Standard Project Fiche

1. Basic Information

1.1 CRIS Number (Year 3): 2006/018-164.06.01
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 (24 months)

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 tender documentation 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 Bulgarian Institutions 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 Comprehensive Monitoring Report and in the National Strategic Reference Framework.

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 timely prepared for projects approved for financing under the National Phare Programme and the future Transition Facility, this facility shall be used to facilitate their timely and successful implementation.

In the programming process so far throughout the years of Phare implementation in Bulgaria, the need has been clearly identified for cost benefit analyses and feasibility studies, ensuring that the investments are well targeted and the assistance granted will provide best value for money. Support has also been proved to be necessary for preparing technical designs and specifications, tender documentation, environmental impact studies, preparation of designs of grant schemes, etc.

For example under the PPF 2003 a total of 20 contracts for provision of independent technical expertise has been concluded amounting to 1.161 million euro (the initial PPF allocation for 2003 was 1.0 million euro, the rest were provided through reallocation). PPF 2004 and PPF 2005 contracting is ongoing. So far 1.2 million euro out of the allocated 1.55 million euro under PPF 2004 and 0.7 million euro out of the allocated 2 million euro under PPF 2005 had also been committed for various contracts for provision of independent expertise.

Thus this PPF 2006 for 2 million euro is a logical continuation of the previous facilities granted under the Phare National Programmes and as noted above will prove to be extremely useful to prepare the Phare 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 Purpose

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

3.3.2 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

Phase 3 (2006)
The project will achieve the following results:
• Improved quality of the projects’ tender documentation;
• Provision of independent expertise for the tender evaluation processes

3.4 Activities (including Means)

Phase 1 (2004)
The activities financed by the facility will include mainly external consultancy and training in project preparation and implementation.

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,
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.

**Phase 3 (2006)**

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

Preparation of associated documentations for specific projects in the National Programme 2006 and the Transition Facility. This includes:
- preparation of feasibility and pre-investment studies,
- technical analysis,
- design of grant schemes,
- operational guidelines,
- procurement plans,
- tender documentation
- environmental impact assessment.

Tender documentation for project components in cases where no funds have been envisaged under the main PFs regarding the National Programme 2006 and the Transition Facility:
- preparation of Technical Specifications,
- provision of independent expertise for procurement and evaluation of tenders.

**3.5 Linked Activities:**


**3.6 Lessons learned:**

The PPF facilities under the Phare National Programmes have proved to be extremely useful in providing the needed independent technical expertise for successfully
contracting a number of Phare projects throughout the years. This has been achieved mainly throughout Framework contracts and Single Tenders, which proved to be the most flexible instrument available for this purpose and NAC Services intend to continue to use this best practice.

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**

<table>
<thead>
<tr>
<th>Phare/Pre-Accession Instrument</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support</td>
<td></td>
<td></td>
</tr>
<tr>
<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>
</tr>
<tr>
<td>Year 2006 - Investment support jointly co funded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-project 1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Sub-project 2, etc…</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Investment support – Sub-total</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>% of total public funds</td>
<td>max 75 %</td>
<td>min 25 %</td>
</tr>
</tbody>
</table>

(*) 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 2006 Institution Building support | | | |
|----------------------------------------|--------------|----------|
| TA                                     | 2,000        | N/A      | N/A   |
| IB support                             | 2,000        | N/A      | N/A   |

| Total | 2,000 | 2,000 | 2,000 |
### Total project 2006

<table>
<thead>
<tr>
<th></th>
<th>2,000</th>
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<th>N/A</th>
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<tbody>
<tr>
<td>(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>(**) private funds, FIs loans to private entities</td>
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</tbody>
</table>

### Year 2004/Phase 1

<table>
<thead>
<tr>
<th>EU Support</th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution Building</td>
<td>National Public Funds (*)</td>
<td>Other Sources (**)</td>
<td>Total Co-financing of Project</td>
</tr>
<tr>
<td>TA for project preparation, training and implementation</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>-</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>EU</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
</tr>
<tr>
<td>Total EU (=I+IB)</td>
<td>National Co-financing*</td>
</tr>
<tr>
<td>IFI*</td>
<td>TOTAL</td>
</tr>
<tr>
<td>2,000,000</td>
<td>-</td>
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<td>2,000,000</td>
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</table>

<table>
<thead>
<tr>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Public Funds (*)</td>
<td>Other Sources (**)</td>
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</tr>
<tr>
<td>Year 2005 - Investment support jointly co funded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-project 1</td>
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<td></td>
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<tr>
<td>Sub-project 2, etc…</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment support – Sub-total</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>% of total public funds</td>
<td>max 75 %</td>
<td>min 25 %</td>
</tr>
</tbody>
</table>

(*) 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-financing (per exception to the normal rule, see special condition as indicated below: There is no parallel co-financing*

### Year 2005 Institution Building support

<table>
<thead>
<tr>
<th>Support</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA</td>
<td>2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

1 N.B. Reallocation of 450 000 euro to BG2004/016-711.10.05 Unallocated Institution Building Envelope has been approved in 2005.
<table>
<thead>
<tr>
<th>IB support</th>
<th>2,000</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>2,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project 2005</td>
<td>2,000</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2,000</td>
</tr>
</tbody>
</table>

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 State Treasurer at the Ministry of Finance.

Contact details:

Mrs. Gergana Beremska, State Treasurer at the Ministry of Finance
102, “Rakovski” St.
1040 Sofia
Tel.: (+ 359 2) 9859 24 90
Fax: (+ 359 2) 980 68 63
E-mail: g.beremska@minfin.bg

6.2 Twinning

Not applicable

6.3 Non-standard aspects

Not applicable

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 assistance.

7. Implementation Schedule

7.1 Start of tendering/call for proposals

Phase 1
January 2005 onwards.
Phase 2
January 2006 onwards

Phase 3
January 2007 onwards

7.2 Start of project activity

Phase 1
February 2005 onwards

Phase 2
February 2006 onwards

Phase 3
February 2007 onwards

7.3 Project completion

Phase 1
All assistance financed by the facility will be completed by the final execution of contracts 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 execution of contracts deadline in the Financing Memorandum for the Phare 2005 National Programme, namely 30 November 2008.

Phase 3
All assistance financed by the facility will be completed by the final execution of contracts deadline in the Financing Memorandum for the Phare 2006 National Programme, namely 30 November 2009.

8. Equal Opportunity

Not applicable

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
PPF Phare assistance shall not displace other financing, notably other TA like for example assistance for TS Preparation or Independent Evaluation under twinning projects.

11.4 Project readiness and size
The selection of projects for preparation under this facility will take place after the approval of this Financing Memorandum. 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</th>
<th>Programme name and number:</th>
<th>Project Preparation Facility</th>
<th>Contracting period expires:</th>
<th>Period of execution of contracts expires:</th>
<th>30 November 2008</th>
<th>30 November 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Preparation Facility</td>
<td>Total budget: 2,000 meuro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall objective</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
<td>To increase the administrative capacity of Bulgarian institutions in preparation for EU accession and their effective management of EU funds.</td>
<td>Over 90% of NP Phare 2006 assistance contracted by the end of 2007</td>
<td>Perseus and Desiree financial reporting systems</td>
<td></td>
</tr>
</tbody>
</table>
| Project purpose             | Objectively verifiable indicators | Sources of Verification      | To improve the capacity of Bulgarian institutions to prepare well designed Phare projects documentation and to contribute to the efficient contracting and implementation of Phare National Programmes | • Coherent and timely developed tender documentation  
• Timely independent evaluation expertise provided where needed. | Monitoring Reports | Beneficiary institutions have appropriate institutional capacity to use the PPF assistance |
| Results                     | Objectively verifiable indicators | Sources of Verification      | Phase 1 (2004)  
• Strengthened capacity of participating Bulgarian institutions to prepare projects for Phare support and | • Reduced time devoted to revising Bulgarian project fiches by EC | Assessment by EC Phare Coordinator in Brussels and Head of Phare Section in EC Delegation | Satisfactory arrangements for capturing the benefits |
|                             |                             |                              |                             |                                           |                |                |
| EIB. | • Mature project fiches and associated documentation for the Phare 2003, 2004 and 2005 Programmes and EIB portfolio.  
• Strengthened coordinating role for the NAC in the programming cycle | • Less need for external assistance for project preparation in medium term.  
• NAC plays greater role in setting programme priorities and project selection. | • Declining proportion of annual Phare assistance devoted to assistance in project preparation from 2000 onwards. | • of training and assistance in each institution, notably continuity of staffing. |
| --- | --- | --- | --- | --- |
| 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 | • Required tender documentation developed and delivered | • Monitoring Reports | • Beneficiaries participate fully in the preparation process |
| Phase 3 (2006) | • Improved quality of the projects’ tender documentation  
• Provision of independent expertise for the tender evaluation processes | • Required tender documentation developed and timely delivered | • Monitoring Reports | • Beneficiaries participate actively in the programming and contracting process |
| Activities | Means | Sources of Verification | Assumptions |
| Phase 1 (2004) | • General training seminars in project preparation and project cycle management.  
• Short-term TA for preparing specific project fiches and associated documentation.  
• Assistance to address weaknesses in project implementation capacity. | • 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)

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

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

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

Implementation of Phare projects (by addressing institutional weaknesses in implementation capacity).

Tender documentation for investment components in cases where no funds have been envisaged under the main PFs:
- preparation of Technical Specifications,
- provision of independent expertise for procurement and evaluation of supply tenders.

<table>
<thead>
<tr>
<th>Technical assistance Training</th>
<th>Monitoring Reports</th>
<th>ToRs are adequate Suitable consultancies are available</th>
</tr>
</thead>
</table>
### Phase 3 (2006)

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

Preparation of associated documentations for specific projects in the National Programme 2006 and the Transition Facility. This includes:
- preparation of feasibility and pre-investment studies,
- technical analysis,
- design of grant schemes,
- operational guidelines,
- procurement plans,
- tender documentation
- environmental impact assessment.

Tender documentation for project components in cases where no funds have been envisaged under the main PFs regarding the National Programme 2006 and the Transition Facility:
- preparation of Technical Specifications,
- provision of independent expertise for procurement and evaluation of tenders.

<table>
<thead>
<tr>
<th>TA – FWC and Single Tenders (in exceptional cases standard service contracts)</th>
<th>Monitoring Reports</th>
<th>ToRs are adequate Suitable consultancies are available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preconditions</td>
<td></td>
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</tbody>
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## ANNEX 2

### DETAILED IMPLEMENTATION CHART

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

<table>
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<tr>
<th></th>
<th>2006</th>
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<th>2007</th>
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<th>2008</th>
<th></th>
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<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Training and short-term TA for project preparation</td>
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</table>

**Phase III**

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<th>2009</th>
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<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Training and short-term TA for project preparation</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
# 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>
<td>0.1</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
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</tbody>
</table>

### Phase II

<table>
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<tr>
<th>Meuro</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Contracting</td>
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### Phase III

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<th>Meuro</th>
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<th>2008</th>
<th>2009</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>0.1</td>
<td>0.3</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.7</td>
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