1. Basic information

1.1. CRIS number: 2005/017-456.03

1.2. Title: TECHNICAL ASSISTANCE FOR IMPLEMENTATION OF NEIGHBOURHOOD PROGRAMME BETWEEN BULGARIA AND THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

1.3. Sector: Regional Development/CBC

1.4. Location: Cross-border region between Bulgaria and the former Yugoslav Republic of Macedonia

1.5. Duration: 24 months

2. Objectives

2.1. Overall Objectives:
Support to NP implementation for the achievement of its objectives and priorities /2004-2006/ and preparing future neighbourhood and cross-border programmes.

2.2. Project purpose
Smooth administration of the NP between Bulgaria and the former Yugoslav Republic of Macedonia and preparing the framework for future neighbourhood and cross-border programmes.

2.3. Accession Partnership (AP) and NPAA priority
The project will contribute in the preparation process of Bulgaria and the Former Yugoslav Republic of Macedonia for the accession.

2.4. Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)
N/A

2.5. Cross-border impact
In the framework of this Neighbourhood Programme one horizontal measure for technical assistance will support Programme implementation and the achievement of its objectives and priorities.

Technical assistance will be used to ensure efficient, effective and transparent management and implementation of the Neighbourhood Programme. The smooth administration of the programme, that joins funds from two different EC sources – Phare CBC and CARDS - and national co-financing, strictly depends on the capacity in management and in properly dealing with procedures in order to prevent and avoid bottlenecks. Hence, a percentage of the available resources shall be envisaged for the efficient implementation of the whole programme.
The activities are broadly divided into two categories:

I. Operational costs to the Programme including
   Programme management and implementation
   Projects preparation, programme publicity and evaluation

II. TA to future Programme preparation

3. Description

3.1. Background and justification
The Joint Programming Document (JPD) is the basis for the Neighbourhood Programme of the border area between the Republic of Bulgaria and the former Yugoslav Republic of Macedonia. As such, this JPD lays the basis for implementing funds both from the EU Phare CBC programme (for Bulgaria) and from the EU CARDS programme (for the former Yugoslav Republic of Macedonia). Moreover, the document provides a strategic framework for interventions to be financed from the new neighbourhood instrument, which will be established after 2007, as well.

The programme is structured into two main priority axes, supplemented by an additional one for the enhancement of local people to people actions. The NP strategy has in addition a horizontal measure for technical assistance at programme level.

The Neighbourhood Programme will operate through an Phare Programme Implementing Agency (fulfilling the role of Contracting Authority) for the Phare CBC component (in Bulgaria) and a Programme Coordination Unit (PCU) for the CARDS component (in the former Yugoslav Republic of Macedonia), while the Contracting Authority will be the European Agency for Reconstruction (EAR) in the former Yugoslav Republic of Macedonia.

The management structures for this NP include the national authorities responsible for Programme coordination (Phare Programme Implementing Agency in Bulgaria, and Programme Coordination Unit in the former Yugoslav Republic of Macedonia), a Joint Cooperation Committee and a Joint Steering Committee, assisted by a Joint Technical Secretariat.

The operational costs of the Joint Technical Secretariat are co-financed under the programme’s budget provided they comply with the list of tasks eligible for co-financing in the relevant EU regulations.

3.2. Sectoral rationale
N/A

3.3. Results
Financial support provided under the TA the following results:
Smooth operation of the JTS, JSC and JCC through:
- Sufficient number of staff employed within the JTS, operational capable to manage the tasks prescribed in the JPD,
- Timely management of all Programme related meetings,
- JTS staff sufficiently competent to assist JCC, JSC, IA/PCU in performing NP implementation,
- Increased awareness and information among the local beneficiaries, as well as suitably promoting programme’s results achieved and aims pursued.
- Improved administrative activities related to the joint evaluation, monitoring and control process,
- Ready to finance project proposals.
- Programming Documents for 2007-2013 CBC between Bulgaria and FYRoM prepared and established framework of the new managing structures

3.4. Activities

I. Operational costs to the Programme including:

**Programme management and implementation**
Eligible actions within the framework of the JPD horizontal measure are, as an indication, the following ones:
- Expenditure relating to the JTS
- Expenditure relating to the management, implementation, monitoring and control of the Programme

**Projects preparation, programme publicity and evaluation**
- Expenditure for assisting potential applicants in project preparation
- Expenditure relating to evaluations, audits, seminars, information, publicity concerning the Programme

II. TA to future Programme preparation
The TA will support MRDPW in the preparation of the relevant future Programming Documents and will ensure they are in line with the adopted EC Regulations.
The TA will also provide support to future managing structures and potential beneficiaries in the whole cycle of project preparation and implementation for the period 2007-2013

3.5. Linked activities
The project is the second of this type. Under Phare CBC/CARDS Neighbourhood Programme 2004 the project “2004-016-786.01.03 Technical Assistance” will be implemented.

3.6. Lessons learned
The project is a direct product of lessons learned from previous Phare programmes, that is to say the necessity to develop sufficient and adequate planning and preparatory activities to anticipate and minimise problems in the implementation phase.

4. Institutional Framework
On the Bulgarian side, the responsibilities for the Neighbourhood Programme are laid down with the Phare Programme Implementing Agency at the Ministry of Regional Development and Public Works. It has the overall responsibility for the implementation, as well as the administrative, technical and financial management. MRDPW is obliged also to monitor the physical and financial implementation, Phare and co-financing payments, and report to the EC in regularly reports.

The MRDPW will ensure necessary human resources for the technical management of the project.
On the former Yugoslav Republic of Macedonia side, the responsibilities on the day-to-day tasks of the NP lay down with the PCU, while the European Agency for Reconstruction (EAR) will act as Contracting Authority.

The Joint Technical Secretariat will assist the IA and the PCU in the implementation of the NP.

5. Detailed budget

5.1. Phare Support

<table>
<thead>
<tr>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>€M</td>
<td>National Public Funds (1)</td>
<td>Other Sources (2)</td>
</tr>
<tr>
<td>Year 2005 - Investment support jointy co funded</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Investment support – sub-total</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>% of total public funds</td>
<td>max 75 %</td>
<td>min 25 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2005 Institution Building support</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TA</td>
<td>0.070</td>
</tr>
<tr>
<td>Programme management and implementation</td>
<td>0.025</td>
</tr>
<tr>
<td>Projects preparation, programme publicity and evaluation</td>
<td>0.025</td>
</tr>
<tr>
<td>IB support</td>
<td>0.120</td>
</tr>
<tr>
<td><strong>Total project 2005</strong></td>
<td><strong>0.120</strong></td>
</tr>
</tbody>
</table>

(1) Contribution from national, regional, local, municipal authorities, FIs loans to public entities, funds from public enterprises.

(2) Private funds, FIs loans to private entities.

(3) The rate of the generally available maximum support (Phare funds) could not exceed 90% of the total cost, while the rest has to be provided as own resources by the beneficiaries. The necessary minimum of 10% co-financing for the projects will be provided by the beneficiaries. The total amount of co-financing and total budget for the projects will be defined after contracting.
5.2. CARDS Support

6. Implementation Arrangements

6.1. Implementing Agency

The Republic of Bulgaria

*Phare Programme Implementing Agency:* Ministry of Regional Development and Public Works
Address: 17-19 Cyril and Methodius St. 1202 Sofia
Director: Tzvetomira Lacheva – Deputy PAO
Contact Person: Hristo Medarov, Head of Phare CBC Department
Phone: +359 2 9405-237,
Fax: +359 2 987 0737
E-mail: hmedarov@mrrb.government.bg

The former Yugoslav Republic of Macedonia

*Contracting Authority*
European Agency for Reconstruction
Makedonija 11/I, 1000 Skopje
Tel: +389 2 328 6782
Fax: +389 2 312 4760

6.2. Twinning
N/A

6.3. Non-standard aspects
“The Practical Guide to Contract Procedures financed from the General Budget for the European Communities in the context of external actions” will be strictly followed.

6.4. Contracts

**One Service Contract for TA** – Phare amount € M 0.070 will be concluded under “Technical Assistance for Implementation of Neighbourhood Programme between Bulgaria and the former Yugoslav Republic of Macedonia” project.

**Operational costs to the Programme including:** Programme management and implementation - Phare amount € M 0.025 and Projects preparation, programme publicity and evaluation - Phare amount € M 0.025 with ex-ante approval of budget lines by EC Delegation in Sofia.

7. Implementation Schedule

7.1 Start of tendering
November 2005
7.2 Start of project activity
November 2005

7.3 Project completion
November 2006 – for the TA service contract
November 2007 – PPF and operational costs

8. Equal Opportunity
N/A

9. Environment
N/A

10. Rates of return
N/A

11. Investment criteria
N/A

12. Conditionality and sequencing
The project will start after signing of the Financial Memorandum between Bulgaria and the European Union for 2005.

Annexes to Project Fiche:
1. Logical Framework in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
### LOGFRAME PLANNING MATRIX FOR
**Project Title:** TECHNICAL ASSISTANCE FOR IMPLEMENTATION OF NEIGHBOURHOOD PROGRAMME BETWEEN BULGARIA AND THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Execution of contract period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.11.2007</td>
<td>30.11.2008</td>
</tr>
<tr>
<td><strong>Overall objectives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to NP implementation for the achievement of its objectives and priorities and preparing future neighbourhood and cross-border programmes</td>
<td>Positive assessment on the NP implementation and the structures involved in it</td>
<td>Implementing Agency reports</td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smooth administration of the NP between Bulgaria and the former Yugoslav Republic of Macedonia and preparing the framework for future neighbourhood and cross-border programmes</td>
<td>Number and type of projects successfully carried out</td>
<td>Monitoring Reports</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial support provided under the TA the following results: Smooth operation of the JTS, JSC and JCC through:</td>
<td>Sufficient number of staff employed and trained – at least 3</td>
<td>Monitoring and evaluation reports</td>
</tr>
<tr>
<td>- Sufficient number of staff employed within the JTS, trained and operational capable to manage the tasks prescribed in the JPD,</td>
<td>A regional office in Kjustendil set up and operational</td>
<td></td>
</tr>
<tr>
<td>- Timely management of all Programme</td>
<td>A branch office in the former Yugoslav Republic of Macedonia is set up (optional)</td>
<td></td>
</tr>
<tr>
<td>- Number of signed grant contracts under FM 2005</td>
<td>Number of signed grant contracts under FM 2005</td>
<td></td>
</tr>
</tbody>
</table>
related meetings,
- JTS staff sufficiently competent to assist JCC, JSC, IA/PCU in performing NP implementation,
- Increase awareness and information among the local beneficiaries, as well as suitably promoting programme’s results achieved and aims pursued.
- Improved different administrative activities related to the joint evaluation, monitoring and control process,
- Well prepared project proposals.
- Programming documents for 2007-2013 prepared and established framework of the new managing structures.

- Successfully implemented projects under FM 2005
- Successful launch of Call for Proposals – 2 as per the FM
- Promotion and information campaigns timely launched – at least 2
- Developed programming documents for the period 2007-2013

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programme management and implementation</strong></td>
<td>The PF will be implemented (at least for the Phare component) through one Service contract for TA – Phare amount € 70 000 EUR Operational costs to the Programme including: Programme management and implementation Phare amount € 25 000 and Projects preparation; Programme publicity and evaluation - Phare amount € 25 000 with ex-ante approval of budget lines by EC Delegation in Sofia. TA funds will be transferred to the BG IA, which will be responsible for using them for the purposes detailed in the PF.</td>
<td></td>
</tr>
<tr>
<td><strong>Projects preparation, programme publicity and evaluation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TA to future Programme preparation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to MRDPW in the preparation of</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The TA will also provide support to future managing structures and potential beneficiaries in the whole cycle of project preparation and implementation for the period 2007-2013.
**ANNEX 2**
**IMPLEMENTATION CHART**

*Project title:*
TECHNICAL ASSISTANCE FOR IMPLEMENTATION OF NEIGHBOURHOOD PROGRAMME BETWEEN BULGARIA AND THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

<table>
<thead>
<tr>
<th>Components</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA - Service contract</td>
<td>T</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Programme management and implementation</td>
<td>C</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Projects preparation, programme publicity and</td>
<td>C</td>
<td>I</td>
<td>I</td>
</tr>
</tbody>
</table>
ANNEX 3
CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER

*Project title:* TECHNICAL ASSISTANCE FOR IMPLEMENTATION OF NEIGHBOURHOOD PROGRAMME BETWEEN BULGARIA AND THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

<table>
<thead>
<tr>
<th>CONTRACTING</th>
<th>Cumulative contracting schedule by quarter in €M</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
</tr>
<tr>
<td>Service contract</td>
<td>0,070</td>
<td>0,070</td>
<td>0,070</td>
<td>0,070</td>
<td>0,070</td>
</tr>
<tr>
<td>Programme management and implementation</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
</tr>
<tr>
<td>Projects preparation, programme publicity and evaluation</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DISBURSEMENT</th>
<th>Cumulative disbursement schedule by quarter in €M</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
</tr>
<tr>
<td>Service contract</td>
<td>0,042</td>
<td>0,042</td>
<td>0,063</td>
<td>0,063</td>
<td>0,070</td>
</tr>
<tr>
<td>Programme management and implementation</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
</tr>
<tr>
<td>Projects preparation, programme publicity and evaluation</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
<td>0,025</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
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<td></td>
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