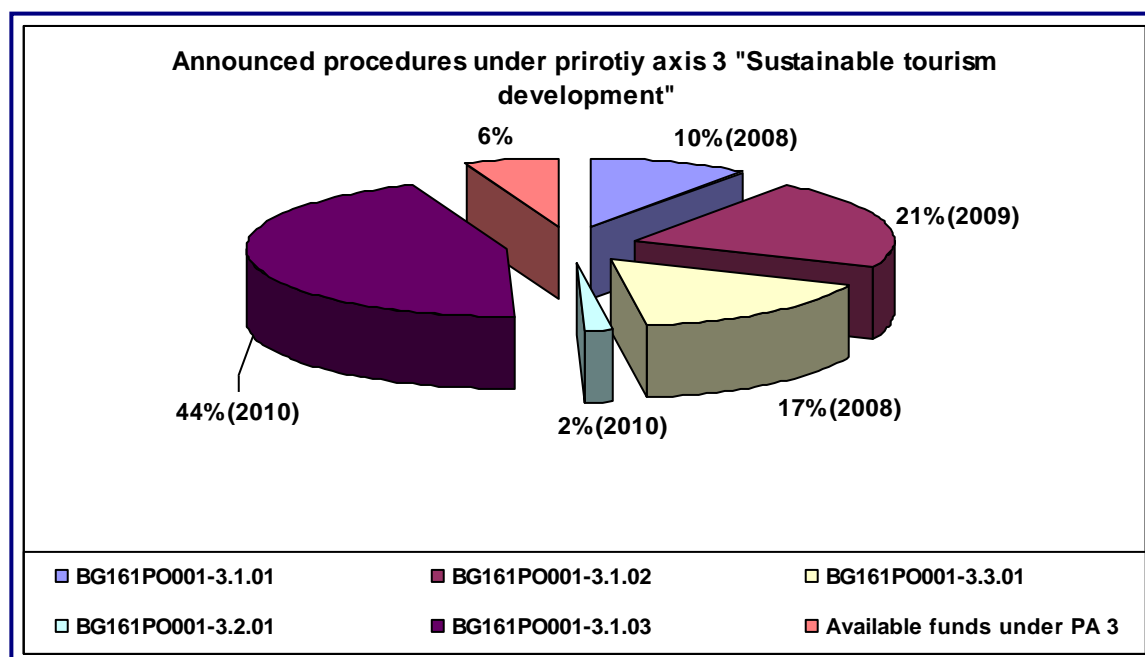
3.3.1.2. Information on the financial progress of the Priority Axis

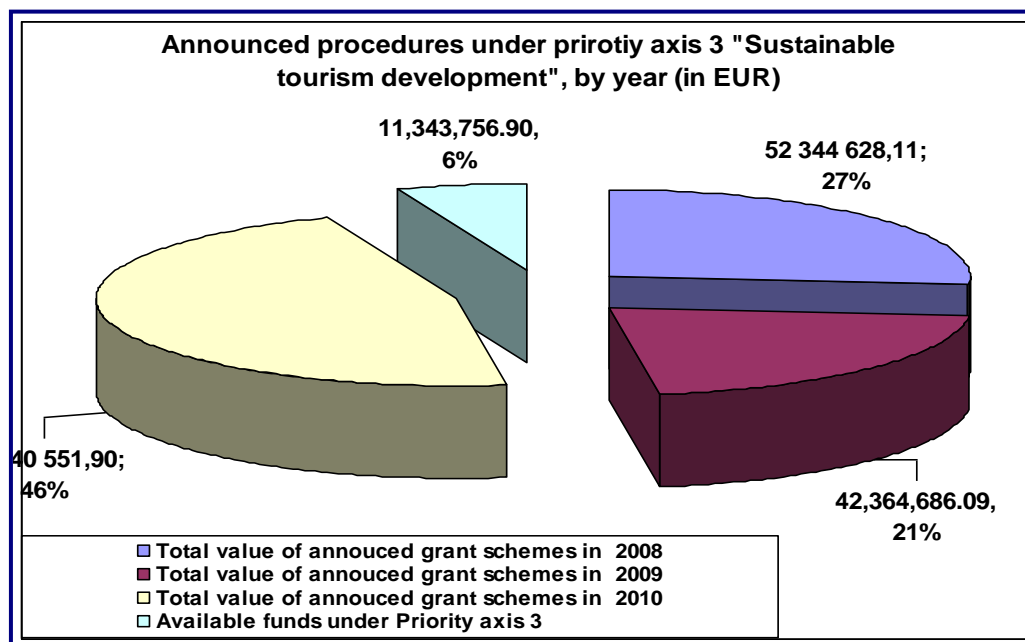
Table 35. Contracted, disbursed and certified funds in the period 01.01.2010 - 31.12.2010

Priority Axis	Financial implementation		
	Contracted (EUR)	Disbursed (EUR)	Certified (EUR)
3. Sustainable tourism development	10 775 605,56	1 751 026,58	986 614,55

3.3.2. Qualitative analysis

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





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.

➤ ***Scheme BG161PO001/3.1-01/2008 "Support for monuments of culture of national and world significance, contributing to sustainable tourism development"***

The objectives of the grant scheme aim at creating specific tourist products based on competitive tourist attractions. The scheme supports projects to the amount from EUR 100 000 to EUR 2,5 million for conservation, reconstruction, restoration, equipment delivery for cultural monuments of national and world significance as well as for improved access to disadvantaged groups and staff training. The grant scheme aims at supporting project proposals by the Ministry of Culture. In the reporting period this beneficiary submitted 7 project proposals. In 2011 an evaluation committee will be set up to evaluate the project fiches.

➤ ***Scheme BG161PO001/3.1-02/2008 "Support for the development of tourist attractions"***

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

- diversified tourism supply and enhanced development of specialized tourism types;

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

Under the scheme projects will be financed from EUR 500 000 to EUR 3 million. Eligible beneficiaries are the municipalities. Eligible partners can be municipalities, associations of municipalities, other public authorities, administering immovable cultural assets of national importance and protected areas under the Protected Areas Act, tourism associations registered in the National Tourism Register and their branches.

Eligible activities under the scheme are:

- Development of natural, cultural and historical attractions including restoration, conservation, exhibit, equipment, introduction of techniques and animation and interpretation programmes, etc.;
- Development of tourist infrastructure **needed for the attractions** (touristic paths and health paths, climbing, horse riding and biking routes, picnic locations, signs, visitor information centres);
- Development of additional small-scale technical infrastructure in the area 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 (organization of events in the area of the attractions, marketing and advertising activities).

The scheme was launched through a preliminary competitive procedure for the selection of projects with application deadlines with view to implementing a preliminary assessment of the viability of project ideas and avoiding the spending of public funds for the preparation of investment plans for interventions that might be subsequently assessed as irrelevant and insufficiently attractive. In 2009, 80 preliminary selection forms were submitted and the evaluation committee continued its work in 2010. By Decision of the Head of the MA of OPRD of 15.01.2010 48 applicants were approved to submit detailed application forms.

During the evaluation of the application forms for preliminary selection it was ascertained that for tourist sites of public state property, included in the List of the Immovable Cultural Valuables a common problem was identified – for the most tourist sites there were no property acts issued. Beneficiaries were given the possibility to submit the respective property acts when submitting the whole application package. Part of beneficiaries managed to acquire the public property acts. Beneficiaries approved for submission of the whole application package needed to coordinate their technical documentation with the respective exploitation institutions, as well as with the National Institute for Immovable Cultural Heritage (NIICH). Within a period of 4 months part of the admitted candidates did not manage to coordinate their technical documents or to receive the positive statement on part of the NIICH. As result thereof, in 2010 were submitted 27 whole application packages. An evaluation committee was formed, 15 project proposals were approved. In December 2010 were concluded 8 grant contracts at a total grant value of 10 775 605,56 euro.

Table 35: Information on scheme BG161PO001/3.1-02/2009 "Support for the development of tourist attractions"

Type of procedure	Procedure for pre-selection of projects with a deadline for application
Date of publication (submission of detailed application forms)	05.02.2010
Deadline for submission of project proposals	01.06.2010
Eligible candidates	48 municipalities approved by Decision No RD-02-14-59/15.01.2010 to use a pre-selection procedure to rank proposals
Allocated funds, EUR	42 364 686 EUR
Submitted project proposals	27
Number of evaluation committees	1
Number of approved project proposals	15
Number of approved but not financed project proposals	-
Number of rejected project proposals	12
Number of concluded contracts in 2010	8
Total grant amount of contracts concluded in 2010	10 775 605.56 EUR

Table 36: Results of scheme BG161PO001/3.1-02/2009 Support for the development of tourist attractions"

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of submitted projects	15	5	1	1	2	4	2
Number of concluded contracts	8	2	1		1	2	2
Grant amount under the contracts concluded in EUR	10 775 605,56	1 602 631,67	2 852 271,22		1 951 481,88	2 589 717,94	1 779 502,85
Annual number of visitors to the supported attractions	1 921 100,00	158 500,00	1 525 000,00		42 000,00	158 600,00	37 000,00
Satisfaction of visitors with attractions (%)	81,25	92,50	70,00			75,00	87,50
Number of opened jobs related to the supported tourist attractions	373,00	65,00	108,00		107,00	63,00	30,00
Number of supported tourist attractions/sites	28,00	15,00	6,00		1,00	3,00	3,00
Number of trained people in the supported tourist attractions	84,00	9,00	20,00		20,00	30,00	5,00

Net annual revenues from international tourism in the area (in BGN)	13 616 678,00	711 000,00	9 700 000,00			205 678,00	3 000 000,00
Bed occupancy rate (%)	61,71	50,50	90,00		52,00	60,00	56,07
Number of nights spent in the area (mln.)	1 287 200,00	409 700,00	770 000,00		48 000,00	15 700,00	43 800,00

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

This scheme aims at developing competitive natural, cultural and historical attractions and/or groups of attractions able to draw a considerable number of visitors, at supporting tourism locations of considerable tourism potential.

The supported activities include the following: development of natural, cultural and historical attractions, including restoration, conservation, exhibition, protection, equipment delivery, introduction of techniques and animation and interpretation programmes, development of tourist infrastructure needed for the attractions (touristic paths and health paths, climbing, horse riding and biking routes, picnic locations, signs, visitor information centres); development of additional small-scale technical infrastructure in the area of the attractions needed for visiting them (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); parallel training for the staff working at the supported attractions; additional small-scale non-infrastructure activities relevant for the supported attractions (organization of events in the area of the attractions, marketing and advertising activities).

The scheme was launched in 2010 and the deadline for applications is 15.03.2011.

Table 37: Information on scheme BG161PO001/3.1-03/2010 “Support for the development of natural, cultural and historical attractions”

Type of procedure	Open competitive selection procedure with a deadline for application
Scheme status	Deadline for application
Date of publication	16.08.2010
Eligible candidates	161 municipalities with a population of over 10 thousand people (all 264 municipalities in the Republic of Bulgaria for activities related to immovable cultural heritage of national and world importance in compliance with the Register of the National Institute for Immovable Cultural Heritage)
Allocated funds in EUR	88 850 934.90 EUR
Deadline for submission of project proposals	15.03.2011

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 BG161PO001/3.2-01/2010 “Support for the organization of events with regional and national scope and impact”***

The scheme aims at ensuring efficient use of material and non-material cultural heritage with a view to developing sustainable cultural tourism; supporting tourist destinations with cultural and historical heritage and a considerable potential for tourism development; supporting the conservation and protection of national and world cultural heritage as tourism resources.

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

Table 38: Information on scheme BG161PO001/3.2-01/2010 “Support for the organization of events with regional and national scope and impact”

Type of procedure	Direct grant award procedure
Scheme status	Deadline for application
Date of publication	30.06.2010
Beneficiary	Ministry of Culture
Allocated funds, EUR	3 189 617.00 EUR
Deadline for submission of project proposals	1 November 2010 for the Framework Investment Programme and 30 November 2010 for project fiches; 10 January 2011 for the Framework Investment Programme and 11 February 2011 for project fiches;
Number of evaluation committees in 2010	1
Number of submitted project proposals in 2010	1 Mid-term Framework Investment Programme
Number of approved project proposals	-
Number of rejected project proposals	The Mid-term Framework Investment Programme was withdrawn by the beneficiary.

➤ Ongoing projects

The total number of ongoing projects in 2010 under Priority Axis 3 is 19 and they were concluded in the period 2008-2010 as follows:

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	2
BG161PO001/3.1-02/2009	Support for the development of tourist attractions	8
BG161PO001/3.3-01/2008	Support for efficient national marketing of the tourist product and improved information services	9

19 on-the-spot checks were carried out to monitor the scheme implementation, 18 of which were under the Annual Plan for On-the-spot Checks and 1 was carried out without prior warning.

3.3.3. Significant problems encountered and measures taken to overcome them

Contract implementation was considerably delayed. Delayed performance was observed in the implementation of grant contracts concluded with the beneficiary the Ministry of Economy, Energy and Tourism due to structural changes the beneficiary experienced, i.e. the closing of the State Agency for Tourism and the transfer of its functions to the Ministry of Economy, Energy and Tourism. As a result 12 annexes to the grant contracts were concluded to extend the period of project implementation.

3.4. Priority Axis 4: Local development and cooperation

The financial resource under this Priority Axis amounts to **EUR 89 671 387**, of which **EUR 76 220 679** is EU contribution. The total sum represents **6.60%** of the programme's budget.

3.4.1. Achievement and analysis of the progress

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

In 2010 two grant schemes were opened under *Operation 4.1 Small-scale local investments*: BG161PO001/4.1-03/2010 "Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities" in the amount of EUR 13 940 418.00 and BG161PO001/4.1-04/2010 "Support for small-scale measures for flood prevention in 178 small municipalities" to the total grant amount of EUR 16 470 588.00. 182 project proposals were submitted under the two schemes (of which 1 was withdrawn and 4 were submitted after the deadline). 96 project proposals were evaluated under BG161PO001/4.1-03/2010 "Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities". Under the second scheme BG161PO001/4.1-04/2010 "Support for small-scale measures for flood prevention in 178 small municipalities", an evaluation committee was set up which continued to evaluate 81 project proposals in 2011).

43 contracts of the total grant amount of EUR 16 107 550.59 were concluded.

As a result of the released funds under scheme BG161PO001/4.1-01/2007 “Support of adequate and cost-effective educational infrastructure contributing to sustainable local development”, in 2010, 4 contracts to the amount of EUR 1 907 361.73 were selected from the List of approved project proposals but not financed due to shortage of funds.

As a result of the released funds under scheme BG161PO001/4.2-01/2008 “Support of interregional cooperation and exchange of best practices”, in 2010, 4 contracts to the amount of EUR 444 733.95 were selected from the List of approved project proposals but not financed due to shortage of funds.

As of 31.12.2010 the total grant amount disbursed under Priority Axis 4 stands at EUR 49 815 605.17 or 56% of the funds allocated under the Priority Axis.

Table 39: Announced grant schemes and received project proposals:

Operational Programme Regional Development	Date of publication	Total budget, EUR	Co-financing from ERDF, (85%) EUR	National funding, (15%) EUR	Received projects as at 31.12.2009
Operation 4.1 “Small-scale local investments”					
BG161PO001/4.1-01/2007 “Support of adequate and cost-effective educational infrastructure contributing to sustainable local development”	19 December 2007	24 979 887	21 232 904	3 746 983	The procedure for the collection of project proposals was cancelled.
BG161PO001/4.1-02/2008 “Support for construction and consolidation of small-scale infrastructure to prevent landslides”	02 October 2008	7 058 824	6 000 000	1 058 824	-
BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”	2 March 2010	13 940 418	11 849 355,30	2 091 062,70	98 (2 project proposals were submitted after the deadline)
BG161PO001/4.1-04/2010 “Support for small-scale measures for flood prevention in 178 small municipalities”	1 July 2010	16 470 588,00	13 999 999,80	2 470 588,20	83 (2 project proposals were submitted after the deadline)
BG161PO001/4.2-01/2008 “Support of interregional cooperation and exchange of best practices”	31 July 2008	6 405 099	5 444 334	960 765	-

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	Value achieved	N/A	N/A	0	57						57
	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

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
(number)											
Population benefiting from small scale investment (number)	Value achieved	N/A	N/A	54277	402 812						402 812
	Target value	N/A	N/A	75 000	N/A	N/A	N/A	N/A	N/A	166 000	166 000
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											
Small scale investment implemented projects (number)	Value achieved	N/A	N/A	4	51 ⁽¹⁾						51
	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	9						17
	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
<i>(1) As of 2010 the 2009 target value has not been achieved by the indicator because there are ongoing projects under the contracts concluded in 2009.</i>											

3.4.1.2. Information on the financial progress of the Priority Axis

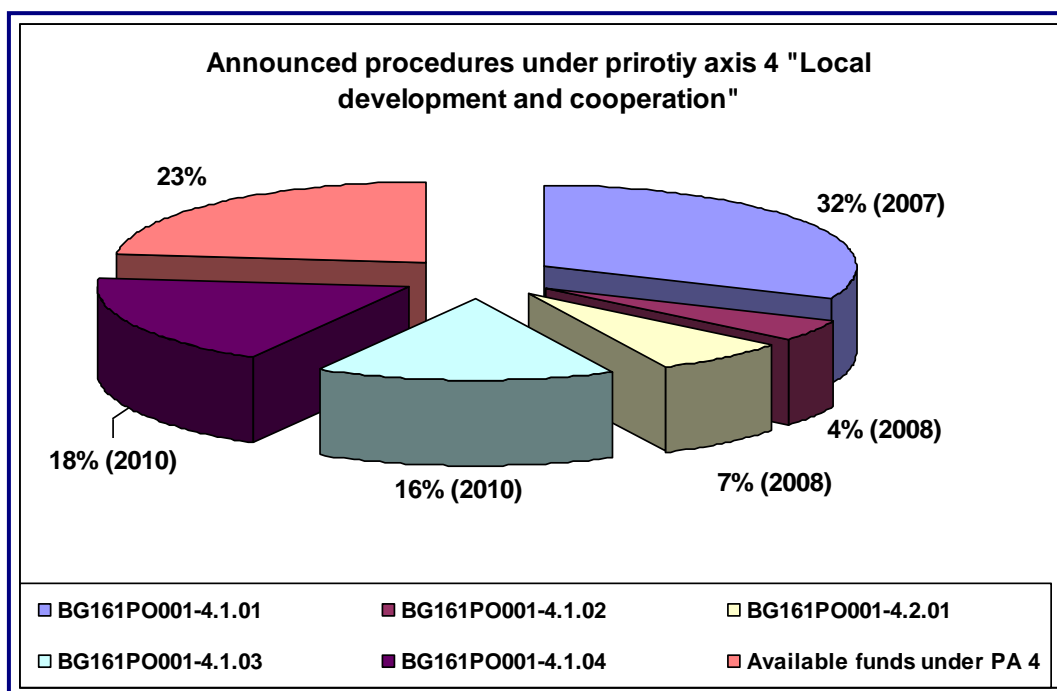
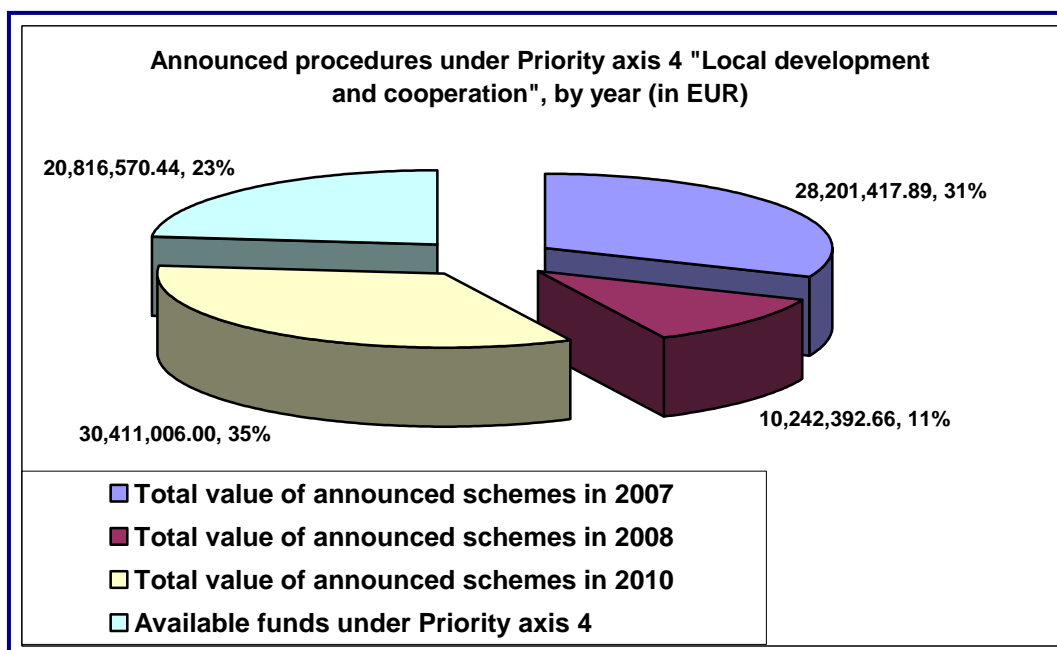
Table 41. Contracted, disbursed and certified funds in the period 01.01.2010-31.12.2010

Priority Axis	Financial implementation		
	Contracted (EUR)	Disbursed (EUR)	Certified (EUR)
4. Local development and cooperation	16 107 550,59	13 891 859.90	13 790 006,09

3.4.2. Qualitative analysis

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

The announced grant schemes aimed at improvement of educational services by the renovation and reconstruction of educational infrastructure taking into account the needs of disadvantaged groups including the Roma, and improvement of interregional cooperation and exchange of best practices for social and economic development as well as enhanced life safety by risk prevention.



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 BG16IPO001/4.1-01/2007 “Support for the provision of adequate and cost-effective educational infrastructure contributing to sustainable local development”***

The specific objectives of the grant scheme was to improve, renovate and upgrade the educational infrastructure and ensure social integration and equal access of vulnerable groups to municipal infrastructure.

The scheme supports projects to the amount from EUR 50 000 to EUR 500 000 aimed at upgrading, renovating, delivering equipment, implementing energy efficiency audits, introducing energy efficiency measures and RES installations and improving access for disadvantaged groups.

In 2010, 4 contracts to the amount of EUR 1 907 361.73 were selected from the List of approved project proposals but not financed due to shortage of funds and concluded.

➤ ***Scheme BG16IPO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”***

The scheme aims at ensuring municipal educational infrastructure with high energy efficiency contributing to the development of sustainable urban areas and sustainable local development, at enhancing the energy efficiency of municipal educational infrastructure, at ensuring the use of renewable in the municipal educational infrastructure. The scheme is a follow-up on the scheme **BG16IPO001/4.1-01/2007 “Support of adequate and cost-effective educational infrastructure contributing to sustainable local development”** and a measure in response to the energy crisis in the winter of 2009.

Another 37 project proposals to the amount of EUR 26 983 516.18 were approved under the grant scheme which cannot be funded due to the shortage of funds.

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

Table 42: Information on scheme BG16IPO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”

Type of procedure	Open competitive selection procedure with a deadline for application
Scheme status	Deadline for application
Date of publication	02.03.2010
Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Allocated funds, EUR	13 940 418 EUR
Deadline for submission of project proposals	05.07.2010
Number of evaluation committees in 2010	1
Number of submitted project proposals in 2010	98 (2 project proposals received after the deadline)

Number of approved project proposals	35
Number of approved but not financed project proposals	37
Number of rejected project proposals	24
Number of concluded contracts in 2010	35
Total amount of concluded contracts in 2010	13 755 454.92 EUR

Table 43: Results of scheme BG161PO001/4.1-03/2010 “Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities”

	Total	NWR	NCR	NER	SER	SCR	SWR
Number of submitted projects	96	17	10	10	11	24	24
Number of concluded contracts	35	1	6	5	5	7	11
Grant amount under the contracts concluded in EUR	13 755 454,92	582 181,27	2 161 564,49	1 997 530,31	1 873 185,12	2 939 334,84	4 201 658,89
Improved educational infrastructure (sq. m. of built-up area)	171 967,99		22 905,80	25 654,90	9 636,29	37 885,23	75 885,77
Improved educational infrastructure	68	2	13	5	12	14	22
Number of Roma/ethnic minorities, who benefitted from the project activities	72					72	0
Number of the disabled							
Energy savings (mWh/y)	28 313,263	808,887	6 518,734	3 105,907	1 888,057	7 299,764	8 691,914
Reduction in greenhouse emissions (CO2 and equivalents) (kt/average per year)	82,720		28,710	0,380	33,468	0,911	19,251
Number of students/children who benefitted from the improved educational infrastructure	16 503	627	2 430	1 938	1 830	2 675	7 003

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

The scheme aims at ensuring flood prevention of the settlements in 178 small municipalities with a view to mitigating potential adverse implications for human health and environment at reducing risks of floods in the settlements in these 178 small municipalities by means of sustainable measures to fight floods.

The supported activities include the construction, reconstruction and overhaul of the flood prevention infrastructure in the settlements of 178 small municipalities and the construction, reconstruction and overhaul of small-scale spillways, retention basins, dykes, reservoirs, etc. which are part of the flood prevention facilities in the settlements of 178 small municipalities.

Table 44: Information on scheme BG161PO001/4.1-04/2010 “Support for small-scale measures for flood prevention in 178 small municipalities”

Type of procedure	Open competitive selection procedure with a deadline for application
Scheme status	Deadline for application
Date of publication	01.07.2010
Eligible candidates	178 municipalities outside the scope of urban agglomeration areas
Allocated funds, EUR	16 470 588.00 EUR
Deadline for submission of project proposals	30.11.2010
Number of evaluation committees in 2010	1
Number of submitted project proposals in 2010	83 (2 project proposals received after the deadline)

Operation 4.2 Interregional cooperation

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

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

The specific objectives of the scheme are aimed at promoting regional and local initiatives and exchange of good practices by interregional cooperation in the EU, addressing the following eligible topics: risk prevention, revitalization of urban areas – planning and managing cities, ICT networks/information society, housing policy, renewable energy resources, transport/models for transport organization, tourism development and marketing of destinations in particular more significant cultural and historic attractions, encouraging and developing interregional cooperation models.

In 2010, 4 contracts in the amount of EUR 444 733.95 were selected and concluded from the List of approved project proposals but not financed due to shortage of funds.

➤ Ongoing projects

In 2010, under Priority Axis 4, the total number of ongoing contracts concluded in the time period 2008-2010 was 158:

Grant Scheme	Name	Number of contracts
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BG161PO001/4.1-01/2007	Support of adequate and cost-effective educational infrastructure contributing to sustainable local development	61
BG161PO001/4.1-02/2008	Support for the construction and consolidation of small-scale infrastructure to prevent landslides	13
BG161PO001/4.1-03/2010	Support for energy efficiency measures in the municipal educational infrastructure of 178 small municipalities	35
BG161PO001/4.2-01/2008	Support for interregional cooperation and exchange of best practices	49

153 on-the-spot checks were carried out to monitor project implementation, 29 of which under the Annual Plan for On-the-spot Checks and 124 were carried out without prior warning.

➤ **Terminated contracts**

In the reporting period 9 grant contracts were terminated as follows:

Beneficiary	Contract No	Date of contract cancellation	Reasons for cancellation
Suhindol Municipality	BG161PO001/4.1-02/2008/008	27.4.2010	The beneficiary requested the cancellation of the contract due to financial difficulties faced in the implementation of the main project activities as a result of the financial and economic crisis.
Varna Municipality	BG161PO001/4.2-01/2008/032	23.12.2010	The beneficiary requested the cancellation of the contract due to inability to implement the project activities.
Blagoevgrad Municipality	BG161PO001/4.2-01/2008/007	26.3.2010	The beneficiary requested the cancellation of the contract due to financial difficulties faced in the implementation of the main project activities as a result of the financial and economic crisis.
Borovo Municipality	BG161PO001/4.2-01/2008/041	07.4.2010	The beneficiary requested the cancellation of the contract due to the withdrawal of a partner.
District administration of Gabrovo	BG161PO001/4.2-01/2008/023	01.2.2010	The beneficiary requested the cancellation of the contract due to financial difficulties faced in the implementation of the main project activities as a result of the financial and economic

			crisis.
Gotse Delchev Municipality	BG161PO001/4.2-01/2008/024	14.7.2010	The beneficiary requested the cancellation of the contract due to the withdrawal of a partner.
Maritsa Regional Association of Municipalities	BG161PO001/4.2-01/2008/016	09.8.2010	The beneficiary requested the cancellation of the contract due to financial difficulties faced in the implementation of the main project activities as a result of the financial and economic crisis.
Varbitsa Municipality	BG161PO001/4.2-01/2008/034	16.12.2010	The beneficiary requested the cancellation of the contract due to inability to implement the project activities.
District administration of Pernik	BG161PO001/4.2-01/2008/031	29.7.2010	The beneficiary requested the cancellation of the contract due to financial difficulties faced in the implementation of the main project activities as a result of the financial and economic crisis.

➤ Completed projects

In the reporting period 35 projects were completed under scheme BG161PO001/4.1-01/2007 “Support of adequate and cost-effective educational infrastructure contributing to sustainable local development”. The reported values of the indicators are as follows:

No	Indicator	Reported value
1	Population benefiting from the upgraded buildings in the improved educational infrastructure	346 977 people
2	Improved educational infrastructure (number)	82 buildings
3	Number of the disabled benefiting from the intervention	95 people
4	Number of Roma minority/other minority members benefiting from the project outcome	9 610 people
5	Students benefiting from the improved educational infrastructure (number) Core indicator(4)	18 553 students

In 2010, 2 projects were completed under scheme BG161PO001/4.1-02/2008 “Support for construction and consolidation of small-scale infrastructure to prevent landslides”. The reported values of the indicators are as follows:

No	Indicator	Reported value
1	Population benefitting from improved physical environment as a result of risk mitigation	1 558 people
2	Area of strengthened landslides	2 419 sq. m.

3	Length of road sections saved from discrediting and becoming unusable by means of strengthening and stabilizing landslides.	6,63 km.
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9 projects were completed under scheme BG161PO001/4.2-01/2008 “*Support for interregional cooperation and exchange of best practices*”. The reported values of the indicators are as follows:

No	Indicator	Reported value
1	Innovative practices exchanged and applied drawing on interregional cooperation (number per completed project)	57
2	Number of interregional events	35
3	Number of participants in interregional events	510 people

3.4.3. Significant problems encountered and measures taken to overcome them

Failure to launch the scheme for the reconstruction/renovation and equipment delivery to hospitals and healthcare establishments in the municipalities contributing to sustainable local development in 2010.

The eligible applicants are the municipalities where the municipal healthcare establishments specified in the Concept for Restructuring of Hospital Care in the Republic of Bulgaria approved by the Council of Ministers are located. The two grant schemes under OPRD were developed based on the concept. The delayed launch of the schemes is due to:

- the amendments to the Concept for the Restructuring of Hospital Care of the Ministry of Health,
- the need of more meetings and talks with stakeholders, i.e. the Ministry of Health, the National Association of Municipalities in the Republic of Bulgaria and municipalities, to agree on a common vision for the scheme implementation and specify the application criteria.

The scheme was included in the Indicative Annual Working Programme for 2011.

➤ **In 2010 projects continued to be implemented under schemes launched in 2007 which allowed preliminary investment designs to be submitted.** The bills of quantities had to be modified as a result of the developed technical/work designs leading to annexes signed to the grant contracts. The MA introduced changes to the type and quantity of construction works at the sites of intervention in compliance with the procedures.

4. ERDF/CF PROGRAMMES: MAJOR PROJECTS

Within Operation 1.5 *Sustainable urban transport systems under OPRD* was approved the first major project according to Art. 39 of Regulation № 1083/2006.

In June 2010 was published the scheme **BG161PO001/1.5-01/2010 “Support for integrated urban transport in Bourgas Municipality”** with specific beneficiary – Municipality of Bourgas.

The objectives of the grant scheme are: providing more efficient and less time and energy consuming urban transport; building more accessible secondary infrastructure for the public transport networks and introducing more ecological types of urban transport; enhancing the attractiveness of the public urban transport; implementing an effective automated traffic management and control system; ensuring social inclusion and equal access of disadvantaged groups.

Eligible activities include:

- Development of traffic management plans and establishment of automated traffic management and control systems through implementation and improvement of traffic management and information systems (e.g. traffic operations centres, central computer system, vehicle detection stations, remote-controlled changeable message signs, ramp metering stations, communication sub-systems);
- Improvement of the accessibility of city bus stations – platforms for disabled people at the stops, removing the orientation and information barriers, light and audio announcements of stops, clear visualization of the lines, readable timetables even for those with impaired vision, information for the blind, etc.;
- Renovation of the transport infrastructure – the socket and catenary cable network, improving stations and stops, repair and maintenance facilities and equipment;
- Development of infrastructure and route network of new destinations to remote residential areas;
- Provision of a noise-reduction system – construction of tram tracks with anti-vibration and anti-noise elements;
- Development and improvement of urban public transport systems using buses, trams, trolleys that are compliant with the European legislation on harmful emissions from engines or measures to increase the use of renewable/alternative energy sources in urban transport;
- Rehabilitation and reconstruction of street networks, including video surveillance systems and other systems, in relation to the development of an integrated urban transport system;
- Construction/reconstruction/rehabilitation of pedestrian alleys and sidewalks, construction of bike tracks and alleys, pedestrian areas, alleys for pedestrians and bikers, underpasses, transport infrastructure, including related activities like mounting of indicating signs and marking, within the integrated urban transport system;
- Measures to organize parking in proximity to public transport nodes.

An evaluation committee was established following the submission of the project proposal.

The first major project within the meaning of Article 39 of Regulation No 1083/2006 under OP Regional Development was signed on 26.11.2010. It was sent to EC for approval on 19.11.2010. In December 2010 the European Commission sent comments concerning the submitted application form for major project.

The project envisages a set of measures to modernize public transport and encourage alternative forms of transport: renovation of the rolling stock and the maintenance bases; construction of a central bus station and renovation of bus terminals; implementation of a new optimized and attractive bus route network and of a bus rapid transport system; construction of bike alleys and pedestrian overpasses; implementation of integrated electronic ticketing system and a real-time passenger information system at stops and in buses, an integrated traffic management and control centre supported by video surveillance and public transport control systems, as well as a traffic lights system with public transport prioritization.

Total amount of the project is EUR 67 071 840,00, including EUR 55 998 279,00 in grant and EUR 11 073 561 in candidate's own contribution.

5. TECHNICAL ASSISTANCE

The funds allocated under this Priority Axis amount to **EUR 54 123 087**, of which **EUR 46 004 623** is the amount of the Community contribution. The total amount represents **3.38%** of the programme's budget.

5.1 Achievement and analysis of the progress

Table 45. Announced grant schemes:

Operational Programme Regional Development	Date of publication	Total budget, EUR	Co-financing from ERDF, (85%) EUR	National funding, (15%) EUR	Projects received as at 31.12.2009
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	54 123 087	46 004 624	8 118 463	15 project proposals (2 withdrawn)

Table 46. Issued grant orders

Priority Axis	Total budget of the Priority Axis and in terms of components in EUR	Number of projects approved for financing	Amount of the grants for the approved projects in EUR	Amount of the grants for the projects financed in EUR	Number of orders issued	Amounts under orders issued (grants, co-financing from the beneficiaries in EUR)
5. Technical assistance	54 123 087	13	8 804 472,86	8 804 472,86	13	8 804 472,86
Component 1	24 123 086,87	10	7798685,03	7798685,03	10	7 798 685,03
Component 2	10 000 000,00	2	996891,35	996891,35	2	996 891,35
Component 3	20 000 000,00	1	8896,48	8896,48	1	8 896,48

5.1.1. Information on the physical progress of the Priority Axis

Table 47: 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 OPRD (%)	Value achieved	N/A	N/A	0	0 ⁽¹⁾						0
	Target value	N/A	N/A	15%	N/A	N/A	N/A	N/A	N/A	40%	40%
	Baseline value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Output indicators											

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Technical support, consultancies, etc. (man-days)	Value achieved	N/A	360	360	416 ⁽²⁾						416
	Target value	N/A	1000	5500	N/A	N/A	N/A	N/A	N/A	15500	15500
	Baseline value	1500	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	Value achieved	1084	3978	4442	5307						5307
	Target value	N/A	450	1500	N/A	N/A	N/A	N/A	N/A	4500	4500
	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	Value achieved	1	3	6	8						8
	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						134
	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
Conducted evaluations (number)	Value achieved	N/A	N/A	1	1 ⁽³⁾						1
	Target value	N/A	N/A	3	N/A	N/A	N/A	N/A	N/A	10	10
	Baseline value	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<p>(1) In terms of reporting the level of public awareness on OPRD, Project No BG161PO001/5-01/2008/005 "Communication, information and publicity under OPRD" implemented under scheme BG161PO001/5-01/2008 planned the activity "Conducting sociological surveys related to OPRD" to be implemented in 2011 after the start of other major project activities.</p> <p>(2) In 2010 the indicator was not achieved because in the reporting period the project "Capacity building of OPRD beneficiaries for successful participation in OPRD implementation and absorption of funds granted by the Structural Funds through implementation of a Training Plan" implemented under the Priority Axis was not completed.</p> <p>(3) In 2010 the indicator was not achieved because only one project for the evaluation of the first OPRD Grant Schemes was completed in the reporting period.</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. Based on the results and knowledge acquired during the projects implemented under the pre-accession instruments, Priority Axis *Technical Assistance* will continue to pay special attention to the strengthening of the administrative capacity for programme implementation at central, regional and local levels in addition to the focus the MA placed on human resources development.

5.1.2. Information on the financial progress of the Priority Axis

Table 48. Contracted, disbursed and certified funds in the period 01.01.2010-31.12.2010

Priority Axis	Financial implementation

	<i>Contracted (EUR)</i>	<i>Disbursed (EUR)</i>	<i>Certified (EUR)</i>
5. Technical Assistance	<i>8 804 472,86</i>	<i>1 608 988.35</i>	<i>1 157 301,92</i>

5.2. Qualitative analysis

In 2010, orders were approved and issued for the awarding of grants to the following 13 project proposals:

Project:	BG161PO001/5-01/2008/035 “Reducing fluctuation of labour and increasing the motivation of MA employees to implement the activities related to preparation, coordination, management, monitoring, payment, reporting, evaluation, information and control of Operational Programme Regional Development 2007-2013”
Actions planned:	<ul style="list-style-type: none"> ▪ Verification of expenditure for additional remuneration paid to the employees of Directorate General Programming of Regional Development (DG PRD) and review of the work carried out by the departments within DG PRD in the reporting period. ▪ Preparation of a progress report submitted regularly to the MA on a quarterly basis.
Indicators set:	<ul style="list-style-type: none"> ▪ Employees who have been granted financial incentives - 133 people per month ▪ Reduced fluctuation of MA employees - 40%

Project:	BG161PO001/5-01/2008/036 “Strengthening the administrative capacity and increasing the motivation of employees with Directorate Internal Audit within the Ministry of Regional Development and Public Works (MRDPW) in relation to the implementation of internal audit activities under Operational Programme Regional Development 2007-2013”.
Actions planned:	<ul style="list-style-type: none"> ▪ Verification of expenditure for additional remuneration paid including social security contributions payable by the employees with Internal Audit Directorate within the Ministry of Regional Development and Public Works ▪ Preparation of a progress report submitted regularly to the MA on a quarterly basis.
Indicators set:	<ul style="list-style-type: none"> ▪ Employees who have been granted financial incentives – 10 people per month ▪ Reduced fluctuation of employees with Internal Audit Directorate - 40%

Project:	BG161PO001/5-01/2008/037 “Implementation of a mid-term evaluation of Operational Programme Regional Development 2007-2013”
Actions planned:	Carry out a mid-term evaluation of OPRD and prepare a progress report

	submitted to the MA on a quarterly regular basis.
Indicators set:	Technical support, counseling - 350 man days.

Project:	BG161PO001/5-01/2008/038 “Strengthening the capacity of the Managing Authority of OP Regional Development 2007-2013 for management and implementation of OP Regional Development 2007-2013 via implementation of the training programme, evaluation and analysis of the workload of the MA of OPRD”
Actions planned:	<ul style="list-style-type: none"> ▪ Organization of training courses for the employees with the MA and regional offices of OPRD; ▪ Development of a system for the Evaluation and Analysis of Workload in the MA of OPRD;
Indicators set:	<ul style="list-style-type: none"> ▪ Number of trained employees of the MA of OPRD and the regional offices -125 people ▪ Organized trainings - 43 ▪ Number of study visits for employees -10 ▪ A system for training assessment and reporting – 1 ▪ An analysis of the needs of training for the next two years – 1 ▪ A system accounting for the workload of the MA of OPRD – 1

Project:	BG161PO001/5-01/2008/039 “Support for the preparation of a grant procedure under scheme “Support for design and promotion of innovative cultural events” under OPRD”
Actions planned:	<ul style="list-style-type: none"> ▪ Research of the existing experience, feasibility studies and development of Application Guidelines for the grant scheme “<i>Support for design and promotion of innovative cultural events</i>” under OPRD
Indicators set:	<ul style="list-style-type: none"> ▪ Technical assistance, counseling – 180 man days

Project:	BG161PO001/5-01/2008/040 “Developing and reinforcing the positive image of OP Regional Development 2007-2013”
Actions planned:	<ul style="list-style-type: none"> ▪ Revision and update of the website of OPRD; ▪ Selection of a PR agency and taking advantage of its services to develop and reinforce the positive image of OPRD, the financial contribution of EFRD and the role of the EU
Indicators set:	<ul style="list-style-type: none"> ▪ Information campaigns and public events held in line with the Communication plan - 6 ▪ Public awareness level regarding OPRD - 10%

Project:	BG161PO001/5-01/2008/041 “The cohesion policy and the programming of regional development in Bulgaria: options for the preparation of 2014 – 2020 programming period”
Actions planned:	An analysis of the needs and research of the alternatives for the preparation and implementation of the programming of regional

	development and its related programme documents for 2014 – 2020 programming period.
Indicators set:	<ul style="list-style-type: none"> ▪ A prepared analysis of the needs and research carried out of the alternatives for the preparation and implementation of the programming of regional development and its related documents for 2014 – 2020 programming period -1; ▪ Technical assistance, counseling – 66 man days

Project:	BG161PO001/5-01/2008/043 “Increasing the motivation of the employees with Directorate General Programming of Regional Development by means of financial incentives bound to the specific progress achieved in the management and implementation of OP Regional Development”
Actions planned:	<ul style="list-style-type: none"> ▪ Presentation of a methodology for the evaluation and allocation of financial incentives to the employees of the MA of OPRD; ▪ Verification of project expenditure; ▪ A regular quarterly progress report submitted to the MA
Indicators set:	<ul style="list-style-type: none"> ▪ % of employees compared to the total number who carried out activities going beyond the scope of their job descriptions / an evaluation based on qualitative indicators with the grade of 2 and 3 - 15%; ▪ % of the total number of employees granted financial incentives with high satisfaction rate with the bonuses - 90%;

Project:	BG161PO001/5-01/2008/044 “Ensuring transparency in the implementation of OP Regional Development 2007 – 2013 and its promotion via electronic media and printing press”.
Actions planned:	<ul style="list-style-type: none"> ▪ Ensuring accessibility, publicity and transparency of OP Regional Development 2007 – 2013 via the national electronic media - TV channels; ▪ Ensuring accessibility, publicity and transparency of OP Regional Development 2007 – 2013 via national radio stations; ▪ Ensuring accessibility, publicity and transparency of OP Regional Development 2007 – 2013 via newspapers with high circulation
Indicators set:	<ul style="list-style-type: none"> ▪ Public awareness level regarding OPRD - 15% ▪ Information campaigns and public events held in line with the Communication plan – 60

Project:	BG161PO001/5-01/2008/045 “Pilot evaluation of the capacity of beneficiaries under OP Regional Development 2007-2013”
Actions planned:	<ul style="list-style-type: none"> ▪ Carrying out a pilot evaluation of the beneficiaries’ capacity under OPRD;
Indicators set:	<ul style="list-style-type: none"> ▪ A pilot evaluation of the beneficiaries’ capacity -1; ▪ A tool for the evaluation of the beneficiaries’ capacity -1; ▪ A methodology for the assessment of the beneficiaries’ capacity – 1;

	<ul style="list-style-type: none"> ▪ An analysis of the results from the pilot evaluation of the beneficiaries' capacity – 1;
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Project:	BG161PO001/5-01/2008/046 “Strengthening the capacity of the MA of OP Regional Development for management and implementation of the programme by appointing staff for management of European projects and programmes”
Actions planned:	<ul style="list-style-type: none"> ▪ Implementation of activities ensuring appropriate and efficient management, implementation, monitoring, evaluation and control of OPRD;
Indicators set:	<ul style="list-style-type: none"> ▪ Enhanced efficiency of the work of DG PRD - 30 %; ▪ Appointed staff to manage European programmes and projects at DG PRD – 20.

Project:	BG161PO001/5-01/2008/047 “Increasing the motivation of the civil servants from the administration of the MRDPW directly involved in the implementation of the activities related to the management of the financial contribution of the EU, as specified in Article 6(5) of DCM No 67/14.04.2010”
Actions planned:	<ul style="list-style-type: none"> ▪ Implementation of activities ensuring appropriate and efficient management, implementation, monitoring, evaluation and control of OPRD;
Indicators set:	<ul style="list-style-type: none"> ▪ Number of employees granted financial incentives - 10

Project:	BG161PO001/5-01/2008/048 “Creating environment for the efficient implementation of the grant schemes, evaluation of project proposals and successful implementation of the contracts concluded under OPRD”
Actions planned:	<ul style="list-style-type: none"> ▪ Ensuring the work of the evaluation committees under the launched grant schemes implemented under OPRD; ▪ Ensuring support for providing specialized expertise on issues in order to implement successfully the contracts concluded under OPRD;
Indicators set:	<ul style="list-style-type: none"> ▪ Technical assistance, counseling – 2800 man hours

➤ Ongoing projects

In 2010, the total number of ongoing projects under Priority Axis 5 was 39.

Ex-ante control of compliance was carried out over 15 sets of documents for public procurement under the Public Procurement Act (PPA) and the Ordinance on the Small-scale Public Contracts (OSPC) and the following procedures were carried out:

	Implemented public procurement procedure	Announced on	Procedure	Contracts concluded
1	The development of a set of documents for the modernization and development of sustainable public transport in the five cities of Plovdiv, Stara Zagora, Varna,	22.01.2010	An open procedure under the PPA.	The public procurement procedure was terminated on

	Rousse and Pleven. The procedure included the following 2 lots: Lot 1 – “The development of a set of documents for the modernization and development of sustainable public transport in Plovdiv and Stara Zagora” and Lot 2 – “The development of a set of documents for the modernization and development of sustainable public transport in Varna, Rousse and Pleven”.			30.04.2010.
2	Development and dissemination of promotional videos and the development and placing of billboards to promote OP Regional Development 2007-2013	27.01.2010	An open procedure under the PPA.	4 concluded contracts.
3	Development of a plan to strengthen the capacity of the beneficiaries of OP Regional Development 2007-2013 for the period 2010 -2013	19.02.2010	An open procedure under the PPA.	The public procurement procedure was terminated on 18.05.2010.
4	Implementation of a mid-term evaluation of OP Regional Development 2007-2013.	03.05.2010	An open procedure under the PPA.	1 concluded contract
5	Research of the existing experience, feasibility studies and development of Application Guidelines for the scheme “Support for design and promotion of innovative cultural events” under OPRD;	31.05.2010	Pursuant to Article 2(1),(2) of OSPC.	1 concluded contract
6	A framework agreement for the logistical and technical support of conferences, information campaigns, meetings and other events related to the implementation of OPRD and related activities – EUR 1 078 723,61; Announced on: 29.06.2010.	29.06.2010	An open procedure under the PPA.	7 concluded framework agreements.
7	An analysis of the needs and studies of options for the preparation and implementation of the programming of regional development and related documents in the period 2014 – 2020.	09.07.2010	Pursuant to Article 2(1),(2) of OSPC.	1 concluded contract
8	The development of a set of documents for the modernization and development of sustainable public transport in the five cities of Plovdiv, Stara Zagora, Varna, Rousse and Pleven. The procedure included five lots: Lot 1 - The development of a set of documents for the modernization and development of sustainable public transport in Varna; Lot 2 - The development of a set of documents for the modernization and development of sustainable public transport in Plovdiv; Lot 3 - The development of a set of documents for the modernization and development of	12.07.2010	An open procedure under the PPA.	4 concluded contracts

	sustainable public transport in Stara Zagora; Lot 4 - The development of a set of documents for the modernization and development of sustainable public transport in Rousse; Lot 5 - The development of a set of documents for the modernization and development of sustainable public transport in Pleven.			
9	Development and dissemination of promotional and information materials about OP Regional Development 2007 – 2013.	29.07.2010	An open procedure under OSPC.	2 concluded contracts
10	Development of targeted training for beneficiaries on the relevant operations and counseling for project development and implementation under OPRD.	30.09.2010	An open procedure under the PPA.	1 concluded contract in January 2011
11	Pilot evaluation of the beneficiaries' capacity under OPRD.	30.09.2010	Pursuant to Article 2(1),(2) of OSPC.	1 concluded contract
12	Delivery of specialized legal services to the MA of OP Regional Development 2007-2013 related to its activities.	04.10.2010	An open procedure under the PPA.	1 concluded contract in April 2011
13	Optimization of functionality and updating the design of the website of DG Programming of Regional Development - www.bgregio.eu	30.11.2010	Pursuant to OSPC.	Terminated procedure
14	The development of a set of documents for the modernization and development of sustainable public transport in Rousse.	14.12.2010	An open procedure under the PPA.	1 concluded contract in April 2011
15	Delivery of photocopying services to Department Implementation of Programme Priorities with DG Programming of Regional Development.	16.12.2010	Pursuant to Article 2(1),(2) of OSPC.	1 concluded contract

➤ ***Project Development of a set of documents for the modernization of public transport in 5 cities***

Under the Project “*Development of a set of documents for the modernization and development of sustainable public transport in the five cities (Plovdiv, Stara Zagora, Varna, Rousse and Pleven)*” implemented under Priority Axis 5 “*Technical Assistance*” of OPRD, feasibility studies were launched to outline the scope and content of the public transport projects, prepare transport strategies; prepare financial and economic analyses of the projects, examine the ownership of the rolling stock of public transport in each city including study the infrastructure related to the public transport.

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

➤ ***Project „Analysis of the needs and researching options for the preparation and implementation of the process of programming of regional development and related programming documents for the programming period 2014 – 2020”***

The Managing Authority of OPRD has started the process of programming for the next period, with the implementation of a project: *“Analysis of the needs and researching options for the preparation and implementation of the process of programming of regional development and related programming documents for the programming period 2014 – 2020”* under Priority Axis 5 *“Technical Assistance”* of OPRD. The implementation of the project aims to help the Bulgarian administration and the Ministry of Regional Development and Public Works within the framework of the Operational Programme *“Regional Development”* (OPRD) in the preparation of the planning process for the next operational programme of regional development for the period 2014-2020. The activities carried out under the contract with the contractor are as follows:

- ✓ Performing an Analysis of the needs for programming of regional development for the programming period 2014-2020;
- ✓ Researching and substantiating function and interaction models of the programming bodies;
- ✓ Development of versions and models for regional programming and institutions, allocation of programming tasks;
- ✓ Development of possible thematic areas in support of the programming process 2014-2020;
- ✓ Presenting the experience of other Member States – Poland, Hungary, Slovenia, Portugal and Germany.

Conclusions drawn from the implementation of the project:

- ✓ *The project’s timetable was well-developed – time for starting programming;*
- ✓ *Currently, on European Union level, significant events are taking place, at which Bulgaria can take a well-grounded position with regard to the future Cohesion Policy;*
- ✓ *EU’s requirements – “thematic focus” and “conditionality” – shall be addressed at the respective programming stage;*
- ✓ *A firm decision is urgently needed on the decentralization processes;*
- ✓ *All options for organizing the process are technically feasible and each of them requires the institutional establishment of the sub-national levels;*
- ✓ *The issue of “regionalization” and decentralization has to be decided on a political level first.*

On-the-spot checks

10 on-the-spot checks were carried out on interim and final payment claims.

Completed projects

In the reporting period 6 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 MA 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:

- 2 developed risk assessment methodologies at the institutional and project levels;

- An evaluation of the first launched calls under OPRD – 1;
- Purchased IT equipment and software needed for the operation of the MA of OPRD;
- A seminar held with 58 participants and 2 study visits under the project “Support for the operation of a Working Group set up by the MA of OPRD for better coordination of the deinstitutionalization of social institutions for children”

5.3. Significant problems encountered and measures taken to overcome them

No significant problems were established in the reporting period.

6. INFORMATION AND PUBLICITY

The website

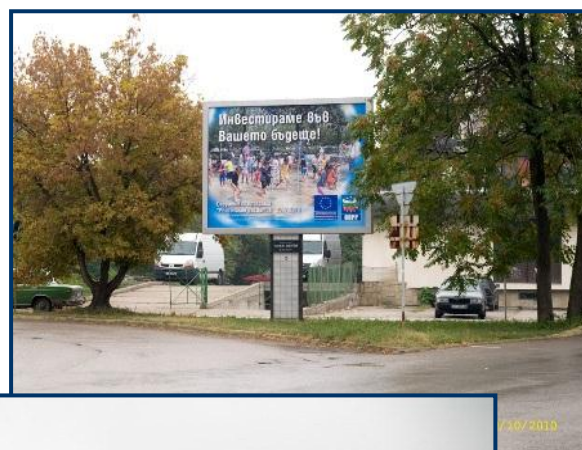
The results of the web analysis of www.bgregio.eu from Google analytics show that by the end of December 2010 the website was visited **over 800 000 times** and has **over 220 000 unique users**.

In the reporting period **112 messages and pieces of news** were published aiming at ensuring maximum transparency and publicity of the implementation of OP Regional Development.

In the end of 2010 a small public procurement contract was launched for the selection of a contractor to optimize the functionality and update the design of www.bgregio.eu. The main expected results include improved structure, functionality and vision of the website contributing to more accurate and facilitated work by both the beneficiaries and the MA in relation to information and publicity activities.

Placed billboards

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



In the period August - December 2010, **over 250 billboards** with 6 designs were developed and placed across the country in order to attract and raise public interest in the programme and its implementation.

Information and promotional materials

After an open contest had been carried out, in November 2010, **2 contracts for the development and dissemination of information and promotional materials for OP Regional Development were concluded.**

Under the contracts by the end of December 2010 the following materials were developed and disseminated:

7 leaflets and brochures titled:

- “Childhood for All”;
- “Modernization of the Public Transport in Bourgas”;
- “Modernization of the Public Transport in Sofia City”;
- “Preparation of Projects for an Integrated Public Transport in the five cities of Varna, Plovdiv, Stara Zagora, Pleven and Rousse”;
- “Operational Programme Regional Development 2007-2013 to support the Rehabilitation of Second- and Third-class Roads”;
- “Joint European Support for Sustainable Investment in City Areas (JESSICA)”;
- “Operational Programme Regional Development 2007-2013”.



Promotional materials:

- Pens;
- Notepads;
- Conference folders with sheets of paper;
- Document files;
- Calendars;
- Desktop calendars;
- Key rings with USB;
- Business card cases;

Information events

In 2010 the Managing Authority organized **21 information days** and trainings for beneficiaries under **6 open grant schemes** as follows:

- **BG161PO001/1.1-09/2010** “Support for energy efficiency measures in the 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”;
- **BG161PO001/1.4-06/2010** “Support for small-scale measures for flood prevention in urban agglomerations”;
- **BG161PO001/4.1-04/2010** Support for small-scale measures for flood prevention in 178 small municipalities;
- **BG161PO001/3.1-03/2010** “Support for the development of natural, cultural and historical attractions”;
- **BG161PO001/1.4-07/2010** “Support of integrated plans for urban rehabilitation and development”;
- **Update of the scheme BG161PO001/3.1-03/2010** “Support for the development of natural, cultural and historical attractions”;



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

- Press conference for the presentation of the schemes to be launched in 2010;
- Press conference on the progress achieved in the programme implementation;



- **9 official ceremonies on the occasion of contract signing under grant schemes;**

- The official signing of the Financing Agreement under the Joint European Support for Sustainable Investment in City Areas (JESSICA);



In the period October - November 2010, after an open procedure **7 framework agreements were concluded** with 4 contractors for the logistical and technical support of conferences, information campaigns, meetings and other events related to the implementation of OPRD at the central level and in

the six regions at NUTS 2 level. **As a result of the agreements concluded the following events took place:**

- An information day under Grant Scheme BG161PO001/1.4-07/2010 “Support of integrated plans for urban rehabilitation and development”;
- Conference “Preparation for the programming of regional development in the next programming period”;
- Information meeting titled “Childhood for All” on the support for deinstitutionalization of children in Bulgaria;



- The 7th session of the Monitoring Committee of OPRD 2007-2013;

- Conference on the Joint European Support for Sustainable Investment in City Areas – JESSICA;

- The Annual conference of the MA of OPRD.



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

Under the project “*Ensuring transparency in the implementation of OP Regional Development 2007 – 2013 and its promotion in the electronic media and printing press*”, in the period October-November 2010 **Calls for proposals were sent to 3 national radio stations and 5 national television channels** for broadcasting time for programmes, coverage, spots presenting both the opportunities under OPRD and topical news and implemented projects.

In December 2010 **2 contracts were concluded with 2 national radio stations** for the broadcasting of special bulletins related to the information campaign under OPRD.