

**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013
YEAR 1 – 2011**

**TASK 2: COUNTRY REPORT ON ACHIEVEMENTS OF
COHESION POLICY**

BULGARIA

VERSION: FINAL

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**A report to the European Commission
Directorate–General Regional Policy**

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LIST OF ABBREVIATIONS

- AIR Annual Implementation Report
- CoM Council of Ministers
- DG Directorate General
- EBRD European Bank for Reconstruction and Development
- EC European Commission
- EEN Expert Evaluation Network
- EIB European Investment Bank
- ERDF European Regional Development Fund
- ESF European Social Fund
- EU European Union
- EUR Euro
- FLAG Fund for Local Authorities and Governments
- FOI Fields of intervention
- GDP Gross Domestic Product
- ICT Information and Communication Technologies
- Jaspers Joint Assistance to Support Projects in European Regions
- Jeremie Joint European Resources for Micro to Medium Enterprises
- Jessica Joint European Support for Sustainable Investment in City Areas
- m million
- MA Managing Authority
- NSRF National Strategic Reference Framework
- OP Operational Programme
- OPE Operational Programme Environment
- OPRD Operational Programme Regional Development
- OPT Operational Programme Transport
- OPTA Operational Programme Technical Assistance
- RTDI Research, Technological Development and Innovation
- SMEs Small and medium enterprises

EXECUTIVE SUMMARY

In 2010–2011 the number of newly signed contracts and newly launched schemes for project implementation under the different operational programmes in Bulgaria increased markedly. By the end of July 2011 **the share of contracted funds under all OPs stood at 50%** of their combined total allocated budgets for the 2007 – 2013 period¹. The level of contracted financing of all OPs increased by 55% in the 2009–2010 period² and by another 13.5% in the next five months to 31 May 2011³. The **funds paid up** to beneficiaries under the 7 OPs increased as a share of the total budgets from 1% (2009) to 14% (31 July 2011)⁴.

The **economic crisis** had a strong negative impact on Bulgaria's regional development and on potential beneficiaries. Private funding which dried up in late 2008, only resumed at a much lower rate at the beginning of 2011. Government spending at the central and local level contracted sharply in the second half of 2010. EU Funds became the **main source of financing** and investment in the public and private sector during the crisis. However, they have not been able to fully offset the effects of the downturn. The performance indicators for the 2004–2009 period, analysed in the Mid Term Report for the Implementation of the National Strategy for Regional Development, showed an **increase of regional disparities in Bulgaria**.

According to interviews with MA representatives, the most **notable achievements** of the OPs in Bulgaria (including perceptions based on both concluded and on-going projects) encompass the large transport projects under OP Transport, the waste treatment stations built under OP Environment and the renovation/building of schools and hospitals under OP Regional Development. No comprehensive analysis of the effects of these achievements on regional development is available yet. The expert opinions highlight the significance of the OPs for creating new jobs opportunities and preserving the environment in all regions of the country.

Bulgaria is still gathering experience in OP evaluation. By August 2011 only the **mid-term review of OP Regional Development (OPRD)**⁵ had been elaborated. The objective of the evaluation was to assess the OP's relevance and the achievements of its objectives in the middle of the programming period. The study also analyses the quality of implementation and the environmental impacts. The evaluation is based on a wide range of methods:

¹ Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/>

² Annual Report on the Absorption of EU Funds in Bulgaria for 2010, Committee on European Affairs and Oversight of the European Funds, Council of Ministers, 26.01.2011, p. 65, http://www.parliament.bg/pub/cW/20110128021719FINAL_GD_2010_KEVKEF.pdf

³ Minister of EU Fund statement from 15 June 2011 hearing, <http://www.parliament.bg/bg/parliamentarycommittees/members/240/steno/ID/2130>

⁴ National Fund Directorate to the Ministry of Finance, <http://www.minfin.bg/bg/page/374> and <http://umispublic.minfin.bg/>

⁵ Mid-term review of OP Regional Development http://www.bgregio.eu/media/files/Programirane%20i%20ocenka/04_mid-term%20evaluation.En.pdf

triangulation approach, document review, data analysis, publicity analysis, SWOT analysis, environmental impact assessment, questionnaires, interviews, workshops.

The implementation of the ERDF-supported programmes in Bulgaria faces a number of **challenges**:

- accelerating the payments to the beneficiaries;
- concentrating on few key priorities with better defined targets and indicators;
- improving the system for assessing OP implementation;
- improving the regional coordination of OPs and providing the Regional Development Councils with the necessary operational means (organisational capacity and financial resources) to execute this task;
- improving the public procurement procedures and introducing an electronic submission and reporting tool for all OPs.

1. THE SOCIO-ECONOMIC CONTEXT

The socio-economic situation in Bulgaria has worsened considerably over the 2010–2011 period:

- The overall decline in GDP has been worse than in EU-27 while recovery has proven lacklustre in comparison to peers from Central Europe;
- Government revenues plummeted, which resulted in a more than three times contraction of public procurement spending in 2010 compared to 2009 levels⁶;
- Unemployment has more than doubled in 2011 compared to 2008⁷, while social payments (pensions, unemployment benefits, etc.) have been frozen in 2010 and the second half of 2011; this has increased regional income disparities;
- As a result of the deteriorating socio-economic conditions and the continuing uncertainty in neighbouring Greece and in Europe, internal consumption has remained subdued delaying further economic recovery;

The 2011 census showed that the overall population of the country as well as that of the majority of the Bulgarian towns is shrinking. The dynamics of the performance indicators for the 2004–2009 period, analysed in the Mid Term Report for the Implementation of the National Strategy for Regional Development, show an **increase in regional disparities**. The report notes widening GDP and employment gaps, and persistent structural unemployment. The trend of increasing intra-regional differences is most pronounced in the North West region, the North Central region and the North East region⁸. The South West region is the best performer with regard to demographic and economic indicators and about average when compared to European peers, while North West region ranks last on almost all major indicators. The best economically performing South West region has contracted the least funds per capita, and the least developed North West region has attracted the most⁹. These disparities are due mainly to the differences in labour productivity, available infrastructure and human resources, rather than differences in macro-economic policy pursued. Although in 2004 the Regional Development Law and the Regional Development Plans set various municipalities as “regions of targeted impact”, in practice they cover almost all of the territory of Bulgaria. Hence there is no significant difference in the impact of the implemented macroeconomic policy on regional development.

The **economic crisis had strong negative impact**, which was most pronounced in the regions lagging behind in their performance. The financing of regional development has been reduced almost entirely to EU Funds related projects. The latter have been focused on larger towns, limiting the scope of potential beneficiaries¹⁰. The indicative financial tables of the

⁶ According to the Public Procurement Registry of the Agency for Public Procurement.

⁷ National Statistical Institute data.

⁸ Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015 <http://www.mrrb.government.bg/index.php?do=law&id=424&lang=bg&type=4>

⁹ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

¹⁰ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

Mid Term Report for the Implementation of the National Strategy for Regional Development and the Mid Term evaluation of OP Regional Development confirm this trend. The OPRD mid-term review notes that the trend has been somewhat counterbalanced by the fact that the **smaller municipalities are more active** in terms of project applications, as well as more efficient in the implementation. The implementation of operational programmes has been appropriately attuned by the European Commission and the Bulgarian Government to provide more solutions to the crisis: job opportunities, financial re-allocations and new approaches, such as the Jeremie and JESSICA financial instruments.

The statistical data of the Mid Term Report for the Implementation of the National Strategy for Regional Development reveals that the available financial resources exceed four times the funds needed according the Regional Development Plans. The **paid up funds** for the 2007–2010 period however represent **less than ¼ of the foreseen necessary funds** for regional development¹¹.

The crisis on the other hand made the beneficiaries more **active and ambitious** in the absorption of funds. The OP Regional Development mid-term review notes that the economic crisis **improved the quality** of the implemented projects, their economic efficiency and increased the interest in the programme. Since the crisis decreased the available national co-financing budgets of the municipalities, they started to prioritise the topics and areas of their project applications, compared to the start of the OP when the municipalities applied for all eligible activities, including small-scale ones with less value added for the community. Furthermore, the prices of the construction materials decreased, due to the lack of investments in the sector. This increased the quality and the value for money of the public procurement offers received by OP beneficiaries. It also freed financial resources for more projects.

For more information see the Table 1 in the Excel file – Regional disparities and trends, Annex Table A – GDP growth (annual % change) and Table 2 in the Excel file – Macro-economic developments.

¹¹ Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015 <http://www.mrrb.government.bg/index.php?do=law&id=424&lang=bg&type=4>

2. THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

The 2010 country report¹² for Bulgaria highlighted the following main aspects of the regional development policy:

- No updates had been made to the Regional Development Plans for the 6 planning regions since their publication in 2005. They related loosely to the priorities set up later in the OPs instructing ERDF and Cohesion Fund financing;
- The priorities of the OPs were centrally coordinated and had no regional dimension;
- The EU funding was an important source of financing regional development in Bulgaria, especially in light of the economic crisis. The importance of EU-funding to the transport sector, preservation of the environment, and development of tourism and culture was even greater than the national funding. EU funding played a major role in the financing of innovations and their application in the private sector.

The regional development policy in Bulgaria is set through the regional (NUTS 2) and municipal (NUTS 4) development plans and strategies. The regional governors and regional development councils however have little administrative capacity and hence their contribution to the formulation of regional policy priorities and/or the OPs' priority areas and funds distribution is negligible. The regional coordination of the OPs implementation lies solely within the power of the Minister of Regional Development and Public Works¹³. That is why the National Reform Programme¹⁴ **proposes the strengthening of the regional governors' role**. The OPRD mid-term review¹⁵ recommends identifying regions that can act as "growth poles" and establishment or improvement of organisations responsible for the regional policy.

The financing of regional development, provided by the EU Funds and in particular the ERDF, is concentrated in six main priority areas. These areas are set in the National Strategy for

¹² Bulgaria Country Report on Achievements of Cohesion Policy, Expert Evaluation Network, DG Regional Policy, 2010,

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/country_reports/bulgaria.pdf.

¹³ Mid Term Evaluation of the Implementation of the Regional Development Plan 2007–2013 of the South West region level 2, <http://www.mrrb.government.bg/index.php?lang=bg&do=law&type=4&id=447> and Law for Regional Development (2008), <http://www.mrrb.government.bg/index.php?do=law&type=5&id=18>

¹⁴ National Reform Programme (2011–2015): In implementation of "Europe 2020" Strategy, http://ec.europa.eu/europe2020/pdf/nrp/nrp_bulgaria_en.pdf

¹⁵ Mid Term evaluation of OP Regional Development, KPMG Hungary, KPMG Bulgaria, 2011, http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/evaluations/bulgaria/1102_midterm_op_reg_dev_en.htm

Regional Development and the regional dimension of the National Strategic Reference Framework¹⁶.

- **Priority 1:** Increasing regional competitiveness based on the knowledge economy (Very limited progress is observed, according to the Mid Term Report for the Implementation of the National Strategy for Regional Development 2005–2015);
- **Priority 2:** Development and modernisation of infrastructure, creating conditions for growth and employment (Some progress);
- **Priority 3:** Improving the attractiveness and quality of life in the planning regions (Some progress related to education and the labour market. Limited progress relates to healthcare, environment and culture);
- **Priority 4:** Integrated urban development and improving the urban environment (Some progress, incl. the Sofia metro and the investments in public infrastructures in rural areas);
- **Priority 5:** Development of the cooperation for European territorial cohesion, strengthening partnerships with neighbours (Very limited progress);
- **Priority 6:** Strengthening the institutional capacity at regional and local level to improve the management process (Progress is observed).

Most of the contracted resources are concentrated in Priority 2 (infrastructure and employment) and Priority 4 (urban development and urban environment) at national level.

At regional level the funds are concentrated in the South West region (where the capital city of Sofia is situated), and cover mostly Priority 4 (public transport financed by ERDF) and Priority 3 (employment measures financed by ESF). The highest absorption is observed under Priority 2 and Priority 4. The lowest rates are in Priority 5 and Priority 1. For more information see Annex Table E, which presents the contribution of individual OPs (share of contracted funds) to the achievement of these six priorities of the NSRF; and Table 3 in the Excel file, which presents financial allocation by main policy area.

The three ERDF-supported programmes with regional dimension (Operational Programme South East Europe, Romania–Bulgaria and Greece–Bulgaria cross-border co-operation programmes) have main priorities, similar to the objectives set in the development strategies of the eligible regions¹⁷:

- Investing in human capital, growth and job creation, support of mobility;
- Improvement of accessibility (including road, rail, inland and sea transport), ensuring access to ICT facilities and ensuring border security;
- Preservation of the environment and establishment of flood prevention systems;
- Culture, health and social issues;

¹⁶ Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015, Ministry of Regional Development and Public Works, Strategma Agency, November 2010, <http://www.mrrb.government.bg/index.php?do=law&id=424&lang=bg&type=4>

¹⁷ For more information see the Regional Development Strategies of Veliko Turnovo, Pleven, Russe, Blagoevgrad, etc. at <http://www.strategy.bg/StrategicDocuments/List.aspx?lang=bg-BG&categoryId=2>

- Facilitation of innovation and entrepreneurship.

In contrast, the OPs are coordinated at national level and have **no clear regional (NUTS 2 or NUTS 3) priorities**. Some OPs however apply **specific territorial criteria**. In the preparation of the Republic of Bulgaria for participation in the Financial Perspective 2007 – 2013 a regional demarcation line has been drawn between the different programmes with the objective to avoid overlaps. Still, it should be noted that this distinction between regions only presents a framework for eligibility of the beneficiaries, and is not an objective for even distribution of funding. **OP Regional Development (OPDR)** concentrates its resources in the main agglomeration areas (major urban centres and regional level municipalities). There are also partly channelled funds to municipalities outside the agglomeration areas under Axis 4. OPDR is the only operational programme with available statistical data and maps¹⁸ that shows relatively even territorial distributions of funds by city and municipality¹⁹. More aggregated data is available at NUTS2 level. The South West region has attracted 33% of the contracts and 35% of the funds, distributed under all 5 ERDF-funded OPs. It is followed by the South Central region with 19.9% and 11.4% respectively²⁰.

Since the end of 2009 **OP Environment** directs funds to areas which should fulfil the EU requirements related to waste water treatment systems and household waste management systems. The **Rural Development Programme** provides resources for rural communities through its Priority 3, including technological innovation and start-up of micro-enterprises. These companies are excluded from similar measures financed by **OP Competitiveness**²¹. The **nature of the support** to regional development, provided by the EU in the form of **grants**, includes mainly investment in infrastructure, support to entrepreneurship development, technical assistance and other measures, directed towards the **municipalities** as beneficiaries (NUTS 4). This leaves little room for activity at NUTS 3 and particularly at NUTS 2 level. The OPs **information offices** for the next programming period are currently (by mid 2011) being established in the 28 regions (oblasti) (NUTS 3) of Bulgaria. It is also proposed that a **new Agency** manages the EU funds at regional level in the 28 regions of Bulgaria²². In mid 2011 the Ministry of Regional Development and Public Works launched a public procurement call for the **analysis of the social and economic state of Bulgaria and its regions**. The analysis will aim to improve the planning of territorial initiatives for the 2014–2020 period²³.

¹⁸ Mid Term evaluation of OP Regional Development, KPMG Hungary, KPMG Bulgaria, 2011.

¹⁹ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

²⁰ Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/> For more information see the Annex, Table I. Regional distribution of the support under the 5 ERDF-funded OPs in Bulgaria by 15.7.2011.

²¹ Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015 <http://www.mrrb.government.bg/index.php?do=law&id=424&lang=bg&type=4>

²² Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

²³ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

The **general priorities of the ERDF financing have not been changed** during the last year due to the economic crisis, financial restrictions or change of the needs. Still, there have been **relocations of resources and some shifts of the topics** of the opened schemes to reflect the changing economic environment during the economic downturn²⁴. The Jessica initiative was launched and the funds for the OPRD schemes were concentrated in a smaller number of eligible towns²⁵. The gas crisis (January 2009) diverted the financing away from development of a national gas network (with one gas provider) to future schemes for building various types of links with neighbouring countries. OP Environment started to apply stricter project selection criteria for priority Axis 1 (water and waste water) and changed the open calls with direct grants for specific beneficiaries under Axis 2 (waste infrastructure)²⁶.

Although there is no statistical data available yet, the general opinion among experts interviewed for the current report has revealed that the support provided by European resources has helped to offset national budget constraints and the consequences of fiscal consolidation following the economic downturn. It is yet to be seen if EU funding has helped preserve the level of public investments from before the crisis.

POLICY IMPLEMENTATION

The data presented in the 2010 country report for Bulgaria noted that:

- OP Regional Development had the highest share of contracted funds out of the total budget of the programme – 40.5%, followed by OP Competitiveness with 32.6% (as of 30.06.2010). The situation changed in 2011, when OP Transport took the leading position with 68.9% contracted funds, followed by OP Regional Development with 62.6% (01.09.2011)²⁷;
- There were low absorption capacity and delays in initiating projects in 2009 – 2010;
- The economic crisis decreased the human potential of the beneficiaries to apply for and implement projects, as well as their financial resources for co-financing;
- The MAs initiated adjustments and revisions of the OPs in order to focus resources on integrated and large-scale activities.

According to information from the National Fund Directorate at the Ministry of Finance²⁸ the **paid up funds** as share of the total budgets under the 7 OPs increased from 1% (30 June 2009) to 14% (31 July 2011). By the end of July 2011 the **contracted funds under all OPs**

²⁴ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

²⁵ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

²⁶ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

²⁷ Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/>

²⁸ National Fund Directorate to the Ministry of Finance, <http://www.minfin.bg/bg/page/374>

represent 50.2% of the total allocated budget for the 2007–2013 period²⁹. According to the Minister of EU Funds Management (15 June 2011 hearing before the Committee on European Affairs and Oversight of the European Funds)³⁰ for the period 31 December 2010 – 31 May 2011 the contracting (number of newly signed contracts for financing projects) has increased by 13.5% (37% for OP Environment, 22% for OP Transport and OP Competitiveness, 54% for OP Technical Assistance and less for the ESF-funded OPs). The average increase of the verified expenditures is 20.6%. According to the Minister **by the end of 2011 the contracting rate under the 7 OPs should reach 62% and the payment rate should be doubled in comparison to the amount in the beginning of the year, reaching over 20%**. The efforts of the Managing Authorities (MAs) are focused on contracting maximum amount of the OP budget by the end of 2011 /mid–2012.

The year **2011 marks the greatest increase in OP implementation**, contracting and payments due to the many opened schemes and increased verification and certification. The implementation of the operational programmes continues to be in line with the objectives set and no major shifts in the financing priorities are observed. However, the 2010 AIRs note considerable delay both in the absorption of funds and the achievement of the 2010 target values of a number of indicators (see Table B – Main physical indicators and achievements).

The numerous **public procurement appeals** present a **major setback**, especially in OP Regional Development. An appeal stops the project's implementation and extends its duration. This presents a threat to its timely completion and diverts the MA personnel and capacity away from the current programme management and planning for the future period³¹. Past experience shows that as the OPs progress further the appeals will tend to subside with the exception of large projects.

Other reasons for delay in implementation:

- Lack of **experience** with Structural Funds management in 2007, slow preparation of necessary documents and procedures and delay in the start of some OPs³²;
- The **economic crisis** (for OP Competitiveness in particular) and **technical and legislative reasons** (such as acquiring land property rights, meeting environmental requirements, etc.);
- **Late approval of the Management and Control Systems** for the OPs and related interim payments.

²⁹ Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/>

³⁰ Minister of EU Fund statement from 15 June 2011 hearing, <http://www.parliament.bg/bg/parliamentarycommittees/members/240/steno/ID/2130>

³¹ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

³² The first payments under OP Competitiveness and OP Environment were made at the end of 2008.

Three main measures have been undertaken to **accelerate** implementation – the appointment of the **Minister on EU Funds Management**, increasing **cooperation** between OPs and **optimisation of processes**. Still, the **payments have to be accelerated** compared to the current trend in order to meet the 2013 deadline, at the same time no drastic compromise on the quality of the control should be allowed³³.

Positive developments and initiatives, undertaken to accelerate implementation:

- **Structural reorganisation** and optimisation of the central coordination system;
- Launching a **public module of the Information System** for Managing and Monitoring the Structural Instruments of the EU in Bulgaria (26 October 2010)³⁴;
- Optimisation of **procedures**, shortening the periods for evaluation of proposals, limiting the levels of control, setting fixed deadlines for verification of payments to the current beneficiaries (Council of Ministers Decree 179/2010);
- Adoption of Council of Ministers Decree № 134 (5 July 2010), introducing clear rules for **financial corrections** in cases of irregularities. Recovered amounts remain in the OP budget and can be reused as appropriate;
- The rate of **advance payments**³⁵ has been increased from 20 to 35% (for OP Regional Development, OP Transport and OP Environment);
- Launching the **electronic application module**³⁶ for OP Technical Assistance beneficiaries in June 2011. Similar modules are expected for all OPs till the end of the year;
- Updated models of the documents for **public procurement procedures**, opened by beneficiaries (CoM Regulation 55) and optimisation of the procedure for **complaints related to the public procurements** (CoM Regulation 121);
- Closer cooperation and **open dialogue with beneficiaries** through regular meetings, reception days, consultations with MAs³⁷. The Council of Ministers organises weekly meetings with Deputy Ministers, monthly “Open Doors Days” for beneficiaries and monthly meetings of the National Association of Municipalities and the MAs³⁸;
- Provision of **expert and consultancy support** by the EIB, EBRD and the World Bank, for improving the process of strategic planning and project management³⁹;
- **Loan Agreement** with the European Investment Bank for co-financing under the EU funds 2007–2013 for the amount of up to EUR 700 million.

³³ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

³⁴ Information System for Managing and Monitoring the Structural Instruments, <http://umispublic.minfin.bg/>

³⁵ Council of Ministers Decision № 592 (6 August 2010).

³⁶ Electronic application and reporting module (under development), <https://eumis.government.bg/>

³⁷ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

³⁸ Interview with a representative of the Committee on European Affairs and Oversight of the European Funds Secretariat, 19.07.2011.

³⁹ National Reform Programme (2011–2015), http://ec.europa.eu/europe2020/pdf/nrp/nrp_bulgaria_en.pdf

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

The 2010 country report noted that:

- By 2010 no considerable results had been achieved under any of the OPs;
- The 2009 AIRs were based on data from very few concluded projects. For example OP Competitiveness core indicators were based on data from only 11 completed projects. These indicators show a target achievement rate ranging between 0.5% and 3% in 2010. The achievements were related to: jobs created, investments in target sectors, investments in promoting development of businesses, entrepreneurship, as well as new technologies.
- The indicators for OP Transport were based on only 2 completed projects. Achievements were reported in the reduction of fatalities on the road and the length of supervised sea and river coasts. AIR 2009 of OP Environment did not report any progress towards the targets.
- The AIR 2009 of OP Regional Development was based on 10 completed projects out of 338 signed contracts. Based on opinions of the MAs, the greatest achievements are going to be in the areas of educational infrastructure and road projects.

The most important achievements of the OPs in Bulgaria, according to interviews with MAs (July 2011) include:

- the large transport projects under OP Transport (most of them still on-going);
- the waste treatment stations built under OP Environment;
- the renovation/building of schools and hospitals under OP Regional Development;
- the launch of the Jeremie instrument under OP Competitiveness and Jessica under OP Regional Development, although they still have not started their active operation⁴⁰.

⁴⁰ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

Table A – Commitments by main policy area (by end-2010)

	ERDF and Cohesion Fund	ESF	Total SF
Convergence objective	EUR million		
1. Enterprise environment	243.6	9.4	253.1
1.1 RTDI and linked activities	70.5	8.7	79.2
1.2 Support for innovation in SMEs	96.8		96.8
1.3 Other investment in firms	76.3		76.3
1.4 ICT and related services		0.8	0.8
2. Human resources	28.8	422.8	451.6
2.1 Education and training	28.8	158.6	187.4
2.2 Labour market policies		264.2	264.2
3. Transport	650.6		650.6
3.1 Road	438.3		438.3
3.2 Rail	23.3		23.3
3.3 Other	188.9		188.9
4. Environment and energy	126.0		126.0
4.1 Energy infrastructure	87.0		87.0
4.2 Environmental infrastructure	39.0		39.0
5. Territorial development	273.4		273.4
5.1 Tourism and culture	28.2		28.2
5.2 Planning and rehabilitation	127.3		127.3
5.3 Social infrastructure	117.9		117.9
5.4 Other			
6. Technical assistance	121.9	139.0	260.9
Total Objective	1,444.3	571.2	2,015.5

Source: Data provided by DG Regio.

The outcomes and results of all OPs are in line with the stated objectives. They are achieving some of the intended effects, although on a smaller scale than anticipated in 2007, due to the late start of the programmes, the low number of contracted and finished projects (as of mid-2011), and other technical and administrative barriers. The existence of external factors (such as the economic crisis) and the lack of statistical instruments (e.g. the HERMIN model has still not been implemented for Bulgaria) hamper the elaboration of a comprehensive analysis on the impact of the ERDF support on the main macroeconomic indicators, strengthening competitiveness, boosting tourism, etc. Thus, there is scarce qualitative analysis and evidence that expenditure is having the intended effects in the different policy areas. So far the data gathered by MAs presents mainly statistical information on the value of contracted funds and the number of implemented projects.

Transport and telecommunications

The **National Reform Programme considers** the implementation of **OP Transport a success**. There has been clear acceleration of the implementation of transport projects in 2011 in the context of the delayed start of OPT. However, achievements of the set goals remain a challenge as shown by AIR indicators. In the 2010 AIR many indicators for the OPT implementation remain without any reported progress. Examples of indicators with no listed

achievements include construction of new roads and new TEN roads, rehabilitated railroads and class I roads, built motorways, etc. The 2010 AIR reports achievements in: the reduction of fatalities on the road; establishment of Vessel Traffic Management Information System (VTMIS) (working at limited capacity); number of passengers, using the Sofia metro (still behind the 2010 target) and number of metro stations built, as well as money and time saving from improved inter-modality for passengers and freight. The scope of OP Transport was expanded with additional projects in all priority axes aiming at a better absorption of the funds under the programme⁴¹.

As of 15.07.2011⁴² there have been 54 projects approved under OP Transport (OPT). Their contracted value amounts to EUR 1.5 billion, thus accounting for more than 53% of the funds under the programme. A total of 16% of the contracted funds have been paid up⁴³. The progress marked in terms of allocated funds in 2010 is mainly due to the conclusion of the grant contract for the completion of the “Trakia Motorway.”

OP Regional Development has also supported rehabilitation and reconstruction of roads. According to the 2010 Annual Implementation Report (AIR) it has supported 128.2 km of reconstructed roads in 15 completed projects – less than 10% of the target value.

Projects examples

- Extension of the **Sofia metropolitan**⁴⁴ under OP Transport, a project with good implementation that is expected to generate a lot of positive effects for the environment (EUR 767 million contracted, EUR 150 million paid up by 15.07.2011⁴⁵);
- Modernisation of the **urban transport in the city of Burgas** under OP Regional Development for BGN131m (EUR 66.9 million) (in implementation phase);
- The construction of the **Trakia Motorway** under OP Transport (the highway is supported by the Cohesion Fund, not the ERDF);
- Rehabilitation of road sections in the Municipality of Varna (EUR 2.9 million), Reconstruction of municipal road IV–98004 between the villages of Prisad and Zidarovo (EUR 2.5 million). Reconstruction of the municipal road system in the Municipality of Gorna Oryahovitsa, Stage 1 (EUR 2.1 million), etc.

Human Resources (ERDF only)

Almost all support for development of human resources is financed by the European Social Fund. The ERDF-financed OPs have only small contributions related to professional training and play a more substantial role in the improvement of educational infrastructure. There

⁴¹ National Reform Programme (2011–2015), http://ec.europa.eu/europe2020/pdf/nrp/nrp_bulgaria_en.pdf

⁴² Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/opOPProfileFinExec.aspx?op=6>

⁴³ <http://umispublic.minfin.bg/opOPProfileFinExec.aspx?op=6>

⁴⁴ Metropolitan website (owned by Sofia Municipality and serves to the development of the metro in Sofia), <http://www.metropolitan.bg/en/>

⁴⁵ Source: <http://umispublic.minfin.bg/iBeneficientProjects.aspx?org=beneficient&benef=5727>

seems to be little coordination between ERDF-financed and ESF human resources development – related projects, which will probably diminish the compounded impact of both.

OP Technical Assistance financed over 300 training sessions for MAs, local authorities and other Structural Funds implementing bodies (2010 AIR). Still, the outcomes are limited. Delay is observed in reaching the target numbers of training sessions for the local authorities and other Structural Funds implementing structures, organising events, establishment of district information centres, reducing the turnover of staff of beneficiaries per year, etc.

OP Regional Development supported projects for improving the infrastructure (reconstruction and renovation) and the energy efficiency of educational institutions. A total of 29 buildings of educational institutions were renovated (in line with the final 2015 target of 45) and about 8,827 students benefited from the upgraded infrastructure under priority axis 1 “Sustainable and integrated urban development” (2010 AIR). The completed projects under priority axis 4 “Local development and co-operation” were 82 buildings of improved educational infrastructure with 18,553 students benefitting.

Projects examples (OP Regional Development):

- Improving the infrastructure of the educational institutions in the Municipality of Ardino (EUR 415,630);
- Renovation and implementation of energy saving measures in "Ivan Vazov" Primary School in the village of Zafirovo (EUR 510,146)⁴⁶, etc.

Environment and energy

OP Environment has so far financed mainly the construction of waste treatment stations⁴⁷. Although implementation increased in 2011, it is unlikely that the programme will make up for the delays registered in 2010. Many AIR 2010 indicators report 0–10% rate of achievement of the 2010 target values. According to the 2010 AIR, 2 new and rehabilitated wastewater treatment plants were built (9% of the 2010 target value) that now serve 65,893 additional people (5% of the 2010 target). The population connected to Urban Wastewater Treatment Plants leveled at 5%, far from the 58.0% target value for 2010. No mapped NATURA 2000 (protected zones and protected areas) were reported. It should be noted that by 01.09.2011 a total of 337 project contracts had been signed⁴⁸ and more substantial results are expected at their completion. The total paid up sum under OP Environment by 31.07.2011 was EUR 158 million or 8.8% of the OP Environment allocated budget for the 2007–2013 period⁴⁹.

⁴⁶ More examples of good cases are available at: <http://www.eufunds.bg/en/page/812>

⁴⁷ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

⁴⁸ <http://umispublic.minfin.bg>

⁴⁹ <http://umispublic.minfin.bg/opOPProfileFinExec.aspx?op=7>

The completed projects under priority axis 1 of **OP Regional Development** were related to prevention of the risk of landslides in urban agglomerations. A total of 1,558 people benefited from the prevention of landslides (2010 AIR).

Project examples (OP Environment):

- Improving the wastewater treatment infrastructure of the North and South territories of Primorsko and of the settlement formation "Uzundzhata", pumping stations for the Wastewater treatment plant in the town of Kiten, Municipality of Primorsko (EUR 9.8 million);
- Integrated project for the water cycle in the town of Sliven, phase 2 (total value EUR 27 million);
- Improving the water and wastewater infrastructures in Veliko Tarnovo municipality (EUR 23 million), etc.

Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development)

The measures for **sustainable urban development** are supported mainly by **OP Regional Development**. The number of projects under implementation has increased in 2011 but so far registered achievements remain under target. The population benefiting from refurbished buildings under OP Regional Development reached 18,165 (7.8% of the target value) by the end of 2010 (2010 AIR). Many of the indicators under the programme remain without any reported results, such as: energy savings from refurbished buildings, patients benefiting from improved healthcare infrastructure, new enterprises attracted to the renewed, rehabilitated renovated industrial zones, renovated multi-family buildings and social housing and renewed/rehabilitated industrial zones, integrated urban plans elaborated/ implemented, etc. AIR 2010 notes that for some of the envisaged measures (urban plans, health facilities improved, etc.) no contracts have been signed. By 01.09.2011 a total of 695 projects⁵⁰ had started under OP Regional Development, however no data is yet available on the achieved results since most of them are still ongoing.

Projects examples (OP Regional Development)

- Renovation and equipment of a **Complex Social Services Centre in Yambol** using the premises of a former school, at a total amount of over BGN 5.5 million (EUR 2.8 million);
- Promotion campaign for the **Bulgarian tourism industry** (EUR 4 million).

Enterprise support and RTDI

OP Competitiveness is the main EU-instrument for support of enterprises and RTDI. Similar to the other OPs, project implementation has accelerated in 2011 but many of the achievement indicators show no or scarce reported results. For example no achievements are listed in regard to the number of RTD projects implemented, number of renewable

⁵⁰ <http://umispublic.minfin.bg>

energy projects, number of cooperation project between enterprises and research institutions, research jobs created, etc. However, it should be noted that by 01.09.2011 a total of 282 contracts had already been signed accounting for 51% of the total allocated budget of the programme for the 2007 – 2013 period. These are 120 contracts more than the ones reported in the 2010 AIR. According to the AIR, by 2010 OP Competitiveness had funded the implementation of 162 projects seeking to promote businesses, entrepreneurship and new technology (7% of the final target). Out of these, 65 were information society projects. The OP has created 624 jobs (or 29% of the final target) and the total paid up sum by OPC at 31.07.2011 was EUR 252 million⁵¹ or 21.7% of the OP budget. The effects of the realisation of the OP activities under Priority Axis 3 “Financial Resources for the Development of the Enterprises” is yet to be seen (JEREMIE Holding Fund, First Loss Portfolio Guarantees Financial Instrument, Growth Capital Fund, Mezzanine Fund)⁵².

Projects examples (OP Competitiveness)

- OPT – A Company with a modern face and European Standards (EUR 481,688);
- Fully automated eco-production line for nickel-chrome galvanic anticorrosion coating (EUR 650,000), etc.

Table B – Main physical indicators and achievements

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (2010)
Enterprise support and RTDI	Investment induced (EUR million) (gross investments made by the supported enterprises under OP Competitiveness)	6.4 (behind the 2010 target value of EUR 200 million with limited impact on regional development)
	Number of information society projects ⁵³	65 (ahead of the final target)
	Number of RTD projects	0 (delayed implementation)
	Number of projects seeking to promote businesses, entrepreneurship, new technology	162 (behind the 2010 target value of 553 with limited impact on regional development)
	Number of cooperation project enterprises–research institutions	0 (delayed implementation)
	Research jobs created ⁵⁴	0 (delayed implementation)
Human Resources (ERDF only)	Jobs created ⁵⁵	624 (in line with the target values)

⁵¹ <http://umispublic.minfin.bg/opOPProfileFinExec.aspx?op=5>

⁵² National Reform Programme (2011–2015), http://ec.europa.eu/europe2020/pdf/nrp/nrp_bulgaria_en.pdf and Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁵³ Operational Programme “Development of the Competitiveness of the Bulgarian Economy 2007–2013”

⁵⁴ Operational Programme “Development of the Competitiveness of the Bulgarian Economy 2007–2013”

⁵⁵ Operational Programme “Development of the Competitiveness of the Bulgarian Economy 2007–2013”

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (2010)
	Total No of training sessions for the beneficiary structures ⁵⁶ (Priority axis 1 of OPTA)	324 (slightly behind the 2009 target of 350 and the 2013 target of 500).
	No. of training sessions organised (Priority axis 2 of OPTA)	16 (fell short of the 2009 target of 80 and the 2013 target of 130).
	Total No. of training sessions for the local authorities and other SF implementing structures	36 (fell short of the target of 120 for 2009).
	No. of trained local authorities and other SF implementing structures (Priority axis 1 of OPTA)	928 (fell short of the 2009 target of 2,000 and the 2013 target of 3,500)
	No. of trained people (Priority axis 2 of OPTA)	341 (fell short of the 2009 target of 800 and the 2013 target of 1,300)
	Number of all publications	28 (slightly behind the 2009 target of 30)
	Number of organised events	38 (fell short of the 2009 target of 55)
	Establishment of District Info points/centres	0 (delayed implementation)
	Payments under OPTA from the funds allocated	10.4% (fell short of the 2009 target of 40%)
	Certified expenditures under OPTA of total expenditures under OPTA	82.8% (ahead of the 2009 target of 30% and in line with the 2013 target of 95%)
	Reduced turnover of Beneficiaries' staff per year	22.1% (behind the 2009 target of 12%)
	Level of satisfaction of the trainees with the provided training	92.8% (in line with target)
	Duration of UMIS unavailable	0 (delayed implementation)
	Training effectiveness assessment based on the participants evaluation	85% (in line with target)
	Users satisfaction index with UMIS	67% (in line with target)
	Level of satisfaction among the targeted audience with the organised events/ campaigns	79% (in line with target)
	Average number of connections on the web site/month ⁵⁷	51,910 (slightly behind the 2009 target of 60,000)
	Students benefiting from improved educational infrastructure (number) ⁵⁸	8,827 (in line with the target values – 6,300 for 2009 and 10,000 by 2015).
	Education facilities improved (number) ⁵⁹	29 (in line with the final 2015 target of 45 and the 2009 target of 20)
Transport and telecommunications	Number of transport projects	3 (Infrastructure projects under implementation; behind the 2015 target – 15)

⁵⁶ Operational Programme "Technical Assistance 2007–2013"

⁵⁷ Operational Programme "Technical Assistance 2007–2013"

⁵⁸ Operational Programme "Regional Development 2007–2013"

⁵⁹ Operational Programme "Regional Development 2007–2013"

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (2010)
	Km of new roads	0 (delayed implementation)
	Km of new TEN roads	0 (delayed implementation)
	Km of reconstructed roads ⁶⁰	128.2 (delayed implementation)
	Km of new railroads	2.3 (far short of the 2010 target of 11.9)
	Km of TEN railroads	2.3 (far short of the 2010 target of 269.6)
	Km of reconstructed railroads (OP Transport)	0 (delayed implementation)
	Reduction of fatalities on road (number)	775 (progress compared to 2007 level and exceeding the achievement expected from the 2010 target).
	Establishment of Vessel Traffic Management Information System (VTMIS) implementation	1 (2015 target achieved, however working at limited capacity)
	Average speed (railway)	102.9 (no change from the 2007 level and behind the 2010 target of 106.6).
	Traffic capacity (trains/day)	0 (delayed implementation, no achievement of the 2,394 target for 2010 is reported)
	Metro stations built (number)	18 (ahead of the target for 2010)
	Passengers using the metro (number)	156,000 (achieved progress, however still behind the 2010 target of 204,000)
	Value for time savings in Eur/year stemming from new and reconstructed roads	0 (delayed implementation)
	Value for time savings in Eur/year stemming from new and reconstructed railroads	0 (delayed implementation)
	Savings (EUR million per day) from improved inter-modality for passengers and freight	4.9 (in line with target)
	Time savings (thousands of hours per day) from improved inter-modality for passengers and freight	23.4 (ahead of the 19.3 target for 2010)
	Additional population served with improved urban transport ⁶¹	0 (delayed implementation)
	Part of sea waterways covered by safety system (%)	18 (delayed implementation from the 2010 target of 39.9)
	Part of river waterways along the Danube covered by safety system (%)	0 (delayed implementation)
	Supervised coast length (nautical miles)	35 (delayed implementation from the 2010 target of 95)
	Supervised river length (km)	60 (delayed implementation from the 2010 target of 126.6)

⁶⁰ Operational Programme "Regional Development 2007–2013"

⁶¹ Operational Programme "Transport 2007–2013"

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (2010)
Environment and energy	New and rehabilitated wastewater treatment plants	2 (delayed implementation; achieved 9% of the 2010 target value and 3% of the 2013 target value of 65)
	Constructed Integrated Waste Management Systems	0 (delayed implementation)
	Number of mapped protected areas and zones of NATURA 2000 network	0 (delayed implementation)
	Population connected to Urban Wastewater Treatment Plants	5% (delayed implementation from the 58% target value for 2010)
	Number of management plans for protected areas and zones of NATURA network	0 (delayed implementation)
	Population served by Integrated Waste Management Systems	0 (delayed implementation)
	Percentage of total NATURA to be mapped/ managed	0 (delayed implementation)
	Additional population served by waste water projects	65,893 (delayed implementation; 5% of the 2010 target)
	Number of waste projects ⁶²	1 (delayed implementation)
	Number of renewable energy projects	0 (delayed implementation)
	Additional capacity of renewable energy production ⁶³	0 (delayed implementation)
	Population benefiting from refurbished buildings (number) ⁶⁴	18,165 (delayed implementation from the 2009 target of 100,000 and the 2015 target of 230,000)
Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development)	Additional population covered by broadband	0 (delayed implementation)
	Additional population served with improved urban transport	0 (delayed implementation)
	Number of tourism projects	0 (delayed implementation)
	Kilometres of reconstructed roads (OP Regional Development)	128.2 (behind the 2009 target value of 500)
	Kilometres of reconstructed roads (OP Transport)	0 (behind the 2010 target of 290)
	Number of risk prevention projects	2 (far below the 2009 target of 80 with very limited impact on the regional development)
	Number of students benefiting from improved educational infrastructure	8,827 (in line with target values)
	Number of projects ensuring sustainability and improving the attractiveness of towns and cities ⁶⁵	0 (delayed implementation)

⁶² Operational Programme "Environment 2007–2013"

⁶³ Operational Programme "Development of the Competitiveness of the Bulgarian Economy 2007–2013"

⁶⁴ Operational Programme "Regional Development 2007–2013"

⁶⁵ Operational Programme "Regional Development 2007–2013"

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (2010)
	Innovative practices transferred and adopted based on interregional cooperation (number) ⁶⁶	57 (in line with target values)
	Projects improving the physical environment, attractiveness of the towns and risk prevention (number) ⁶⁷	2 (behind the 2009 target of 80, and the 2015 target of 200)
	Culture facilities improved (number) ⁶⁸	2 (behind the 2009 target of 35 and the 2015 target of 90)
	Number of projects (road, ICT, gas) ⁶⁹	15 (behind the 2009 target of 30)
	Population benefiting from small scale investment (number)	402,812 (ahead of the 2009 target value of 75,000 and the 2015 target of 166,000)
	Small scale investment implemented projects (number)	51 (behind the 2009 target value of 60)
	Interregional cooperation projects (number)	9 (behind the 2009 target value of 15)

Source: Annual Implementation Reports, 2010.

Note: OPs, funded by ESF are excluded.

The use of innovative measures as opposed to standard ones can be found mostly in the field of business and PA financing. The financial instruments **Jeremie** (Priority Axis 3 under OP Competitiveness) and **Jessica** (Priority Axis 1 under OP Regional Development) are new types of financial instruments. They present a challenge for all EU countries, not only for Bulgaria, as this is the first programming period for their implementation. Their success requires active dialogue between the European Commission, the European Investment Bank/European Investment Fund and the Bulgarian Ministries⁷⁰. The challenge for Bulgaria is also to gain valuable experience in managing this type of revolving instrument in the current period with the help of the European Investment Bank (EIB), so that the expert potential is in place for the Financial Perspective 2014 – 2020. It should be noted that Jeremie and Jessica are still in their **initial stages**. By July 2011 the managers of the Jeremie funds had been appointed and the functioning of the first, Guarantee fund is expected to start in the autumn of 2011. In spring 2011, the EIB launched a Call for Expressions of Interest with the aim of selecting Urban Development Fund(s) that will receive resources from the JESSICA Holding Fund to facilitate the disbursement of EU structural funds.

Furthermore, new types of financial instruments emerged **to facilitate the process** of application and implementation of projects under the EU-funds and the OPs.

⁶⁶ Operational Programme "Regional Development 2007–2013"

⁶⁷ Operational Programme "Regional Development 2007–2013"

⁶⁸ Operational Programme "Regional Development 2007–2013"

⁶⁹ Operational Programme "Regional Development 2007–2013"

⁷⁰ Interview with a representative of the Committee on European Affairs and Oversight of the European Funds Secretariat, 19.07.2011.

FLAG, the Fund for Local Authorities and Governments was established in March 2007. It represents a new form of financing, since it is an institution of unique status –an independent legal entity and a commercial company (joint stock company). It started accepting credit requests in January 2009 and by July 2011 it had been well accepted and actively used by the municipalities in Bulgaria.⁷¹ It is supported by national financing and the EBRD, and aims to create the conditions for the maximum absorption of the funds under all the operational programs.

In April 2009, the European Investment Bank (EIB) opened an office of the **JASPERS programme** (Joint Assistance to Support Projects in European Regions) in Sofia. The objective of the programme is to help the development of projects applying for EU funding. The JASPERS programme was established by the European Commission, the EIB, the European Bank for Reconstruction and Development (EBRD), and KfW Bankengruppe.

3. EFFECTS OF INTERVENTION

By August 2011 many of the large ERDF-supported projects were still in the process of implementation. Due to this fact and the complexity of the cause and effect relationships, there is **no comprehensive analysis of ERDF contribution** to the Bulgarian economy yet. The **2010 AIRs** present individual projects as achieved results. The values of the core indicators and the impact indicators are in fact macroeconomic data from Eurostat or the National Statistical Institute. It remains unclear if the recorded changes in the latter are due to EU-support or the economic cycle. The qualitative analysis parts of the AIRs focus on the number of opened grant schemes and distributed funds by priority. There is almost **no commentary on the broader impact** of ERDF funding. The **Annual Report on the Absorption of EU Funds in the Republic of Bulgaria**⁷² also focuses on the overall financial progress of the OPs and on individual projects. The project for developing a model for impact assessment of the Structural and Cohesion Funds⁷³ (the **HERMIN model**, financed by OP Technical Assistance) is in the process of implementation.⁷⁴ One of the potential weak points of the Bulgarian version of the model is the lack of involvement of any of the “founding fathers” of the model in Europe. The evaluation of the National Strategic Reference Framework (NSRF) is also forthcoming. It should start in the autumn of 2011 and be elaborated at the beginning of 2012⁷⁵.

⁷¹ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁷² Annual Report on the Absorption of EU Funds in the Republic of Bulgaria Summary, January 2011, National Assembly, Committee on European Affairs and Oversight of the European Funds, http://www.parliament.bg/pub/cW/20110525030704Summary_EU_Funds_Annual_Report_2010_en.doc.

⁷³ Project for Developing a Model for Impact Assessment of the Structural and Cohesion Funds, <http://umispublic.minfin.bg/srchProjectInfo.aspx?org=beneficient&id=8542>

⁷⁴ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁷⁵ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

The general opinion emerging from the interviews with representatives of MAs⁷⁶ is that the ERDF effect on the quality of life in Bulgaria is considerable. Personal opinions confirm that ERDF support has to some degree assisted and has the potential to further help the Bulgarian regions to cope with long-term challenges such as **environment and climate change** (OP Environment), **energy security and energy efficiency** (OP Regional Development), **renewable energy sources** (OP Competitiveness). The EU funding has helped slow down the brain drain, build new infrastructure and support transport in accordance to international environmental standards⁷⁷. It created job opportunities in the implemented projects, improved the quality of life and protected the environment (for example by the construction of waste treatment plants, the Sofia metro, etc.)⁷⁸. It also contributed to the development of social, educational, transport and health infrastructure. There are also signs of improved territorial cohesion though only between some municipalities and not at NUTS2 level.⁷⁹ Another example⁸⁰ regards the beneficial effect on developing legislation: the schemes for the support of hospitals under OPRD required a National Health Map whose preparation has been delayed for years. The threat of losing financial support by the EU greatly accelerated the preparation of such Map and of an analysis of the state of all hospitals.

The role of the ERDF as **balancing factor during the economic crisis** (for the **construction sector** in particular) is mentioned in the **OP Regional Development mid-term evaluation**⁸¹. According to an interviewee, the construction of the highways can be classified as an **anti-crisis measure**, due to the fact that it provides employment for the construction companies in a period of economic slowdown⁸².

Concerns were expressed for the future planning period regarding the European Commission's plans to decrease the funding for less developed regions due to the low absorption rates. The opinion, expressed during the interview, was that the needs of these regions have not decreased and therefore do not justify a reduction of the funding. If funding ceases, they will not be able to increase their project implementation capacity⁸³.

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Strategy for evaluation of the effects

All operational programmes in Bulgaria have developed **Indicative Evaluation Plans** but these are not all publicly available. The evaluation plans set the objectives of the evaluations, the

⁷⁶ See list of all interviews at the end of the document.

⁷⁷ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

⁷⁸ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

⁷⁹ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁸⁰ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

⁸¹ Mid-term review of OP Regional Development

http://www.bgregio.eu/media/files/Programirane%20i%20ocenka/04_mid-term%20evaluation.En.pdf

⁸² Interview with a representative of the Committee on European Affairs and Oversight of the European Funds Secretariat, 19.07.2011.

⁸³ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

legislative framework, the general methodology, time schedule, and stages of the evaluation. They specify the cases in which an evaluation is deemed necessary, the criteria to be followed and questions to be answered. The texts list the responsible bodies and involvement of stakeholders in the evaluation process and in later discussions. They also set the quality requirements, dissemination and follow-up processes.

There is very little MA-internal and external-expert professional evaluation capacity in the country. MAs usually rely on one and the same human resources for programming and for the evaluation of the OP, which reduces their specialisation capacity. During the current midterm reviews the MAs have relied heavily on external expertise. The latter are in limited local supply, which has provided more need for country-external, usually more expensive, evaluators.

By mid-2011, only some ad hoc evaluations on individual schemes or priority axes had been fed into the management policy of the OPs (first schemes of OP Regional Development and OP Environment opened in 2008, implementation of OP Technical Assistance in 2007-2008, implementation of Priority axes 1, 2 and 3 of Operational Programme "Environment 2007 - 2013" by 2010). They prompted corrections in the relevant legislation and implementation procedures. The recommendations from the midterm reviews however have still not become available and/or have not been fed into the programmes by the MAs.

The **evaluations**, and in particular the **mid-term reviews**, are elaborated by **external experts**, contracted after a call for application for the task. The Managing Authorities and the Monitoring Committees coordinate the process, review the evaluations and present them to the policy-makers. They are also **users of the information** from the evaluation, together with the Central Unit for Coordination, the European Commission, other independent evaluators and the OP beneficiaries. Usually changes in the OPs will be proposed, if there are significant socio-economic changes in the environment, national or regional priorities, or if there are significant difficulties in the implementation.

Bulgaria is one of the countries, implementing mid-term reviews for **all OPs**. Some of them are currently running, with **only the mid-term review of OPRD completed by the end of July of 2011**.

For more information on the OPRD mid-term review and the Evaluation Plans, see Table C and Table D below, as well as the 2010 Bulgaria Country Report on Achievements of Cohesion Policy⁸⁴. Evaluations and studies from the 2010 Expert Evaluation Network report for Bulgaria are excluded from the two tables.

⁸⁴ Bulgaria Country Report on Achievements of Cohesion Policy, DG Regional Policy, 2010, http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/country_reports/bulgaria.pdf.

Table C – Evaluations and studies carried out to assess Cohesion Policy performance

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Mid Term evaluation of OP Regional Development (2011)	Accessibility, urban development, tourism, local development and technical assistance.	Assessing and improving the compliance, relevance, results, quality of implementation and monitoring, environment impact assessment.	Low absorption and too ambitious targets, objectives of OPRD are still fundamentally valid, relevant and compatible with the rationale and strategy. The evaluation recommends a shift towards a more integrated approach to regional development with clear targets and identification of regions that can act as engines for development. The evaluator recommends fewer, but better defined indicators. It is too early to draw conclusions on the impact of the programme.	http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evaluated/evaluations/bulgaria/1102_midterm_op_reg_dev_en.htm
Evaluation of the effectiveness of the completed procedures for project proposals selection under Priority axes 1, 2 and 3 of Operational Programme "Environment 2007 – 2013", Ministry of Environment and Water (25 August 2010)	Water and wastewater infrastructures, waste treatment infrastructures, biodiversity.	Assessing and improving the quality, the effectiveness, the impact and the durability of the OP.	Proposed changes in the legal framework, improved coordination with other ministries and agencies, synergy with other OPs, system approach during planning of activities, assuring the effective functioning of the loan instruments helping the beneficiaries, simplification of the grant contracts, additional publicity measures, etc.	http://opecoew.government.bg/en/Evaluation

Table D – Other documents, related to the OPs evaluation process (Annual Implementation Reports and Evaluation Plans)

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Annual Implementation Report 2010 of OP Technical Assistance (June 2011)	Technical assistance	Assessing financial progress, achievement by target indicator, identifying problems and providing recommendations.	The financial indicators show some delay in implementation and well implemented Communication plan.	www.eufunds.bg/document/1211
Annual Implementation Report 2010 of OP Regional Development,	Regional development, competitiveness,	Assessing financial progress, achievement by target indicator, identifying	More schemes were launched in 2010 than in 2009. Still, contracting and financial verification should continue at increased rates. Improved	Not available publicly on the MA websites (by 3.08.2011)

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
OP Competitiveness, OP Transport (June 2011)	transport	problems and providing recommendations.	control, information and publicity.	
Annual Progress Report 2010 of OP Environment (June 2011)	Environment	Assessing financial progress, achievement by target indicator, identifying problems and providing recommendations.	Beneficiaries encounter significant difficulties at every stage of the project preparation. Insufficient capacity also in the MA. Some procedures for the establishment of regional waste management systems were not announced because the beneficiaries failed to establish project pipelines. The beneficiaries are well aware of the programme.	http://ope.moew.government.bg/uf//other/Annual_Report_2010_BG.doc
Annual Report on the Absorption of EU Funds in Bulgaria for 2010, Committee on European Affairs and Oversight of the European Funds, Council of Ministers (26.01.2011)	All financed policy areas	Make review of the OPs, trans-border programmes and other EU-funded mechanisms. Identify problem areas and present vision for the future.	Need for streamlining the management and monitoring of EU funds. The key problem areas concern the implementation of public procurement procedures for EU-funded projects and the capacity of the different administrative units involved in the operational programme management and implementation.	http://www.parliament.bg/pub/cw/20110525030704Summary_EU_Funds_Annual_Report_2010_en.doc (summary), http://www.parliament.bg/pub/cw/20110128022001Annual%20Report%202010_26.01.2011.ppt (presentation)
Evaluation Plan of OP Transport (16.03.2009, updated December 2010)	Transport	Setting the objectives, schedule and methods for OP Transport evaluations to be carried out by 2013.	The Plan focuses on the need and objectives of the evaluations such as improving management, transparency, etc.	http://www.optransport.bg/upload/docs/OPT_Indicative_Evaluation_Plan__Version_5_EN_December_2010.pdf ; http://www.optransport.bg/en/page.php?c=141
Evaluation Plan of OP Technical Assistance (6 June 2008)	Technical assistance	Setting the objectives, schedule and methods for OP Technical Assistance evaluations to be carried out by 2013.	The Plan highlights the objectives of the evaluations such as improving the quality, efficiency, management of the OP, etc.	www.minfin.bg/document/5600:2 (presentation)
Annual Implementation Report 2009 for	Cross-Border Cooperation	Identifying the progress and the problems of the	None of the applications for payment had been reimbursed by the Commission by the end of	http://www.cbcbromaniabulgaria.eu/usefile/AIR2009.doc

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Romania–Bulgaria Cross–Border Cooperation Programme 2007–2013	on	programme.	2009, due to delay in the approval of the management and control system. The late start of evaluations of applications and the insufficient knowledge of the programme specifics present a problem for its implementation.	

The **aim of the mid-term reviews** is to describe the current state of the programmes and to propose recommendations for changes till the end of the period. They also strive to analyse if the needs and the environment have changed, and if the provided support, measures and implementation procedures are still relevant and efficient. They **will contribute** to the improvement of the procedures in the current and the planning of the next programming periods. This process however involves also other analyses, setting national priorities, consultations with stakeholders, taking into account the EU requirements such as the introduction of conditionalities, etc⁸⁵.

The **ad hoc evaluations** serve as a basis for improvement in the current period. The OPs also constantly monitor the implemented projects. For example OP Environment initiated legislative changes and optimised processes, such as application procedures and activity planning, based on evaluation of Priority axes 1, 2 and 3 in 2010⁸⁶. OP Environment also discontinued the implementation of the ineffective projects and revised the selection criteria⁸⁷ of the project proposals.

The evaluations have used or plan to use a **number of methods**: focus groups, questionnaires and interviews with the beneficiaries (current and potential), the MA and other management units; case studies; impact assessments; control groups; the “difference in difference” method⁸⁸; the triangulation method⁸⁹, review of documents, data analysis, media and publicity analysis, SWOT analysis; environmental impact assessment, etc.

All OPs should have their mid-term evaluations **ready by mid-2012**⁹⁰:

- **OP Regional Development** has already completed its mid-term evaluation (February 2011);

⁸⁵ Interview with a representative of the Secretariat of the Committee on European Affairs and Oversight of the European Funds, 19.07.2011.

⁸⁶ Evaluation of the effectiveness of the completed procedures for the selection of project proposals under Priority axes 1, 2 and 3 of Operational Programme “Environment 2007 – 2013”, Ministry of Environment and Water, 25 August 2010, <http://ope.moew.government.bg/en/Evaluation>

⁸⁷ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

⁸⁸ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁸⁹ For example in the OP Regional Development mid-term review.

⁹⁰ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

- **OP Competitiveness and OP Transport** have selected external evaluators (July 2011). The mid-term evaluation is supposed to be elaborated at the end of 2011 or the beginning of 2012. According to an interviewee⁹¹, OP Transport will implement three more evaluations, including a cost-benefit analysis of the transport projects;
- **OP Environment⁹² and OP Technical Assistance** will launch open calls for mid-term evaluators at the end of 2011. **OP Environment** has published a summary of the Evaluation of the effectiveness of the completed procedures for the selection of project proposals under Priority axes 1, 2 and 3 (25 August 2010).⁹³
- The **National Strategic Reference Framework will also be evaluated ex-post** by the Coordination of Projects and Programmes Department at the Council of Ministers⁹⁴.

Plans for carrying out evaluations by the end of the programming period

OP Transport has published its Indicative Evaluation Plan on 16 March 2009. The Plan was updated in December 2010⁹⁵. It presents a time schedule and envisages evaluations related to the following topics and issues:

- Evaluations of the operational focus on programme implementation, including examination of possible difficulties;
- Evaluations concerning the general progress of the OP and its impact;
- Evaluations of the strategic focus, oriented towards policy formulation;
- Evaluations aiming to measure and improve the monitoring and evaluation of the OP.

The Evaluation Plan of **OP Regional Development⁹⁶** presents an Indicative list, time-table and the financial recourses needed for the evaluations up to January 2013. These include obligatory evaluations, to reveal significant departure from the goals and specific evaluations, defined on the basis of identified needs during plan preparation. Besides the mid-term review, several other ad hoc evaluations of the OPRD are foreseen till the end of the current planning period. They will encompass some of the more important sectors and topics of the programme, such as: impacts of the interventions on energy efficiency,

⁹¹ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁹² Interview with a representative of the Ministry of Environment and Water (11.08.2011).

⁹³ Evaluation of the effectiveness of the completed procedures for the selection of project proposals under Priority axes 1, 2 and 3 of Operational Programme "Environment 2007 – 2013", Ministry of Environment and Water, 25 August 2010, <http://ope.moew.government.bg/en/Evaluation>

⁹⁴ Interview with a representative of the Council of Ministers, Coordination of Projects and Programmes Department, 19.07.2011.

⁹⁵ Indicative Evaluation Plan of OP Transport, 16.03.2009, http://www.optransport.bg/upload/docs/OPT_Indicative_Evaluation_Plan___Version_5_EN_December_2010.pdf and December 2010, <http://www.optransport.bg/en/page.php?c=141>

⁹⁶ Evaluation Plan of OP Regional Development, Ministry of Regional Development and Public Works DG "Programming of The Regional Development", http://www.bgregio.eu/media/old/File/Plan%20za%20Ocenka%20na%20OPRR_fin_en.ppt

inclusion of minorities, integrated urban development, tourism, use of innovative practices, the OP implementation and monitoring system, etc.

OP Technical Assistance (OPTA) also plans additional evaluations to be carried out by the end of the planning period in its Evaluation Plan (6 June 2008)⁹⁷. The Plan foresees ongoing evaluations based on document analysis, interviews, surveys and focus groups, including:

- Analysis of the progress and effectiveness of OPTA activities and evaluation of the expected impact, results, problems, opportunities for reallocation of the funds, etc. (scheduled for 2009, 2010, 2012, 2013, 2014);
- Analysis of the implementation framework of OPTA – adequacy, efficiency and reliability of the management and the monitoring systems. Analysis of the organisation, written procedures and rules of the MA (late 2010);
- Mid-term evaluation of OPTA. Results of previous assessments, progress in correspondence to the objectives, priorities, strategy, compliance of the tools to their implementation, identified problems, recommendations (2011).

According to an interviewee⁹⁸, **OP Environment** will launch an open call for contracting an evaluator for the mid-term review for the 2007–2010 period, and for three ad hoc (on-going) evaluations for 2011, 2012 and 2013, as well as evaluation of the operational programme's Communication Plan.

Carried out studies and good practices

The **mid-term review of OP Regional Development (OPRD)**⁹⁹, which is the only OP evaluation that has been completed by mid-2011, can be regarded as a **good practice** for Bulgaria¹⁰⁰, since it includes an analysis of the achieved results and the disbursed funds, a comprehensive territory-related assessment, an environment impact assessment, and recommendations for the future planning period.

The Ministry of Regional Development and Public Works launched the mid-term review due to the need of identifying the new challenges in the context of the changing environment – the global economic crisis and the 2009 gas crisis¹⁰¹.

The OPRD mid-term review's **objective was** to assess:

- if the applied regional development strategy and its overall implementation were adequate;
- if the OPs objectives were being achieved;
- what the overall impact of the implementation of the OP was;
- what the environmental impact assessment was;

⁹⁷ Evaluation Plan of OP Technical Assistance, 6 June 2008, www.minfin.bg/document/5600:2 (presentation) ; <http://www.minfin.bg/document/6574:3> (presentation)

⁹⁸ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

⁹⁹ Mid-term review of OP Regional Development, http://www.bgregio.eu/media/files/Programirane%20i%20ocenca/04_mid-term%20evaluation.En.pdf

¹⁰⁰ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

¹⁰¹ Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

- how the external factors had changed;
- provide recommendations.

By July 2011 the Ministry of Regional Development and Public Works had started preparing a **Plan for the Implementation of the recommendations** from the mid-term review¹⁰². The OPRD mid-term review will contribute to the improvement of the implementation processes already in the **current** and the **planning for the next programming period**. Its recommendations will be complemented by several other sources of information, such as:

- analyses of the Ministry of Regional Development and Public Works, including information gathered during site visits;
- sectoral analyses, made by consultants;
- public discussions and consultations with stakeholders.

5. CONCLUDING REMARKS – FUTURE CHALLENGES

The 2010 country report made several recommendations to the OPs implementation process:

- Facilitating the procedures, speeding up the payments, encouraging more active participation and streamlining the resources in areas and sectors that will have the most beneficial impact on the economy, society and the environment;
- Increasing the capacity of managing authorities, beneficiaries, and consultants to prepare, manage, monitor, consult on, and implement successful projects;
- Efficient and timely implementation of the mid-term reviews. Use of the recommendations to improve the allocation of resources, the procedures and to ensure the necessary accountability by demonstrating the impacts;
- Regaining the trust of the potential beneficiaries in the OPs.

At the end of 2011 challenges include:

- Speeding up **contracting** and accelerating the **payments** to the beneficiaries¹⁰³. Some projects still experience delayed reimbursement¹⁰⁴;
- Additional enhancement of the **MA's administrative capacity** for the period 2011–2013, which will allow them to run the implementation of the current period parallel to the programming of the next;
- Concentration of the European and national resources **on few key priorities with better defined targets and indicators**, which correspond to the specific needs of the country and are in line with the Europe 2020 Strategy¹⁰⁵;

¹⁰² Interview with a representative of the Ministry of Regional Development and Public Works, 18.07.2011.

¹⁰³ All interviews and Mid-term evaluation of Operational Programme "Regional Development".

¹⁰⁴ Interview with a representative of the Ministry of Environment and Water (11.08.2011).

¹⁰⁵ Presentation of the Annual Report on the Absorption of EU Funds in the Republic of Bulgaria for 2010, 26.01.2011 by Ms. Monika Panayotova, Chairwoman of the Committee on European Affairs and Oversight of the European Funds,
http://www.parliament.bg/pub/cW/20110128022147Annual%20Report%202010_26.01.2011_en.ppt

- Introducing a better system for **assessment of the Ops' efficiency**¹⁰⁶;
- **Active participation in the debates** concerning the **introduction of conditionalities** in the allocation of Structural Funds assistance¹⁰⁷;
- Increasing the efficiency of the Ops' **regional coordination** and consideration of the regional needs. The Regional Development Councils (NUTS 2) need to be provided with the operational means (organisational capacity and financial resources) to implement this function¹⁰⁸;
- Improvement of the Unified Information System for the Management of Regional Development¹⁰⁹ by including national measures, other international donors and the contributions to the regional development by private contractors;
- There is a suggestion for setting of a **regional quota system** with regard to budget allocations for the next programming period, establishment of **strong regional OP offices**, identification of municipalities acting as engines to development and basing OPRD on the integrated urban development plans¹¹⁰;
- Improving public procurement procedures by amending the Law on Public Procurement. The objective is to elaborate all procurement procedures in a single statutory instrument¹¹¹.
- Introducing **electronic submission and reporting** for all OPs.

¹⁰⁶ Mid-term evaluation of Operational Programme "Regional Development" 2007–2013.

¹⁰⁷ Presentation of the Annual Report on the Absorption of EU Funds in the Republic of Bulgaria for 2010.

¹⁰⁸ Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015, <http://www.mrrb.government.bg/index.php?do=law&id=424&lang=bg&type=4>

¹⁰⁹ Unified Information System for the Management of Regional Development, <http://212.122.182.70/fir/>

¹¹⁰ Mid-term evaluation of Operational Programme "Regional Development" 2007–2013.

¹¹¹ National Reform Programme (2011–2015), VI.1. Measures for Improving the Absorption of the Structural Funds and the Cohesion Fund, http://ec.europa.eu/europe2020/pdf/nrp/nrp_bulgaria_en.pdf

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INTERVIEWS

List of the people interviewed and their functions.

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2. Mr. Borislav Petkov, Chief Adviser on European Funds and Programs, Committee on European Affairs and Oversight of the European Funds Secretariat to the National Assembly (19.07.2011)
3. Mr. Nikolay Naidenov, Coordination of Projects and Programmes Department, Council of Ministers (19.07.2011)
4. Ms. Irena Dimitrova, Expert, Cohesion Policy for Environment Directorate, Ministry of Environment and Water (11.08.2011)

TABLES

See Excel file for Tables 1–4

Table 1 – Regional disparities and trends

Table 2 – Macro-economic developments

Table 3 – Financial allocation by main policy area

Table 4 – Commitments by main policy area (by end-2010)

Annex Table A – GDP growth (annual % change)

Region	1995–2004 ¹¹²	EU-27 average	2000–2007 ¹¹³	EU-27 average
North West region	1.35–2.00	2.16	1.76	1.80
North Central region	2.00–2.75		3.57	
North East region	2.00–2.75		4.25	
South East region	1.35–2.00		2.09	
South Central region	1.35–2.00		5.27	
South West region	Over 3.74		9.19	

Source: Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015.

Annex Table B – Distribution of the Financial Resources by NUTS2 level (2005 nomenclature), BGN million

Region	Planned indicative resources		Available resources	Contracted resources	Paid up resources
	For the whole period	2007–2010	Total	2007–2010	2007–2010
Region	Planned indicative resources		Available resources	Contracted resources	Paid up resources
North West region	330.0	151.8		273.1	48.0
North Central region	1,031.8	616.2		587.9	73.6
North East region	680.0	465.9		510.9	115.1
South East region	417.3	198.2		315.8	72.9
South Central region	1,025.0	698.2		588.9	87.4
South West region	1,051.1	592.4		1,468.9	238.6
Bulgaria				2,434.6	665.0
Total	4,535.2	2,722.7	15,684.2	6,180.1	1,300.5

Source: Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015.

¹¹² Regions: Statistical yearbook 2006, EUROSTAT,

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Annex Table C – Regional distribution of the support under the 5 ERDF-funded OPs in Bulgaria (by 15.7.2011)

OP	Unit	North West region	North Central region	North East region	South West region	South Central region	South East region	Total
All 5 ERDF-funded OPs (share)	Total No of contracts (%)	11.2	12.6	12.5	33.4	19.9	10.4	100.0
	Total value, EUR (%)	8.2	8.5	7.2	35.1	11.4	29.6	100.0
All 5 ERDF-funded OPs (absolute values)	Total No of contracts	231	260	258	687	410	214	2,060
	Total value, EUR million	263.8	274.3	230.3	1,128.4	368.3	953.9	3,219.1
OP Regional Development	Total No of contracts	89	83	94	124	126	65	581
	Total value, EUR million	118.0	110.4	137.8	152.2	203.4	150.0	871.8
OP Transport	Total No of contracts	0	2	0	39	2	4	47
	Total value, EUR million	0.0	0.1	0.0	792.4	43.9	667.3	1,503.8
OP Environment	Total No of contracts	43	35	34	50	67	26	255
	Total value, EUR million	111.5	120.1	62.3	81.7	40.1	89.9	505.6
OP Competitive ness	Total No of contracts	94	135	126	470	210	115	1,150
	Total value, EUR million	33.3	42.6	29.4	101.2	79.9	45.8	332.1
OP Technical Assistance	Total No of contracts	5	5	4	4	5	4	27
	Total value, EUR million	1.1	1.0	0.9	0.9	1.1	0.9	5.8

Source: Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/>

Annex Table D – Regional distribution of the support under all OPs in Bulgaria (by 15.7.2011)

Region	Total No of contracts	Total value, EUR million	Total No of beneficiaries
North West region	481	278.5	299
North Central region	494	288.8	303
North East region	468	244.5	294
South West region	1,254	1,293.2	958
South Central region	689	384.9	426
South East region	401	964.8	279
Total	3,787	3,454.8	2,559

Source: Information System for Managing and Monitoring the Structural Instruments of the EU in Bulgaria, <http://umispublic.minfin.bg/>

Annex Table E – Contribution of Individual OPs (Share of Contracted Funds) to the Achievement of the Priorities of the NSRF

National Strategic Reference Framework (NSRF)	OP Regional Development	OP Environment	OP Competitiveness	OP Development of the Human Resources	OP Transport	OP Administrative Capacity	OP Technical Assistance
Priority 1: Increasing regional competitiveness based on the knowledge economy <i>(Very limited progress)</i>	0.0%		100.0 %				
Priority 2: Development and modernisation of infrastructure, creating conditions for growth and employment <i>(Some progress)</i>	193.0 %	258.0 %	27.9%		27.0%		
Priority 3: Improving the attractiveness and quality of life in the planning regions <i>(Some progress related to education and the labour market. Limited progress relates to healthcare, environment and culture)</i>	4.1 %	4.9%		91.0%			
Priority 4: Integrated urban development and improving the urban environment <i>(Some progress, incl. the Sofia metro and the investments in public infrastructures in rural areas)</i>	45.8%				54.2%		
Priority 5: Development of the cooperation for European territorial cohesion, strengthening partnership and neighbourhood for development <i>(Very limited progress)</i>	100.0 % (trans – border cooperation)					0.0%	
Priority 6: Strengthening the institutional capacity at regional and local level to improve the management process <i>(Progress)</i>	9.1%	34.2%	6.4%	11.8 %	6.9%	27.6%	4.0%

Source: Mid Term Report for the Implementation of the National Strategy for Regional Development of the Republic of Bulgaria 2005–2015.

Annex Table F – Broad policy areas and correspondence with fields of intervention (FOI)

Policy area		Code	Priority themes
1. Enterprise environment	RTDI and linked activities	01	R&TD activities in research centres
		02	R&TD infrastructure and centres of competence in a specific technology
		05	Advanced support services for firms and groups of firms
		07	Investment in firms directly linked to research and innovation (...)
		74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...
	Innovation support for SMEs	03	Technology transfer and improvement of cooperation networks ...
		04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
		06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)
		09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
		14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
		15	Other measures for improving access to and efficient use of ICT by SMEs
	ICT and related services	11	Information and communication technologies (...)
		12	Information and communication technologies (TEN-ICT)
		13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)
	Other investment in firms	08	Other investments in firms
2. Human resources	Education and training	62	Development of life-long learning systems and strategies in firms; training and services for employees ...
		63	Design and dissemination of innovative and more productive ways of organising work
		64	Development of special services for employment, training and support in connection with restructuring of sectors ...
		72	Design, introduction and implementing of reforms in education and training systems ...

Policy area		Code	Priority themes
		73	Measures to increase participation in education and training throughout the life-cycle ...
	Labour market policies	65	Modernisation and strengthening of labour market institutions
		66	Implementing active and preventive measures on the labour market
		67	Measures encouraging active ageing and prolonging working lives
		68	Support for self-employment and business start-up
2. Human resources (Cont.)	Labour market policies (Cont.)	69	Measures to improve access to employment and increase sustainable participation and progress of women ...
		70	Specific action to increase migrants' participation in employment ...
		71	Pathways to integration and re-entry into employment for disadvantaged people ...
		80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders
3. Transport	Rail	16	Railways
		17	Railways (TEN-T)
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
	Other transport	24	Cycle tracks
		25	Urban transport
		26	Multimodal transport
		27	Multimodal transport (TEN-T)
		28	Intelligent transport systems
		29	Airports
		30	Ports
		31	Inland waterways (regional and local)
		32	Inland waterways (TEN-T)
4. Environment and energy	Energy infrastructure	33	Electricity
		34	Electricity (TEN-E)
		35	Natural gas
		36	Natural gas (TEN-E)
		37	Petroleum products
		38	Petroleum products (TEN-E)
		39	Renewable energy: wind
		40	Renewable energy: solar
		41	Renewable energy: biomass
		42	Renewable energy: hydroelectric, geothermal and other

Policy area		Code	Priority themes
		43	Energy efficiency, co-generation, energy management
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drinking water)
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaptation to climate change
		50	Rehabilitation of industrial sites and contaminated land
		51	Promotion of biodiversity and nature protection (including Natura 2000)
		52	Promotion of clean urban transport
		53	Risk prevention (...)
		54	Other measures to preserve the environment and prevent risks
5. Territorial development	Social Infrastructure	10	Telephone infrastructure (including broadband networks)
		75	Education infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
	Tourism and culture	79	Other social infrastructure
		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
	Planning and rehabilitation	60	Other assistance to improve cultural services
	Other	61	Integrated projects for urban and rural regeneration
		82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
		83	Specific action addressed to compensate additional costs due to market size factors
6. Technical assistance		84	Support to compensate additional costs due to climate conditions and relief difficulties
		81	Mechanisms for improving good policy and programme design, monitoring and

Policy area		Code	Priority themes
			evaluation
	85		Preparation, implementation, monitoring and inspection
	86		Evaluation and studies; information and communication

ANNEX

Evaluation grid for examples of good practice in evaluation

BASIC INFORMATION		
Country: Bulgaria		
Policy area: Regional Development, including accessibility, urban development, tourism, local development and technical assistance.		
Title of evaluation and full reference: Mid Term evaluation of OP Regional Development, 2011.		
Intervention period covered: 2007–2010		
Timing of the evaluation (when it was carried out): 30.08.2010–28.02.2011		
Budget (if known): EUR – Not available		
Evaluator (External evaluator, internal evaluator, EC): External evaluator: KPMG Hungary, KPMG Bulgaria		
Method (counterfactual analysis, process analysis, case study, econometric model, analysis of indicators, etc.)		
Main objectives and main findings (very short description – 3–4 lines) The objective of the evaluation was to assess the OP's relevance and the achievements of its objectives in the middle of the programming period. The study also analyses the quality of implementation and the environmental impacts.		
Appraisal (Why you consider the evaluation an example of good practice: – 2–3 lines) The evaluation is the only comprehensive mid term report of an OP in Bulgaria. It includes detailed description of the OP's activities, assesses the success of OPRD in terms of expected results and presents the consultant's conclusions and recommendations for the programme's wider impact and sustainability. The evaluation is based on a wide range of methods: triangulation approach, document review, data analysis, publicity analysis, SWOT analysis, environmental impact assessment, questionnaires, interviews, workshop.		
CHECK LIST	YES	NO
UTILITY		
Report Clarity and Balance		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
RELIABILITY OF FINDINGS		
Evaluation design		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
Context		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	

Information Sources		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
Analysis		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?	X	