Standard Project Fiche

1. Basic Information

1.1 CRIS Number (Year 2): BG 2005/017-353.11.01
1.2 Title: Phare Project Preparation Facility
1.3 Sector: Other Programmes
1.4 Location: Bulgaria

1.5 Duration:
Phase 1 – Year 2004
Phase 2 – Year 2005
Phase 3 – Year 2006

2. Objectives

2.1 Overall Objective(s):
To increase the administrative capacity of Bulgarian institutions in preparation for EU accession and their effective management of EU funds.

2.2 Project purpose:
To improve the capacity of Bulgarian institutions to prepare well designed Phare projects and to contribute to their efficient implementation

2.3 Accession Partnership (AP) and NPAA priority (and implementing measures envisaged by the Action Plan for AP priorities related to strengthening administrative and judicial capacity)

The project will enhance the authorities’ ability to prepare projects that help Bulgaria meet the full range of its Accession Partnership and NPAA priorities, as well as priorities noted in the EC’s latest Regular Report, Phare Working Document and National Development Plan

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

Not applicable

2.5 Cross Border Impact

Not applicable

3. Description
3.1 Background and justification:

In order to ensure that the necessary technical and implementation documents are prepared for projects approved for financing under the National Phare Programme, this facility shall be used to facilitate its timely and successful implementation. In the programming process in addition to Institution Building, financial assistance is increasingly targeted to Economic and Social Cohesion projects, which have greater emphasis on investment. This factor determines the need for cost benefit analyses, feasibility studies ensuring that the investments are well targeted and the assistance granted will provide best value for money. Thus support is necessary for technical designs and specifications, tender documentation, environmental impact studies, preparation of designs of grant schemes, etc.

Considering the nature of the project, no NGOs were consulted during the project preparation process. The project aims at institution building at the central government level and the NGOs are not seen as directly benefiting or having a role in the project’s activities.

The preparations to achieve full administrative capacity at all levels will continue until accession and beyond. The facility shall be used to provide the necessary training in strategic planning, project preparation and implementation. As well, training concentrating on the necessary preparation for SP projects.

The project is a logical continuation of the previous facilities granted under the Phare National Programmes and has proven to be extremely useful to prepare projects for implementation. It does not duplicate other sources of financing.

3.2 Sectoral rationale

Not applicable

3.2.1 Identification of projects

Not applicable

3.2.2 Sequencing

Not applicable

3.3 Results

3.3.1 Project 1

3.3.1.1 Purpose

To improve the capacity of Bulgarian institutions to prepare well designed Phare projects and to contribute to their efficient implementation

3.3.1.2 Results:

**Phase 1 (2004)**

The project will achieve the following results:
• Strengthened capacity of participating Bulgarian institutions to prepare, implement, monitor and assess projects financed under Phare and EIB support.
• Strengthened coordinating role for the NAC in the programming and implementation cycle.

**Phase 2 (2005)**
The project will achieve the following results:
• Improved planning and implementation of Phare projects;
• Improved quality of the Project fiches and supporting documentation;
• Strengthened coordinating role for the NAC in the programming and implementation cycle.

### 3.4 Activities (including Means)

**Phase 2 (2005)**

The projects should be justified with reference to the latest EC Regular Report, Accession Partnership and National Programme for the Adoption of the Acquis (NPAA).

Priority will be given to:

- proposals that are referring to pure projects preparation;
- proposals for which the main PFs envisage PPF assignment.

The facility shall be used to finance the following broad categories of activities:

1.1 General project preparation and project cycle management training seminars (for Bulgarian officials involved in preparing projects);

1.2 Preparation of mature Phare project fiches and associated documentations for specific projects. This includes:
   - preparation of feasibility studies,
   - technical analysis,
   - design of grant schemes,
   - operational guidelines,
   - procurement plans,
   - tender documentation
   - environmental impact assessment.

1.3 Implementation of Phare projects (by addressing institutional weaknesses in implementation capacity).
1.4 Provision of independent expertise for procurement and evaluation of tenders.

In all cases where assistance is provided under this facility, there must be a strong emphasis on ensuring that the facility provides a lasting improvement in the capacity of Bulgarian institutions to prepare projects in future.
The activities financed under the facility shall include external assistance and training in project preparation and implementation. To contract the assistance approved for financing under the facility, Terms of Reference will be drawn up by the potential beneficiary institution.

3.5 Linked Activities:


3.6 Lessons learned:

The Management of EU Funds Directorate supports the Minister of Finance in his capacity as National Aid Co-ordinator and carries out the overall planning, programming, monitoring and evaluation of pre-accession financial assistance. Being closely involved in all those sages, NAC services are fully aware of all strong and week points which come along with the planning and implementation of donor assistance. Therefore all relevant information, comprising respectively of corrective measures taken and recommendations provided in Monitoring and Evaluation Reports, and gained experience shall be used to guarantee the successful implementation of the facility.

4. Institutional Framework

The facility will be managed by the NAC and his staff at the Ministry of Finance in Sofia, Bulgaria.

The assistance will be contracted by the CFCU using standard Phare procedures. Once the Terms of References have been approved by the Commission Delegation, the CFCU shall be responsible for the procurement of contracts and the execution of payments.

5. Detailed Budget

<p>| Year 2004/ Phase 1 | EU Support | | |
|-------------------|------------|---|---|---|---|
|                   | Investment Support | Institution Building | Total EU (=I+IB) | National Co-financing* | IFI* | TOTAL |
| TA for project preparation, training and implementation | 2.000.000 | 2.000.000 | - | | 2.000.000 |
| Total | 2.000.000 | 2.000.000 | - | | 2.000.000 |</p>
<table>
<thead>
<tr>
<th></th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National Public Funds (*)</td>
<td>Other Sources (**)</td>
<td>Total Co-financing of Project</td>
</tr>
<tr>
<td>€M</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Year 2005 - Investment support jointly co funded**

| Sub-project 1 | | | |
| Sub-project 2, etc… | | | |
| **Investment support – sub-total** | N/A | N/A | N/A | N/A | N/A |
| **% of total public funds** | max 75 % | min 25 % | |

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(** ) private funds, FIs loans to private entities

*In case of parallel co-funding (per exception to the normal rule, see special condition as indicated below:*

*There is no parallel co-financing*

| Year 2005 Institution Building support | | | |
| TA | 2,000 | 2,000 |
| IB support | 2,000 | 2,000 |

**Total project 2005** 2,000

| indicative Year 2006 Investment support | | | |
| indicative Year 2006 IB support | 2,000 | 2,000 |

**Total (indicative) project 2006** 2,000
6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency will be the Central Finance & Contracting Unit (CFCU) in the Ministry of Finance. CFCU will work closely with both the NAC and each beneficiary institution that receives assistance under the facility. The NAC will be responsible for overseeing implementation of general training provided under the facility. The relevant beneficiary institution will be responsible for overseeing project-specific assistance provided under the facility.

The Programme Authorising Officer will be the Secretary General of the Ministry of Finance.

Contact details:

Mr. Tencho Popov, Secretary General of the Ministry of Finance
102, “Rakovski” St.
1000 Sofia
Tel.: (+359 2) 9859 20 13 - Fax: (+359 2) 987 39 29

6.2 Twinning

Specify implementation arrangements, beneficiary institution and contact person.

6.3 Non-standard aspects

6.4 Contracts

Assistance under this facility may be contracted through a few relatively large contracts to cover all assistance needs in each year or, alternatively, through a larger number of smaller contracts for each specific piece of assistance.

7. Implementation Schedule

7.1 Start of tendering/call for proposals

Phase 1
January 2005 onwards.

Phase 2
January 2006 onwards

7.2 Start of project activity

Phase 1
February 2005 onwards

Phase 2
February 2006 onwards

7.3 Project completion

Phase 1
All assistance financed by the facility will be completed by the final disbursement deadline in the Financing Memorandum for the Phare 2004 National Programme, namely 30 November 2007.

Phase 2
All assistance financed by the facility will be completed by the final disbursement deadline in the Financing Memorandum for the Phare 2005 National Programme, namely 30 November 2008.

8. Equal Opportunity
Equal participation in this project of women and men will be enforced at the start of the project.

9. Environment
Not applicable

10. Rates of return
Not applicable

11. Investment criteria (applicable to all investments)

11.1 Catalytic effect
Phare support under the facility shall further improve the administrative capacity of the Bulgarian institutions.

11.2 Co-financing
Not applicable

11.3 Additionality
Phare assistance shall not displace other financiers.

11.4 Project readiness and size
The selection of projects for preparation under this facility will take place after the approval of this Financing Proposal. All projects approved for financing must comply with the selection criteria and should be presented in the form of ToR.

11.5 Sustainability
The project shall ensure the efficient implementation of Phare assistance and shall ensure optimal planning and implementation of Phare projects.

11.6 Compliance with state aids provisions
Not applicable

12. Conditionality and sequencing

In all cases where assistance is provided under this facility, there must be a strong emphasis on ensuring that the facility provides a lasting improvement in the capacity of Bulgarian institutions to prepare projects themselves in future.

**ANNEXES TO PROJECT FICHE**

1. Logframe in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule, by quarter, for full duration of project (including disbursement period)
4. For all projects: reference list of feasibility/pre-feasibility studies, indepth ex ante evaluations or other forms of preparatory work – N.a.
5. Reference list of relevant laws and regulations – N.a.
6. Reference list of relevant strategic plans and studies – N.a.
# ANNEX 1

## Logical framework matrix

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Preparation Facility</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracting period expires: 30 November 2007</td>
</tr>
<tr>
<td></td>
<td>Disbursement period expires: 30 November 2008</td>
</tr>
<tr>
<td></td>
<td>Total budget : 2,000 meuro</td>
</tr>
<tr>
<td></td>
<td>Phare budget : 2,000 meuro</td>
</tr>
</tbody>
</table>

### Overall objective

To increase the administrative capacity of Bulgarian institutions in preparation for EU accession and their effective management of EU funds.

- Objectively verifiable indicators: 100% of NP Phare 2005 assistance contracted by the end of 2007
- Sources of Verification: Perseus financial reporting system

### Project purpose

To improve the capacity of Bulgarian institutions to prepare well designed Phare projects and to contribute to their efficient implementation

- Objectively verifiable indicators: Improved project quality, Coherent tender documentation
- Sources of Verification: Monitoring Reports
- Assumptions: Beneficiary institutions have appropriate institutional capacity

### Results

**Phase 1 (2004)**
- Strengthened capacity of participating Bulgarian

- Objectively verifiable indicators: Reduced time devoted to revising Bulgarian
- Sources of Verification: Assessment by EC Phare Coordinator in Brussels and Head of Phare Section in
- Assumptions: Satisfactory arrangements for
institutions to prepare projects for Phare support and EIB.
- Strengthened coordinating role for the NAC in the programming cycle.

### Phase 2 (2005)
- Improved planning and implementation of Phare projects;
- Improved quality of the Project fiches and supporting documentation;
- Strengthened coordinating role for the NAC in the programming and implementation.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Phase 1 (2004) | - Training seminars held in Bulgaria.  
- Short-term TA provided. | - EC Delegation and NAC will monitor use of facility on ongoing basis. | - Sufficient applications are forthcoming for training and assistance.  
- NAC can coordinate arrangements effectively. |
| Phase 2 (2005) | Technical assistance | Monitoring Reports | ToRs are adequate |

**The facility shall be used to finance the following broad objectives:**
- Capturing the benefits of training and assistance in each institution, notably continuity of staffing.
- Beneficiaries participate fully in the preparation process.

- Required documentation delivered
- Monitoring Reports
<table>
<thead>
<tr>
<th>Categories of Activities</th>
<th>Training</th>
<th>Suitable Consultancies are Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>General project preparation and project cycle management training seminars (for Bulgarian officials involved in preparing projects);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of mature Phare project fiches and associated documentations for specific projects. This includes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- preparation of feasibility and pre-investment studies,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- technical analysis,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- design of grant schemes,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- operational guidelines,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- procurement plans,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- tender documentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- environmental impact assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of Phare projects (by addressing institutional weaknesses in implementation capacity).</td>
<td></td>
<td></td>
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<tr>
<td>Tender documentation for investment components in cases where no funds have been envisaged under the main PFs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- preparation of Technical Specifications,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- provision of independent expertise for procurement and evaluation of supply tenders.</td>
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### ANNEX 2

**DETAILED IMPLEMENTATION CHART**

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<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
</tr>
<tr>
<td>Training and short-term TA for project preparation</td>
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**Phase II**

<table>
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<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
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<td></td>
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<td>II</td>
<td>III</td>
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<tr>
<td>Training and short-term TA for project preparation</td>
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### ANNEX 3

**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE**

<table>
<thead>
<tr>
<th>million euro</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
</tr>
<tr>
<td>Contracting</td>
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<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.1</td>
<td>0.3</td>
<td>0.5</td>
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</table>

**Phase II**

<table>
<thead>
<tr>
<th>Million euro</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Contracting</td>
<td>2.0</td>
<td></td>
<td></td>
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<tr>
<td>Disbursement</td>
<td>0.1</td>
<td>0.3</td>
<td>0.5</td>
<td>1.0</td>
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