



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 2 – 2012**

**Task 2: Country Report on Achievements of
Cohesion policy**

Bulgaria

Version: Final

**Daniela Mineva, Stefan Karaboev, Ruslan Stefanov
Center for the Study of Democracy (Project One EOOD)**

**A report to the European Commission
Directorate-General Regional and Urban Policy**

Contents

Executive summary	3
1. The socio-economic context	5
2. The regional development policy pursued, the EU contribution to this and policy achievements over the period	7
The regional development policy pursued	7
Policy implementation	9
Achievements of the programmes so far	13
3. Effects of intervention	23
4. Evaluations and good practice in evaluation.....	25
5. Further Remarks - New challenges for policy.....	33
References	35
Interviews.....	37
Annex 1 - Evaluation grid for examples of good practice in evaluation	38
Annex 2 – Tables.....	40

List of abbreviations

• AIR	Annual Implementation Report
• CBC	Cross-Border Cooperation
• CEADEF	Committee on European Affairs and Oversight of the European Funds
• EIF	European Investment Fund
• FEI	Financial Engineering Instrument
• FRSP	Funded Risk Sharing Product
• IB	Intermediary Body
• MA	Managing Authority
• MC	Monitoring Committee
• NSI	National Statistical Institute
• NSRF	National Strategic Reference Framework
• OP	Operational Programme
• OPDCBE	OP Development of the Competitiveness of the Bulgarian Economy
• OPE	Operational Programme Environment
• OPRD	Operational Programme Regional Development
• OPT	Operational Programme Transport
• OPTA	Operational Programme Technical Assistance
• PA	Priority Axis
• RES	Renewable Energy Sources

EXECUTIVE SUMMARY

The **economic crisis** continues to represent a serious challenge to the Bulgarian economy, especially with regard to **regional development**, as disparities between the country's regions continued to increase.

During the crisis the EU Funds have become and remain a key driver for public and private sector development and the main source of investments from the public sector.

A **reassignment of funds within the programmes was undertaken in 2011**. Managing Authorities (MAs) cited different reasons for re-directing financial resources, including higher interest on the part of the beneficiaries in some measures/schemes; avoiding potential losses of funds due to slow implementation of some schemes; the desire to implement new priority sectoral policies and reforms; and the need to respond to the emerging social and economic needs. There is also a priority targeting of funds in the **Indicative Annual Work Programmes of the Operational Programmes (OPs) in 2012** (nearly EUR 260 million) towards energy efficiency.

The **absorption of EU funds in Bulgaria is accelerating**. The share of **contracted funds**, which stood at 50% in June 2011, increased to 76% by June 2012, and to 84% by August 2012. The **funds paid out** to beneficiaries under the 7 OPs almost doubled – from 14% (31 July 2011) to 26.3% (1 September 2012)¹.

The common opinion of the MAs is that **Bulgaria would not have achieved its current economic and regional development level without the ERDF support**, especially with regard to the modernisation of the basic infrastructure. The reported programme achievements in terms of physical implementation in the 2011 Annual Implementation Reports (AIRs), however, remain scarce, with no achievements reported under a number of indicators. The reason for this is that the majority of the currently used indicators will provide information on the direct effect of the OPs by the end of the period. Nevertheless, several important achievements can be highlighted, mainly in terms of the nearly 350,000 passengers in total, now using the Sofia Metro; a 37.3% increase of the production capacity in the supported enterprises under the OP Development of the Competitiveness of the Bulgarian Economy (OPDCBE); 1,399 jobs created (OPDCBE); introduction of new technologies or products by 130 supported SMEs; and induced investment in the amount of EUR 125.5 million.

In a pursuit of greater levels of implementation and increased efficiency, the last two years were marked by a particular increase in the conducted evaluations and assessments of OPs in Bulgaria:

- The Ministry of Economy, Energy and Tourism concluded the mid-term review of **OPDCBE 2007-2013**. As a result, the Intermediary Body (IB) has been merged with the MA – the Ministry of Economy, Energy and Tourism. In addition, the MA started a practice of over-contracting, in order to ensure meeting of the absorption targets;
- The Bulgarian authorities have implemented three new evaluations under OP Transport (OPT), while a fourth is expected to be published by the end of 2012.

¹ Information System for Management and Monitoring of the Structural Instruments of the EU in Bulgaria <http://umispUBLIC.minfin.bg/opOperationalProgramms.aspx> [Last accessed: 19.09.2012]

- In January 2012, the Committee on European Affairs and Oversight of the European Funds (CEAOEF), at the National Assembly, issued the **Annual Report for the Absorption of the EU Funds in the Republic of Bulgaria 2011**. The report highlights specific **measures, taken to improve coordination and implementation of EU-funded programmes**. The conclusion of the document is that **there is no risk of loss of funds** – in 2011 all OPs reached their set objectives in accordance with the rule N+2/N+3;
- The Central Coordination Unit at the Council of Ministers published an Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the National Strategic Reference Framework (NSRF) and the Respective Contribution of the OPs in May 2012. The project² recommended improvement of future evaluation criteria, introduction of better indicators for measuring the efficiency of the OPs, as well as reduction of the administrative burden;
- The mid-term evaluation of **OP “Regional Development” (OPRD)** was the first to be concluded, already in 2011. The MA – the Ministry of Regional Development and Public Works, opened a call³ in February 2012, for conducting evaluations in relation to the preparation of the OPRD 2014 – 2020. The main purpose of the contract, under this procurement targets, is the preparation of ex-ante evaluation, environmental impact assessment and evaluation of the compatibility with the object and purpose of conservation of protected areas under OPRD for the programming period 2014-2020.

The mid-term reviews for the remaining OPs are still forthcoming. The evaluation of **OP Technical Assistance (OPTA)** (managed by the Administration of the Council of Ministers) has been delayed. The administration signed a 12-month contract for the amount of BGN 167,200 (EUR 85,488) for the mid-term review. Although the contract duration was initially set for the period from 28.07.2011 to 01.07.2012, by 15 August 2012 no funds had been actually paid out to the contractor and the mid-term review was still pending. **OP Environment (OPE)** still has no mid-term review. A number of corrective measures however have been implemented in the programme during the last year, based on self-evaluations.

The **main challenges** identified by the available OP evaluations, which hinder the absorption of EU funds and the impact of the Cohesion policy include the improvement of the process of verification of spent funds and the speeding up of reimbursements to beneficiaries; the lack or the insufficiency of co-financing by the beneficiaries; the high administrative burden of overly formal procedures; the lack of clear prioritisation of certain sectors and/or regions; insufficient collaboration with the beneficiaries, aimed at increasing their capacity; duplicate activities and processes; the high complexity and long completion time of large infrastructure projects (especially within OPT); and lack of sufficiently detailed overall assessment of the achievements and impact of the programmes within the current programming period.

² Project 0025-IJK3-1.1. „Evaluation of the implementation of the Structural Instruments relative to the targets set in the NSRF 2007-2013.“

³ Ministry of Regional Development and Public Works, Open call for Conducting evaluations in relation to the preparation of the Operational Programme Regional Development 2014 - 2020 .
http://www.mrrb.government.bg/index.php?lang=bg&do=profile_customer&invitation=0&id=521

1. THE SOCIO-ECONOMIC CONTEXT

Main points from previous country report:

The 2011 country report noted that after the sharp decline in economic growth during 2009, the socio-economic situation in Bulgaria remained largely stagnant during 2010:

- The overall decline in GDP during the crisis has been worse than the average for the European Union;
- Government revenues declined steeply, leading to three times contraction of public procurement spending in 2010, compared to 2009 levels;⁴
- Internal consumption remained subdued as a result of the deteriorating socio-economic conditions and the uncertainty in neighbouring Greece and in the Eurozone;
- During the 2004-2009 period regional disparities in Bulgaria increased, in terms of GDP and employment. The situation in this respect is particularly bleak in the North West, North Central and the North East regions of the country⁵;
- The economic crisis forced the beneficiaries to become more active in applying for EU funds, as the latter became the sole remaining stable source of fresh investment resource in Bulgaria

In the period 2011-2012 Bulgaria slowly started to recover from the economic crisis and some of its economic indicators (although mostly the financial and short-term ones) improved. After the negative real GDP growth of -5.5% in 2009 and the 0.4% increase in 2010, in 2011 it accelerated to 1.7%, though not enough to make up for the lost ground during the economic crisis. In the first half of 2012, growth decelerated again. Bulgaria grew by 0.5% y-o-y in the first two quarters of 2012 (National Statistical Institute (NSI)). The foreign direct investment inflows in 2011 decreased almost to half their value, compared to 2010, further reducing the availability of fresh capital for growth (Bulgarian National Bank). Long-term unemployment (6.3% in 2011, NSI), as well as the youth unemployment (26.7% in 2011, NSI) has come to present a particular concern for the country. The general unemployment rate also increased to 11.2% in 2011 and stood even further up at 12.9% in the first quarter of 2012 (NSI). Unemployment has more than doubled compared to 2008, while social safety payments have been frozen in 2010 and the second half of 2011.

Regional analysis focusing on socio-economic aspects shows that, as of September 2012, the NSI and Eurostat had not yet updated their data for regional disparities in Bulgaria beyond 2009. The 2008-2009 Eurostat data show an increase of the level of GDP per capita in PPS, compared to the EU-27 average, in only two regions - Southwest and South Central (respectively 75% and 31% of the EU average in 2009). The remaining four regions either retain their position (Southeast at 36% of the EU average) or show a decline to about 31% of the EU average level. According to the conducted interviews with representatives from the MAs, the economic crisis had a negative effect on all regions in the country. According to the interviewees, the simultaneously continuing rise in prices decreased the quantity and quality of the regional

⁴ According to the Public Procurement Registry of the Agency for Public Procurement.

⁵ The mid-term review of OPRD, carried out in 2011, also confirmed that the negative impact of the economic crisis was most pronounced in the lagging behind regions, further exacerbating regional disparities

development measures (such as construction of infrastructure), supported through the EU funds. The economic crisis had a strong impact on the business sector in the more developed regions (such as the Southwest and Northeast ones)⁶. According to a socio-economic analysis⁷ prepared by the Ministry of Regional Development and Public Works, the inter-regional disparities at NUTS2 level in Bulgaria are not as pronounced as the ones at NUTS3. While the NUTS2 disparities usually vary between 10-15% for the various economic development indicators, those at NUTS3 level reach 30-40%. Therefore, OPRD has been aiming at decreasing the existing regional disparities. However, due to the principle of competitive selection, support cannot be directed towards a specific region pre-selected by the administration. For this exact reason, the MA is planning to put a focus on the 36 biggest urban conglomerations and also provide direct support to some regions during course of the programming period.

The more developed regions are slightly more active in applying for funding, according the MA of OPDCBE.⁸ This is mainly due to the fact that beneficiaries of OPDCBE are SMEs which need to provide co-financing and that are naturally concentrated in these regions. In February 2011, the MA of OPDCBE made an internal analysis of the available support schemes, which showed some emerging challenges for the OP, related to the effects of the economic crisis and more specifically, to the difficulties that SMEs experience in securing the necessary co-financing of OP grants. To counter this problem and following the recommendation of the mid-term review of OPDCBE, the MA has introduced a Funded Risk Sharing Product (FRSP), as part of the JEREMIE initiative.⁹ The European Investment Fund (EIF) and the Financial Intermediary will share the risk on each SME loan financed by the facility on a *pari passu* basis (i.e. the EIF will cover 50% of the losses on an eligible SME loan). The launch of the Financial Engineering Instruments (FEI) under the JEREMIE initiative of OPDCBE is seen as one of the main ERDF-funded measures undertaken to counter the economic crisis in 2011 – 2012 in Bulgaria.

⁶ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of Operational Programme “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

⁷ "Socio-economic analysis for purposes of OP "Regional Development" for 2014-2020", Ministry of Regional Development and Public Works, <http://www.regions2014-2020.net/>

⁸ Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).

⁹ Mid-Term Evaluation of OPRD 2007-2013

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/evaluations/bulgaria/files/1102_midterm_op_reg_dev_eval_en.pdf

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

THE REGIONAL DEVELOPMENT POLICY PURSUED

Main points from previous country report:

- The National Strategy for Regional Development and the NSRF set the six main regional development priorities for the country. It is however difficult to discern a clear-cut national regional development policy, particularly in term of a differentiation between policy priorities and approaches in the different NUTS 2 regions;
- Consequently, the OPs are centrally coordinated and have no clear regional priorities. Some OPs have specific territorial selection criteria, though these are usually related to the size of the urban agglomeration. Most of the funds have been directed towards the most developed, South West, region and mainly cover public transport (ERDF), and employment measures (ESF);
- The general priorities of the ERDF financing have not been influenced by the economic crisis or by a change of needs, though some thematic shifts, as well as relocation of resources have occurred;
- To a large degree, the core priorities of the regional, Cross-Border Cooperation (CBC) programmes (e.g. SouthEast Europe, Romania-Bulgaria and Greece-Bulgaria) have also remained unchanged.

The main **priorities** of the regional development support, including the cross-border objective, have not changed since the 2011 Country Report. The Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011 notes that “the Ministries involved in OPs’ management, use with priority the EU funds to support the on-going important social and economic reforms in the sectors of water, healthcare, labour market, social services and child care, education, housing policy through energy efficiency measures and others”. For example, in 2011–2012, **OPRD** implemented calls for schemes in the area of health and social infrastructure,¹⁰ supporting public health establishments in the urban agglomerations (14 contracts for EUR 72 million); restructuring the system of hospital care (25 projects of municipalities for EUR 60 million); and one scheme for social care reform. The MA of OPRD has identified potential sectors or areas¹¹ of intervention within the socio-economic analysis of the National Development Programme "Bulgaria 2020", which could be funded by OPRD during the next programming period 2014-2020. Namely, these areas are regional policy; housing; prevention and mitigation of landslides, erosion and abrasion.

Despite the fact that the general objectives of the NSRF and the OPs have not changed, the MAs have **relocated** some funds from one measure or axis to another, in order to increase the absorption of EU funds through:

¹⁰ Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012.

¹¹ Committee on European Affairs and Oversight of the European Funds, Annual Report for the Absorption of the EU Funds in the Republic of Bulgaria 2011, January 2012.

- Providing financing to project proposals that have previously successfully passed the assessment procedure but for which there was shortage of financial resources;
- Providing funding to activities related to the implementation of newly emerging important policies and reforms (e.g. OPRD for regional development of the largest Bulgarian towns).¹² There is also priority targeting of funds in the Indicative Annual Work Programmes of OPRD and OPDCBE in 2012 (nearly EUR 260 million) towards energy efficiency procedures;
- Reassigning resources from unattractive measures to such, in which there has been increased interest and accordingly - a shortage of resources;¹³
- Redirecting funds from projects, which have become obsolete to such with priority (e.g. OPT has transferred resources from the “Belene-Batin” project to the construction of the Sofia underground).

There have been several notable decisions, in 2011-2012, for addressing new policy initiatives through financing from the European Funds. Due to the upcoming end of the programming period 2007 - 2013, the MA has decided to redirect the undistributed resources (returned from financial corrections, etc.) of **OPRD** towards Priority Axis (PA) 1 Urban Environment (thus providing support to the 36 largest towns, with a focus on culture, arts and green urban environment), and PA3, in support of tourism.¹⁴ The Monitoring Committee (MC) of **OPDCBE** approved a EUR 0.7 million **budget increase** of the procedure "Technological modernisation in big enterprises". The Committee has also approved a **new area** of intervention - the new indicative operation 2.3.2 "Improving the energy infrastructure". The JEREMIE initiative under OPDCBE will also be expanded through a new risk sharing instrument, which is designed to aid enterprises in securing pre-financing and co-financing of their approved OP projects by sharing the risk on each SME loan financed by the facility on a *pari passu* basis (i.e. the EIF will cover 50% of the losses on an eligible SME loan). The scope and funds of PAI within **OPT** were expanded, aiming at developing a sustainable urban railway transport outside the Trans-European networks. A financial resource in the amount of nearly EUR 55 million is to be relocated from PA 4 "Improvement of the maritime and inland-waterway navigation" towards the Sofia Metro project within PA 3 "Improvement of intermodality for passenger and freight". The funds are to be re-directed from the only project terminated so far within OPT - "Improvement of the navigation on the Danube in joint Bulgarian - Romanian parts". ERDF support addresses **youth unemployment** only indirectly by providing better physical education environment through OPRD, and by supporting the Bulgarian enterprises for new job creation through OPDCBE.

¹² Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012, Full report in Bulgarian:

http://www.parliament.bg/pub/cW/201202080613042011_Annual%20Report_EU_Funds_08.02.2012.pdf; Summary in English:

http://www.parliament.bg/pub/cW/201202090951472011_Annual%20Report_EU_Funds%20-%20Resume_EN.pdf; Presentation in English:

http://www.parliament.bg/pub/cW/20120221090817Annual-Report-PPT-CD_EN.pdf

¹³ Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012.

¹⁴ Interview with Ms Denitsa Nikolova, Director General of Directorate General "Programming of Regional Development" and Head of the Managing Authority of Operational Programme "Regional Development 2007-2013", Ministry of Regional Development and Public Works (25.07.2012).

POLICY IMPLEMENTATION¹⁵

Main points from previous country report:

- The greatest increase in OP contracting and actual payments was marked in 2011, due to the opening of most planned schemes, as well as the increased verification of incurred expenditures;
- No major shifts of financing priorities were observed, although the 2010 AIRs noted considerable delays in the absorption of funds and in the achievement of the impact target values;
- The main reasons cited for the delays concerned a lack of experience in Structural Funds management; the effects of the economic crisis; late approval of the Management and Control Systems, etc.;
- The 2011 Country Report also listed positive developments and initiatives undertaken to accelerate implementation, such as structural reorganisations; the launch of the public module of the EU funds management information system; the optimisation of procedures by MAs; the update of relevant legislation; the launch of the electronic application module for OPTA; etc.

The seven OPs combined, have paid out to beneficiaries over EUR 2,100 million (26.3%) of their available budgets by 01.09.2012. Some 20% of the total actual payments (over EUR 400 million) took place during the first half of 2012. According to MAs' estimates, more than EUR 1,000 million will be paid out in the second half of 2012¹⁶. In addition, the Annual Report of the Committee on European Affairs and Oversight of EU Funds (May 2012) states that there is no risk of loss of funds for Bulgaria for the current programming period. Supporting this statement is the fact that in 2011 all OPs reached their set financial progress objectives, in accordance with the rule N+2/N+3¹⁷.

When **analysed separately**, by 01.09.2012, OPT remains the programme with the largest nominal value of both **contracted** (BGN 5,178 million or EUR 2,647 million, including the national co-financing) and **paid out** funds (BGN 1,392 million or EUR 712 million). In addition, OPT is the only programme that has **contracted** almost its entire (94.8%) ERDF-allocated budget for the 2007–2013 period.

An alternative analysis examines OPs' **implementation progress on an annual basis**. When comparing programme implementation progress for one full annual cycle (from 15.07.2011 to 17.07.2012), OPE has made the most considerable advance. It increased its share of **contracted**

¹⁵ The indicators used in this section come from the AIR for 2011, which relate to the situation up to the end of 2011. A more up-to-date view of the aggregate position (though not of the situation in the different policy areas) is presented in the Synthesis Report for 2012 of the Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 which is based on data for payments from the ERDF and Cohesion Fund up to the end of 2012, i.e. after the present report was completed.

¹⁶ Parliamentary hearing on 18.07.2012, Committee on European Affairs and Oversight of EU Funds, <http://parliament.bg/bg/parliamentarycommittees/members/240/reports/ID/3689>

¹⁷ Council Regulation 1083/2006 article 93; "The Commission shall automatically de-commit any part of a budget commitment in an OP that has not been used for payment of the pre-financing or interim payments or for which an application for payment has not been sent in conformity with Article 86 by 31 December of the second year following the year of budget commitment under the programme (n+2)"; For EU12 MS (plus GR and PT) the deadline is the 31st December of the third year following the year of the annual budget commitment from 2007-2010 (n+3); http://www.interact-eu.net/downloads/1796/Decommitment_presentation_INTERACT.pdf

funds from the whole available budget for the period 2007–2013 from 36.5% (15.07.2011) to 84.8% (17.07.2012). OPTA had the slowest contracting rate progress – increase from 52.4% to 61.1%. OPT was the leader in speeding up **payments** to the beneficiaries. Between July 2011 and July 2012 OPT managed to increase payments from 12.2% to 32.6% of the programme's total allocated budget. It was followed by OPTA, which increased its payments from 13.9% to 28.3% respectively. The payments to beneficiaries progressed much slower for all other ERDF-funded OPs. For example, OPRD increased the payments from 14.8% to 25.8%, while OPDCBE made the smallest progress – the share of paid out funds was 21.5% on 15.07.2011 and 26.5% in 17.07.2012.¹⁸ However, OPDCBE remained the OP with the most **signed contracts** out of the 5 ERDF-funded OPs. This might provide partial explanation of the slow progress in payments, as the OP has to deal with much more but much smaller in size contracts.

In terms of **regional distribution of the EU-funds** (both ERDF and ESF-funded OPs), the largest number of contracts (1,736 by 01.09.2012) were signed in the Southwest region, where the capital of Bulgaria is located, followed by the South Central region - 973 contracts. The total value of the contracts is distributed highly unevenly – 80% of the funds were scooped up by the southern regions and only 20% by the northern. *For more information see the Annex Table B. Regional distribution of the support under all OPs in Bulgaria (15.7.2011 - 01.09.2012).*

In contrast to the OP distribution of the EU funds, the financial allocation under the **CBC** is more balanced among participating borders. According to the Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011¹⁹, as of the end of 2011, 136 contracts totalling EUR 27.2 million had been implemented within the first calls for proposals under the programmes for CBC. These include 36 contracts under the CBC Programme Bulgaria – Macedonia; 47 contracts under the CBC Programme Bulgaria – Turkey and 53 contracts under the CBC Programme Bulgaria – Greece. Additional 134 projects, totalling EUR 228 million have been approved under the Bulgaria – Romania CBC programme. The economic difficulties experienced by the Bulgarian neighbouring countries, have negatively affected the CBC programmes and both, the implementation and the verification of funds have been delayed. The Parliamentary Committee on European Affairs and Oversight of the European Funds (CEAOEF) has recommended in its annual report that the future trans-border cooperation programmes focus their financing in fewer but larger strategic measures. Currently, there are numerous smaller measures with no definite impact, which are also more difficult to administer.²⁰ However, such a move warrants proper evaluation before a decision is taken, as increasing the size of the individual interventions might risk reducing access to the programmes.

Despite the progress, acknowledged above, problems are persistent, in terms of slow programme implementation. The interviewed representatives of the MAs and the CEAOEF have stated that the **reasons for the delays** in the OPs' implementation and payments in 2008–2010 have been mostly overcome during the last two years. According to the interview with the representative of the OPDCBE MA, the number of applicants, disqualified on administrative grounds, has decreased. The MA of OPRD has claimed that it has enhanced its administrative

¹⁸ Information System for Management and Monitoring of the Structural Instruments of the EU in Bulgaria <http://umispublic.minfin.bg/>

¹⁹ Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012.

²⁰ Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

capacity and increased its staff; introduced more efficient control mechanisms; decreased the number of documents required by the beneficiaries; improved the quality of the procedures (including the ones related to public procurement); introduced electronic project application (already used by other OPs). Despite these improvements however, some **outstanding problems causing delays in the implementation remain**, mostly notably related to the, still burdensome, reporting procedures, lack of capacity in project implementation of some beneficiaries (aggravated by the economic crisis) and some capacity-related problems within the MAs. Under **OPDCBE**, for example, these resulted in delays between the period of approval of the selection criteria and the time of publishing the open call guidelines, as well as delays in the evaluations of the applications (their sheer number and thematic differentiation require lots of different types of experts for their evaluation). Delays in the implementation of projects under **OPT** have been caused by overdue preparation of project progress reports. The increasing number of **signals for irregularities** in 2011-2012 has burdened the implementation of **OPRD**. These signals have stopped the implementation and have delayed the actual payments. For example, in the period January-June 2012, OP Regional Development received 130 signals for irregularities.²¹ In addition, **the numerous appeals**, associated with public procurement procedures, launched by disgruntled OP Regional Development beneficiaries, have further delayed the process.

Between 2011 and 2012, MAs have undertaken an increasing number of **initiatives for facilitating** the process of **EU funds' absorption** and for **accelerating the implementation of the OPs**, including:

- Lowering the number of required documents for project application and reporting;
- Providing more detailed Guidelines to the beneficiaries and organisation of information days to ensure sufficient knowledge about the programmes. In the beginning of 2012, 28 regional (NUTS3 – oblast) information centres on the EU Cohesion Policy in Bulgaria started their activity. The centres provide information as well as consultations and good practices with the aim of popularising the EU Cohesion Policy in Bulgaria;
- Carrying out discussions with the Supreme Administrative Court to ask for priority consideration given to court cases and appeals relating to the implementation of OPs.
- Implementing institutional changes:
 - The OPDCBE management has been transferred from the IB, the Bulgarian SMEs Promotion Agency to the MA, the Ministry of Economy, Energy and Tourism (in May 2012). Currently one directorate within the ministry is responsible for the whole process – applications, evaluation, contracting, monitoring;
 - The rights and obligations of the Road Infrastructure Agency, relating to the preparation and construction of the OPT supported motorways are now transferred to the National Company for Strategic Infrastructure Projects (set up in July 2011), with the aim of speeding up the implementation of strategic infrastructure projects;
 - A Housing Policy Directorate has been set up in the Ministry of Regional Development and Public Works, designated as a concrete beneficiary under

²¹ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the MA of OP “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

- OPRD, for the speeded up implementation of a grant scheme for support of energy efficiency in multifamily residential buildings;
- Since 1 July 2012, the Department of "Coordination of the Fight against Infringements affecting the Financial Interests of the European Union" to the Ministry of Internal Affairs has the authority to carry out independent checks for financial infringements among the beneficiaries (previously implemented together with the European Anti-Fraud Office;
 - The role of the Public Procurement Agency in OPs' implementation has been increased, in order to aid the work of the MAs by performing ex-ante control of the specifications of large public procurement calls.
- Introducing ex-ante control on small-scale public procurement documentation before the launch of the procedure by the beneficiary under OPDCBE;
 - Ensuring technical assistance from International Financial Institutions – the Government of Bulgaria signed and ratified Memoranda of Understanding with the World Bank and the EIB for assistance in the absorption of EU funds;
 - Conducting audit assignments to gauge the effectiveness of the functioning systems for management and control of EU funds in the country in 2011;
 - Holding regular meetings between the Managing Authorities, the Certifying Authority and the Audit Authority under the guidance of the Minister for EU Funds Management²².

Moreover, according to interviewed experts²³, the Audit of EU Funds Executive Agency and the Bulgarian National Audit Office have improved their financial control over the OPs' payment requests, which has also aided the acceleration of payments under the OPs. The audit authorities have contributed to the decrease of the share of irregularities in the country.

Additional recommendations for accelerating the implementation of OPs include:

- Further facilitation of the procedures, including the introduction of an option for full electronic reporting.
- Introducing further assurances and incentives for the beneficiaries to submit their payment requests on time, instead of relying on the advance payments only²⁴.

²² Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012) and Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

²³ Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

²⁴ Interview with Ms Denitsa Nikolova, Director General of Directorate General "Programming of Regional Development" and Head of the Managing Authority of Operational Programme "Regional Development 2007-1013", Ministry of Regional Development and Public Works (25.07.2012).

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Main points from previous country report:

- All OPs had started to achieve their intended effects, though this happened on a smaller scale than anticipated in 2007, due to the late start of the programmes and the presence of administrative barriers;
- The most important areas of positive OPs' achievements, according to interviews with MAs, had been the large transport projects, the waste treatment plants, renovation/building of schools and hospitals, and the launch of the JEREMIE and JESSICA initiatives (although their effect had yet to be witnessed). Still, these conclusions were mostly based on anecdotal evidence as there were scarce qualitative analyses and evidence that EU funds' expenditure was actually having the intended effects. The available information included mainly list/description of projects, financial data and the indicators from the AIRs;
- The 2010 AIRs of the five ERDF-funded OPs reported acceleration of implementation. Many AIR indicators however remained without any reported progress or reported achievements up to 10% of the indicator's target value. This may be due to the fact that some projects had still been on-going, as well as to difficulties in gathering information for the target values or other reasons.

The reported achievements in terms of physical implementation in the 2011 AIRs remain scarce, with no achievements reported under a number of indicators. According to an interview with the Committee on European Affairs and Oversight of EU Funds (27.07.2012), the currently used indicators will provide information on the direct effect of the OPs by the end of the period. However, the sustainability of the impact will be difficult to measure. Moreover, it is now becoming clear that the base values and the targets set in 2007 have been overly ambitious. The mid-term review of OPDCBE (September 2011) states that there have been a number of weaknesses in the initially announced projects, with respect to the setting of performance indicators. For example, there was no relation between the project's indicators and those of the indicative operation, while there was also a lack of adequate assessment of what "objectively measurable indicators" stand for. The authors of the mid-term review state that these weaknesses have been corrected later on.

According to the data from the Information System for Management and Monitoring of the Structural Instruments of the EU in Bulgaria and a presentation of the Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF (May 2012), the two main areas, in which most of the allocated and contracted budget have been focused, are **transport and environment**. Support to **regional development** is third in terms of allocated (available) budget, with relatively high rate of contracting (89.8% as of 01.09.2012), though, similarly to the other OPs, it has low rate of payments to beneficiaries (27.9%).

Table 1 - Available and contracted budget by priority area

	Available budget, %	Contracted budget, %
Transport	28.6	42.6
Environment	22.9	18.4
R&D and entrepreneurship	9.5	5.3
Human capital	6.5	5.5
Employment and sustainability	5.5	4.9
Strengthening the institutional capacity	4.5	3.7
Social infrastructure	3.7	5.3
Technical Assistance	3.7	2.5
Energy	3.6	1.4
Increasing the adaptability of employees and companies	3.0	2.7
Urban and rural reconstruction and growth	2.6	2.8
Information Society	1.8	0.6
Culture	1.7	2.5
Tourism	1.5	0.2
Social inclusion	0.6	1.7
Employment and social inclusion	0.3	0.0

Source: Presentation of the Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OP, May 2012, <http://www.eufunds.bg/bg/pubs/1773>; <http://www.eufunds.bg/document/2845>

Table 2 - Allocation and commitments by policy area

	Allocation by end 2011 (EUR million)	Allocation by end 2011 (% of the total)	Commitments by end 2011 (EUR million)	Commitments by end 2011 (% of the total)
1. Enterprise environment	762.2	11.4	378.4	10.2
1.1 RTDI and linked activities	310.6	4.7	84.9	2.3
1.2 Support for innovation in SMEs	292.0	4.4	111.5	3.0
1.3 Other investment in firms	139.6	2.1	165.4	4.5
1.4 ICT and related services	20.1	0.3	16.6	0.4
2. Human resources	947.4	14.2	621.6	16.7
2.1 Education and training	522.1	7.8	342.2	9.2
2.2 Labour market policies	425.4	6.4	279.4	7.5
3. Transport	1,935.6	29.0	1,250.2	33.7
3.1 Road	1,015.9	15.2	649.3	17.5
3.2 Rail	312.0	4.7	207.4	5.6
3.3 Other	607.7	9.1	393.6	10.6
4. Environment and energy	1,752.2	26.3	794.8	18.2
4.1 Energy infrastructure	300.0	4.5	80.0	2.2
4.2 Environmental infrastructure	1,452.3	21.8	594.6	16.0
5. Territorial development	655.6	9.8	434.5	11.7
5.1 Tourism and culture	189.8	2.8	103.6	2.8
5.2 Planning and rehabilitation	150.7	2.3	131.2	3.5
5.3 Social infrastructure	315.1	4.7	199.7	5.4
6. Technical assistance	620.6	9.3	354.5	9.5
Total Objective	6,673.6	100.0	3,713.7	100.0

Source: Data provided by the core team

Support for enterprises and RTDI

In 2011, the OPDCBE Work Programme focused on supporting technological modernisation of enterprises, acquisition of international standards and creation of innovation and research

infrastructures. The mid-term review of OPDCBE (September 2011)²⁵ analysed 21 procedures under two of the OP's impact areas (interventions), in which contracts have been completed - 1.1. "Support for the creation and commercialisation of innovations in enterprises and protection of industrial property rights", and 2.1. "Improvement of technologies and management in enterprises". The evaluation concluded that intervention 1.1. has more balanced implementation in terms of a more even contribution of financed projects towards the attainment of the intervention's goal. Intervention 2.1. achieved 56.4% of the indicator "Number of certificates introduced in supported enterprises" and beyond 36% of the indicator "Number of supported SMEs which put into service new technologies/products", with only 10.8% of the planned budget. Almost all PAs indicators have low values. PA1 implementation is between 0% and 6.7%, while PA2 has 0% implementation, reported for 9 out of total of 12 indicators. Some of the interventions are yet to launch their first open calls (2.2. and 2.3.). Others, have open calls but no signed contracts (1.2 and 2.4). According to the evaluation, taking into consideration the **significant discrepancies between the reported financial and physical implementation**, there is serious risk of not reaching some of the target indicators.

The 2011 AIR of OPDCBE reports as main achievements the following indicators that are ahead or in line with the targets:

- 130 supported SMEs, which put into service new technologies/products;
- 95 supported projects for improvement of ICT in the enterprises;
- 331 international certificates introduced in supported enterprises;
- 37.3 % increase of the production capacity of the supported enterprises;
- 12.6 % reduction of the average age of technological equipment in the supported enterprises.

Achievements are also reported as indicators, experiencing delays from the value target:

- 162 projects supported seeking to promote businesses, entrepreneurship, new technology;
- 172 supported investment projects;
- EUR 125.8 million investments induced (gross investments made by the supported enterprises);
- 11 supported innovative start-up enterprises and 12 innovations, applied/ready for the market;
- 11 R&D projects, supported to the pre-market phase and 12 R&D projects, supported for market introduction;
- 11 applications for trademarks, designs or patents from the supported enterprises.

No progress is reported with regard to the support of newly created or existing clusters, the creation of regional business incubators, as well as the cooperation projects between enterprises and research institutions.

The OPDCBE mid-term review notes that there are significant differences in the levels of individual performance indicators – from 0% implementation of target value to higher than the planned levels. This indicates a **discrepancy between achievements and planned targets**,

²⁵ Resume of the Mid-term review OPDCBE, ICAP Group AD, ICAP Bulgaria EAD, Global Advisors Audit and Consulting AD, Global Balkans Foundation, September 2011, www.eufunds.bg/document/2287

which is attributed to changes in the external environment and the lack of consistency with the levels of these basic indicators during the planning and launching of new procedures for financial assistance²⁶.

Human Resources and Youth Unemployment

The majority of unemployment measures are financed by the ESF. The ERDF-funded OPs contribute to the target by the creating employment, mostly as a result from the implementation of supported projects, especially large-scale infrastructure ones under OPT. However, it should be noted that the infrastructure projects within **OPT** 2007-2013 aim at modernisation, which means that creating wide employment is considered a side socio-economic benefit but not a priority. Countering employment is not a primary focus of **OPDCBE**, as well. However, this aim is indirectly integrated in the proposal requirements, through the attribution of bonus points during the evaluation for the creation of new jobs. In 2011, the OP launched a scheme for support of enterprises hiring people with disabilities. Additional support is provided by the Acceleration and Seed Funds, financed under the **JEREMIE** initiative of the OPDCBE, supporting start-ups and emerging entrepreneurs – mostly young people, which indirectly aims at reducing youth unemployment.²⁷ **OPRD** supports the creation of better educational environment through the reconstruction and energy efficiency of schools, etc., and also indirectly supports the reduction of brain-drain and unemployment through the creation of better living environment in the Bulgarian regions.

Transport

OPT shows uneven implementation of individual priorities, and the CEADEF²⁸ recommends that new projects be developed under PA3 and PA4 (intermodality for passenger and freight and maritime and inland-waterway navigation). Several notable results of OPT were highlighted during an interview with the MA:

- A large extension of the Sofia Metro system has become operational since 31.08.2012. The extension includes 11 stations and is 11km long, providing employment to nearly 700 people and is accessible to 190,000 people; Another extension of the Sofia Metro was opened in April 2012. It is 2.4 km long (2 stations) and connects Mladost Quarter and Tsarigradsko Chausse Blvd.;
- 36 km of Trakiya Motorway (Lot 2) was made available in July 2012. Together with Lot 1 and the work on Lot 4, altogether 70 km of the Trakiya Motorway projects funded under OPT have been completed by mid-2012;
- Setting up of a Geographic Information System, assisting the National Railway Infrastructure Company;
- 12 new metro trains (with additional 6 to arrive in November 2012) have been purchased and entered into use;

²⁶ Resume of the Mid-term review OPDCBE, ICAP Group AD, ICAP Bulgaria EAD, Global Advisors Audit and Consulting AD, Global Balkans Foundation, September 2011, www.eufunds.bg/document/2287

²⁷ Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).

²⁸ Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012.

- Other results include smaller progress in the remaining infrastructure projects.²⁹

According to the 2011 AIRs, the main progress of OPT for 2011 can be summarised in 3 indicators:

- Projects in Transport Sector (No.) – 12;
- New railroads (km) – 16.3;

Environment and Energy

According to an interview with the MA of **OPE**, the indicators used for monitoring the progress of the OP have not always proven realistic. Discussions for revision of the existing indicators are currently underway within the MA³⁰. The indicators from the 2011 AIR show delayed implementation of all targets. The main reported achievements include:

- 3 new and rehabilitated wastewater treatment plants (the 2010 target was 22);
- 182,450 additional people served by wastewater projects (the 2010 target was 1,295,000).

OPRD also experiences delays with respect to this thematic area. The 2011 AIR reports 17,789 MWh/y energy savings from refurbished buildings, which is behind even the 2009 target value of 44,400 MWh/y and considerably below the 2013 target value of 189,000 MWh/y. On the other hand, OPRD has supported the refurbishment of buildings housing 565,346 people, which should increase their energy efficiency, though this effect is yet to be measured. This achievement is ahead of the 2009 target of 100,000 and even the 2015 target of 230,000. **OPDCBE** has not reported on the share from Renewable Energy Sources (RES) in the total energy consumed by the supported enterprises (delayed implementation from the 2010 target of 5% and the 2013 target of 10%). There has not been any reporting on the number of energy efficient technologies/processes/solutions implemented, as well (the 2010 target is 55 and the 2013 target is 250).

Territorial Development

The main achievements reported by the Bulgarian authorities under this thematic area were implemented through **OPRD** and included projects for the development of the urban environment, parks, green areas and administrative centres.³¹ At the beginning of 2012, the Ministry of Regional Development and Public Works established a new FEI under OP Regional Development and the JESSICA initiative – the Housing Renovation Fund. The Fund will provide for the 50% co-financing due from the home-owners (the other 50% are granted by the Government for energy renewal of the residential buildings) through a financial intermediary (a commercial bank). The financial intermediary grants low interest rate loans and bank guarantees for granting purposive credit from other commercial banks, thus assisting the house

²⁹ Interview with Mr. Lyubomir Sirakov, senior expert, Monitoring, Information and Communication Department; msc. eng. Nikolay Dechev, Acting Head, Monitoring, Information and Communication Department; and Iva Chervenкова, State expert, Programming Department; Ministry of Transport Information Technology and Communication (24.07.12)

³⁰ Interview with Ms Irena Dimitrova, Expert, Monitoring and Reporting Department and Ms Monika Hristova, Assistant Chief, Management of European Projects and Programmes, Ministry of Environment and Water (27.07.2012).

³¹ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of Operational Programme “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

owners to ensure 100% of the recourses for renovation of the whole residential building.³² According to information provided by the Ministry of Regional Development and Public Works, the main achievements of OP Regional Development in by July 2012 have been:

- 166 concluded projects;
- 164 repaired/reconstructed buildings of educational, social and cultural infrastructure;
- 1.3 million people benefiting from the repaired/reconstructed buildings of educational, social and cultural infrastructure;
- 327 km rehabilitated/reconstructed municipal roads;
- 513,000 sq. m.. area of landslides, which are strengthened and/or there is control and measuring system built upon;
- About 300,000 people benefiting from the strengthened landslides;
- Over 15,000 sq. m.. improved parks, green areas, playgrounds;
- Over 185,000 people benefiting from the improved urban environment;
- About 16,000 sq. m. constructed/reconstructed pedestrian zones, bikeways, sidewalks;
- 30 parking spaces constructed close to key transport points of the peripheral urban areas.

³² Housing Renovation Fund <http://www.bgregio.eu/en/jessica/horizontal-studies-eu-jessica.aspx>

Table 3 - Table of main physical indicators and achievements

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (total achievement by 2011)
Enterprise support and RTDI including ICT Increase access to finance by SMEs	Investment induced (gross investments made by supported enterprises) (OPDCBE)	EUR 125.6 million (behind the 2010 target value of EUR 200 million)
	Supported investment projects (OPDCBE)	172 (behind the 2010 target of 300)
	Supported projects for improvement of ICT in the enterprises (OPDCBE)	95 (ahead of the target of 9 for 2010 and 33 for 2013)
	Supported innovative start-up enterprises (OPDCBE)	11 (behind the target of 55-65 for 2010 and 155-165 for 20103)
	No. of projects seeking to promote businesses, entrepreneurship, new technology (OPDCBE)	162 (behind the 2010 target value of 553)
	Innovations, applied/ready for the market (OPDCBE)	12 (behind the 2010 target value of 40 and 120 for 2013)
	R&D projects, supported to the pre-market phase (OPDCBE)	11 (behind the 2010 target value of 15-20 and 60-65 for 2013)
	R&D projects, supported for market introduction (OPDCBE)	12 (behind the 2010 target value of 15-20 and 60-70 for 2013)
	Applications for trademarks, designs or patents from the supported enterprises (OPDCBE)	11 (behind the 2010 and 2013 target value of 220)
	Increase of the production capacity in the supported enterprises (OPDCBE)	37.25 % (ahead of the 2010 and 2013 target value of 15%)
	Reduction of the average age of technological equipment in the supported enterprises (OPDCBE)	12.6 % (ahead of the 2010 target value of 35.5% and 30% for 2013)
	Supported SMEs which put into service new technologies/products (OPDCBE)	130 (in line with target of 160 by 2013)
	Certificates introduced in the supported enterprises (OPDCBE)	331 (in line with the 2010 target value of 200 and the 2013 target value of 537)
	No. of newly created or supported existing clusters (OPDCBE)	0 (behind the 2010 target value of 16 and the 2013 target of 30)
	No. of regional business incubators created / updated (OPDCBE)	0 (behind the 2010 target value of 20 and the 2013 target of 60)
	No. of cooperation projects between enterprises and research institutions (OPDCBE)	0 (behind the 2010 target value of 30 and the 2013 target of 110)
Human Resources (ERDF only) Youth unemployment (ERDF only)	Jobs created (OPDCBE)	1399 (in line with the target values)
	Researches hired by the supported enterprises (OPDCBE)	33 (behind the 2010 target value of 80 and 300 for 2013)
	Total No. of training sessions for the beneficiaries (PA1 of OPTA)	418 (in line the 2009 target of 350 and the 2013 target of 500).
	Total No. of training sessions for the local authorities and other SF implementing structures (OPTA)	133 (in line with the target of 120 for 2009 and 200 for 2013).
	No. of training sessions organised (PA2, OPTA)	19 (fell short of the 2009 target of 80 and the 2013 target of 130).
	No. of trained people (PA2 of OPTA)	345 (fell short of the 2009 target of 800 and the 2013 target of 1300)
	No. of all publications (guides, fact-sheets, booklets, brochures and information leaflets) (OPTA)	144 (ahead of the 2009 target of 30 and 2013 target of 65)
	No. of organised events promoting EU and national strategic documents and guidelines, structural funds policies and measures (OPTA)	68 (fell short of the 2009 target of 55, and the 2013 target of 90)
Establishment of District Info points/centres (OPTA)	28.6 (reported behind the 2013 target of 100%) (Note: by 2012 all 28 regional info centres have been established)	

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (total achievement by 2011)
	Reduced turnover of Beneficiaries' staff per year (OPTA)	16.3% (behind the 2009 target of 12% and the 2013 target of 10%)
	No. of trained people from the beneficiary structures under OPTA	1,653 (in line with the target of 500 by 2009 and 2,200 by 2013)
	Average no. of connections on the web site/month (OPTA)	129,312 (in line with the 2009 target of 60,000 and the 2013 target of 100,000+)
	Students benefiting from improved educational infrastructure (no.) (OPRD)	33,786 (ahead of the target values – 6,300 for 2009 and 10,000 by 2015).
	Education facilities improved (no.) (OPRD)	101 (in line with the final 2015 target of 45 and the 2009 target of 20)
Transport	Projects in Transport Sector (no.)(OPT)	12 (in line with the 2015 target of 15)
	Km of new roads (OPT)	0 (delayed implementation from the 2015 target of 248.9)
	Km of new TEN roads (OPT)	0 (delayed implementation from the 2015 target of 248.9)
	Km of reconstructed roads (OPRD)	161.2 (delayed implementation from the 2015 target of 1300)
	Km of new railroads (OPT)	16.3 (in line with the 2010 target of 11.9 and 2015 target of 36)
	Km of TEN railroads (OPT)	16.3 (far short of the 2010 target of 269.6 and the 2015 target of 817)
	Km of reconstructed railroads (OPT)	0 (delayed implementation, the 2015 target is 817)
	Reduction of fatalities on road (number)(OPT)	775 in 2010, 657 in 2011 (progress compared to 2007 level of 1006 and exceeding the achievement expected from the 2010 target - 1171).
	Built motorways (km) (OPT)	0 (behind the target of 399 by 2010) 70km (according to the Interview with the Ministry of Transport) ³³
	Establishment of Vessel Traffic Management Information System (VTMIS) implementation (no.)(OPT)	1 (2015 target achieved)
	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, 2393.7 was the target for 2010)
	Metro stations built (no.) (OPT)	Indicator P1.12 – 5 Metro stations Indicator P3.02 – 4 Metro stations Total of 9 Metro stations (in line with the target of 6 by 2013, as per AIR 2011; 11 additional Metro stations, as of 31.08.2012)
	Passengers using the metro (no.) (OPT)	156,000 (behind the 2010 target of 204,000 and the 2015 target of 260,000, according to AIR 2011); 190,000 additional passengers after the completion of the new 11 metro stations. Nearly 350,000 in total, as of 31.08.2012 (according to the interview with the Ministry of Transport)
	Metro lines built (km) (OPT)	5.39 (in line with the 2015 target of 6.5).

³³ Interview with Mr. Lyubomir Sirakov, senior expert, Monitoring, Information and Communication Department; msc. eng. Nikolay Dechev, Acting Head, Monitoring, Information and Communication Department; and Iva Chervenкова, State expert, Programming Department; Ministry of Transport Information Technology and Communication (24.07.12)

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (total achievement by 2011)
	Savings (EUR million per year) (railway transport) (OPT)	0 (delayed implementation, 2015 target – 2.39)
	Savings (EUR million per day) from improved inter-modality for passengers and freight (OPT)	4.9 (in line with target of 4.2 in 2010)
	Time savings (thousands of hours per day) from improved inter-modality for passengers and freight (OPT)	23.4 (ahead of the 19.3 target for 2010 and in line with the 60.5 target for 2015)
	Additional population served with improved urban transport (no.) (OPT)	0 (delayed implementation, 2013 target is 190,000)
	Part of sea waterways covered by safety system (%) (OPT)	18 (delayed implementation from the 2010 target of 39.9)
	Part of river waterways along the Danube covered by safety system (%) (OPT)	0 ((delayed implementation from the 2010 target of 36.4)
	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)
Environment and energy	New and rehabilitated wastewater treatment plants (OPE)	3 (delayed implementation from the 2010 target of 22 and the 2013 target value of 65)
	Constructed Integrated Waste Management Systems (OPE)	0 (delayed implementation from the 2013 target of 27)
	No. of mapped protected areas and zones of NATURA 2000 network (OPE)	0 (delayed implementation, the 2013 target is 44)
	Population connected to Urban Wastewater Treatment Plants (OPE)	1.6% (OPE contribution only) (delayed implementation from the 58% target for 2010 and the 2013 target of 66.5%)
	Number of elaborated management plans for protected areas and zones of NATURA 2000 network (OPE)	0 (delayed implementation, the 2013 target is 44)
	Population served by Integrated Waste Management Systems (OPE)	0 (delayed implementation, the 2013 target is 3,967,000)
	Percentage of total NATURA 2000 to be mapped/ managed (OPE)	0 (delayed implementation, target of 8 by 2013)
	Additional population served by waste water projects (OPE)	182,450 (delayed implementation from the 2010 target of 1,295,000 and the 2013 target of 1,845,000)
	Energy savings from refurbished buildings (MWh/y) (OPRD)	17,789 (behind the 2009 target value of 44,400 and the 2013 target of 189,000)
	Population benefiting from refurbished buildings (number) (OPRD)	565,346 (ahead 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)	Share of RES in the total energy consumed by the supported enterprises (OPDCBE)	0 (delayed implementation from the 2010 target of 5% and the 2013 target of 10%)
	Number of energy efficient technologies / processes / solutions implemented in the supported enterprises (OPDCBE)	0 (delayed implementation from the 2010 target of 55 and the 2013 target of 250)
	Concluded projects (OPRD)	166 (July 2012) (no target)
	Repaired/reconstructed buildings of educational, social and cultural infrastructure (OPRD)	164 (July 2012) (no target)
	People benefiting from the repaired/reconstructed buildings of educational, social and cultural infrastructure (OPRD)	1.3 million (July 2012) (no target)
	Km rehabilitated/reconstructed municipal roads (OPRD)	327 km (July 2012) (no target)
	Area of landslides, which are strengthened and/or there is control and measuring system built upon (sq. m.) (OPRD)	513,000 sq. m. (July 2012) (no target)
	People benefiting from the strengthened	About 300,000 (July 2012) (no target)

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved) (total achievement by 2011)
	landslides (OPRD)	
	Area of improved parks, green areas, playgrounds (sq. m.)(OPRD)	Over 15,000 sq. m. (July 2012) (no target)
	People benefiting from the improved urban environment (OPRD)	Over 185,000 (July 2012) (no target)
	Area of constructed/reconstructed pedestrian zones, bikeways, sidewalks (sq. m.) (OPRD)	About 16,000 sq. m. (July 2012) (no target)
	Parking spaces close to the key transport points of the peripheral urban areas (OPRD)	30 (July 2012) (no target)
	Projects improving the physical environment, attractiveness of the towns and risk prevention (number) (OPRD)	7 (behind the 2009 target of 80 and the 2015 target of 200)
	Culture facilities improved (OPRD)	20 (behind the 2009 target of 35 and the 2015 target of 90)
	Social services facilities improved (no.) (OPRD)	8 (behind the 2009 target of 30 and the 2015 target of 70)
	Innovative practices transferred / adopted based on interregional cooperation (OPRD)	122 (ahead of the 2009 target of 30 and the 2015 target of 80)
	Small-scale investment projects implemented (OPRD)	84 (in line the 2009 target of 60 and the 2015 target of 250)
	Population benefiting from small-scale investments (OPRD)	502,205 (ahead of the 2009 target of 30 and the 2015 target of 80)
	Interregional cooperation projects (OPRD)	61 (ahead of the 2009 target of 15 and the 2015 target of 40)
	Total no. of projects for tourism development (OPRD)	0 (behind the 2009 target of 75,000 and the 2015 target of 166,000)
	Additional annual no. of visitors of attractions supported (OPRD)	0 (behind the 2009 target of 20,000 and the 2015 target of 500,000)
	Annual no. of participants (organisations, companies) in international, national and regional tourism fairs and exhibitions (OPRD)	0 (behind the 2009 target of 1,000 and the 2015 target of 1,500)
	Children benefiting from the deinstitutionalisation process (no.) (OPRD)	N.A. (target value 800 by 2015)
	Renovated multi-family buildings and social housing (no.) (OPRD)	N.A. (target value 20 by 2015)
	Health facilities improved (no.) (OPRD)	0 (target value 32 by 2015)
	Patients benefiting from improved healthcare infrastructure (no.) (OPRD)	0 (behind the 2009 target of 200,000)

Source: Annual Implementation Reports 2011 and information by MAs. Note: OPs, funded by ESF are excluded. The Ministry of Regional Development and Public Works provided information updated in July 2012.

A comparison between 2010 and 2011 AIRs proves insufficient in depicting any significant progress in OP implementation. Each OP relies on particular set of indicators for assessing programme outcomes. The majority of these indicators however, are still below their target values, with many of them remaining without any reported achievements. One of the reasons for this is that the increase of OP implementation in 2011, compared to 2010, is mainly in terms of contracted funds, which does not affect progress with regard to physical indicators. Though slightly increased, the rate of actual payments remains low. In addition, the selection of indicators is also part of the problem. As already mentioned, many of them have not been

altered since the beginning of the programme period and/or fail to properly address OPs' priorities. Thus, many of the selected indicators cannot properly assess programme implementation and outcomes. This has also been acknowledged by the MAs, stating that they are currently working on updating the existing indicators^{34,35}.

Delay in project implementation is also a relevant problem with respect to the programmes for **CBC**. According to the Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011 by the Committee on European Affairs and Oversight of the European Funds at the National Assembly (January 2012), 136 contracts totalling EUR 27.2 million had been implemented within the first calls for proposals under the programmes for CBC with FYR of Macedonia, Turkey and Greece. A total of 134 projects (in the amount of EUR 228 million) have been approved under the programmes for CBC with Romania, as well as 26 additional projects, under the second call of the Greece-Bulgaria Programme. According to CEADEF, the first CBC contracts were signed in 2011 and are still under implementation. The **delay** was attributed to the late compliance assessment, problems with the securing of co-financing and other external factors, related to the economic crisis and changes in the political environment. There has also been a delay in reimbursement and in the approval of contractual changes during project implementation. CEADEF considers that CBC should have a **more clear focus** on improvement of road infrastructure, healthcare, energy efficiency, cultural and historical heritage, etc. Therefore, CEADEF recommends that financing is focused on large-scale projects having direct effect on interregional objectives, while emphasising the priorities not covered by OPs. In mid-2012, the CBC programmes have started forming Task Forces for elaboration of the 2014-2020 agendas.

3. EFFECTS OF INTERVENTION

Main points from previous country report:

- By September 2011, there had been no comprehensive analysis of the ERDF contributions to the Bulgarian economy, due to the complexity of the cause and effect relations, and the lack of statistical tools (such as the HERMIN model) for impact evaluation;
- The Annual Report on the Absorption of EU Funds in the Republic of Bulgaria for 2011 (Committee on European Affairs and Oversight of the European Funds at the National Assembly) focused only on the overall financial progress and on certain individual projects;
- Personal opinions from interviews with representatives of MAs indicated that the ERDF effect on the quality of life in Bulgaria had been considerable, including effects on areas such as environment, energy security and energy efficiency, social, educational, transport and health infrastructure;
- During the conducted interviews, the ERDF support was often mentioned as a balancing factor, which provided employment in a period of economic slowdown.

³⁴ Interview with Ms Irena Dimitrova, Monitoring and Reporting Department and Ms Monika Hristova, Management of European Projects and Programmes, Ministry of Environment and Water (27.07.2012).

³⁵ Interview with Ms Irena Nikolova, Senior Expert and Mr. Mitko Marinov, Assistant Chief, Management of European Projects, Programming of EU Funds Department, Council of Ministers (26.07.2012).

Bulgaria would not have achieved its current economic and regional development level without the ERDF support, especially regarding the modernisation of the basic infrastructure. This fact has been underlined by the 2012 MA interviews. According to the representative of the MA of OPRD,³⁶ the ERDF funding in Bulgaria is not supplementary, but leading in terms of financing regional development. According to the interviewees, over 70% of the infrastructure investments in Bulgaria are ERDF contribution.

Representatives of the MA of OPDCBE are on the firm opinion that the ERDF support strongly contributed to the strengthening of the economy through investments in enterprises for technological modernisation, innovations, introduction of international standards, etc.³⁷ The Bulgaria Invest Agency has also benefited from OPDCBE, which is expected to have a positive long-term effect on increasing investments in the country. OPDCBE has also started supporting investments in green industries (16 contracts signed in August 2012) and energy efficiency and green economy (sourcing applications since June 2012). Hence, it is expected that these ERDF investments in sustainable and green economy would eventually increase the quality of life in Bulgaria, allowing the country to achieve its energy targets within the Europe 20/20/20 initiative.

The ERDF support also aids Bulgaria in reaching the EU targets on environment, climate change, and energy security, according to the interview with representatives from CEAOEF. Examples of this are the introduction of green transport and the construction of wastewater treatment plants. ERDF is the major funding source in this respect, despite the fact that in reality, the regional needs are even greater than the support provided.³⁸ Nevertheless, it should be noted that other urgent societal challenges, such as the effects of globalisation and of demographic change, are not addressed by the ERDF.³⁹

So far, the conclusions related to the OPs positive impacts are based on feedback from the beneficiaries, the citizens, and the physical indicators from the implementation of the concluded projects (number of build playgrounds, green areas, cultural infrastructure, etc.). Formal modeling exercises have not been consistently employed in Bulgaria to assess the overall impact of the ERDF intervention on an annual basis.

However, the authors of the Evaluation of the NSRF⁴⁰ differ in their opinion from the MAs. They underline that, taking into account the wide volume of the interventions planned in the framework of the NSRF and the many outstanding interventions under the OPs, it can be argued that the **actual contribution of the NSRF towards GDP growth is still low**. This is true due to the fact that the econometric model used for determining the impact of NSRF in the GDP and

³⁶ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of Operational Programme “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

³⁷ Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).

³⁸ Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

³⁹ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of Operational Programme “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

⁴⁰ An Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the Operational Programmes, Consortium of consultants including ICAP Group, Bulgarian Consultancy Organisation, etc., May 2012, <http://www.eufunds.bg/document/2847>

employment provides estimations, based on the hypothesis of the full OPs implementation. This however, is not possible for the current programme period, as the implementation rate is relatively low. The authors also note that taking into consideration the strong negative effects of the economic crisis and the continuing unfavourable international environment, it is expected that the country progress in successfully implementing Cohesion Policy support will continue in the next years, but the achievement of the targets set by the NSRF for 2015 remains in question.

The conducted interviewees underlined that the more precise evaluation of the impact of the Cohesion Policy interventions in Bulgaria would start in the **2013-2015 period with the ex-post evaluations of the OPs**. The HERMIN model (rebranded as SIBILA)⁴¹ was introduced in Bulgaria but it is still not actively used due to the lack of input indicators from concluded projects. The evaluation of the NSRF notes that the HERMIN model is based on the annual financial flows scheduled by the NSRF and the OPs, which have not yet been achieved during the implementation. It can provide estimates or expected impacts, but the model tends to overestimate the real impact of the OPs. Currently the MAs use the information system "LOTHAR" to monitor the process of project implementation. However, it provides information only on the contracted, verified and paid out funds, and not on their economic impact⁴².

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

The **strategy for evaluation** of the effects of the OPs has not changed since the 2011 Country Report:

- All OPs have **MCs** that approve the indicative plans for OP evaluation, request specific additional evaluations, define the specific evaluation subjects and discuss the results and approve the recommendations;
- All OPs have elaborated **Indicative Evaluation Plans**. The plans usually envisage (a) obligatory evaluations, required upon the discovery of significant departures from the goals initially set and upon the filing of proposals for significant changes to the OPs; and (b) specific evaluations, based on identified needs. According to 2012 interviews with MAs, the Evaluation Plans have not been followed strictly. They are also not always publicly available.

There was a significant delay in the start of the mid-term reviews of the OPs, due to the preparation of the public procurement procedures, specifications and other documents by the MAs. The MAs have relied mainly on external experts for the implementation of OPs' evaluations. Hence, this process has not taken up their internal personnel resources.⁴³ The financial resources for the evaluations have been provided under the Technical Assistance priority and have not changed in comparison to initial plans.

⁴¹ Simulation of Bulgaria's Investment in Long-term Advance (SIBILA) is a mathematical model, which estimates the macroeconomic impact on the Bulgarian economy caused by the application of the EU funds.

⁴² Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

⁴³ Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

Several ad-hoc partial OP evaluations and one mid-term review had been carried out by July 2011, reported in the **2010 and 2011 Expert Evaluation Network Country Reports** (ex-ante evaluations and Environment Impact Assessments not included):

- Mid Term evaluation of OP Regional Development carried out by KPMG Hungary and KPMG Bulgaria, (2011);
- Evaluation of the effectiveness of the completed procedures for project proposal selection under Priority axes 1, 2 and 3 of OP “Environment 2007 – 2013”, Ministry of Environment and Water (2010);
- Review of the First opened schemes under OPRD 2007-2013, Ministry of Regional Development and Public Works (2010);
- Evaluation of the first schemes of OPE opened in 2008 (Priority axes 1, 2 and 3) (2010);
- Evaluation of the Implementation of OPTA in 2007-2008 (2010).
- The regular AIRs for OPs and the AIR 2009 for Romania-Bulgaria CBC Programme 2007-2013 can be mentioned as a form of self-evaluation.

Recently carried out evaluations

The evaluation progress has considerably increased during the past two years. Table 4 below summarises the **newly elaborated evaluations** (evaluations and studies from the previous Expert Evaluation Network Country Reports have been excluded).

Table 4 - Evaluations and studies carried out

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Mid-term review OPDCBE (September 2011)	1+2	2	3+4	Delays in the physical and financial implementation, the publishing of the calls, and the payments to beneficiaries. The quality of the project evaluation methodology has significantly improved. Key problem for the beneficiaries is the ensuring of co-financing.	www.eufunds.bg/document/2287 (Resume)
OPT "Mid-term review of progress and overall programme implementation" (2011)	4	2	3+4	After a relatively slow start, by 30.06.2011 OPT implementation has accelerated. If this trend is maintained, the OP will conclude without any substantial loss of funds. The implementation however is uneven – no advance has been made in supporting multimodal transport (in PA3) and water transport (in PA4). A large share of the achievements is due to the implementation of only one project – the construction of the Sofia metro. It is expected that the construction of motorways will increase the achievements in axis 2 (road infrastructure). Despite the improvements in the financial implementation, there is still no concluded infrastructure project.	http://www.optransport.bg/page.php?c=201&d=812 (Resume)
OPT "Study on the implementation of projects at beneficiaries' level" (September 2011)	4	1	3+4	Common mistakes in the project preparation are the lack of knowledge about the programme's objectives and the reference documents. The beneficiaries managing a large number of projects experience difficulties with the reporting. Not all procedural manuals and guidelines are clear enough and the not all functions of the different bodies involved are distributed in an optimal way. Most projects are still in the beginning phase, and large part of them experience delays. There is lack of capacity for the preparation and implementation of projects. Some beneficiaries have too complex management and control internal rules that further decrease the efficiency.	http://www.optransport.bg/page.php?c=201&d=814 (Resume)
Evaluation of the Monitoring System of OP "Transport" 2007-2013 (September 2011)	4	1	3+4	The Monitoring System functions well in general. It has all necessary structures and units, but it needs improvement in the areas of reporting, use of the Information system for management and monitoring, risk management at individual beneficiary level. The system of indicators needs updating and refinement, and the inclusion of new types of indicators such as contextual indicators, indicators at programme level, resource indicators, indicators on horizontal issues. The indicators used do not fully cover the criteria feasibility (mainly), measurability, relevance, and commitment to time. There is problem with the lack of electronic records. The achievements indicators are not reported before the conclusion of the activities.	http://www.optransport.bg/page.php?c=201&d=813 (Resume)
Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of	1 – 10 (all)	2	3	There have been restructuring of public bodies and amendments to legislation as measures taken in 2011 to improve coordination and implementation of EU-funded programmes. The report notes the 2011 almost double growth in funds' contracting and absorption under the 7 OPs. According to the authors, there is no risk of loss of funds. In 2011 there was reassignment of funds under the programmes due to interest of beneficiaries in some measures/schemes and the desire to implement	Report in Bulgarian: http://www.parliament.bg/pub/cW/201202080613042011 Annual%20Report EU Funds 08.02.2012.pdf ; Summary in English:

the European Funds at the National Assembly (January 2012)				sectoral reforms. CEAOEF notes as a considerable progress the electronic submission of applications and reporting.	http://www.parliament.bg/pub/cW/201202090951472011_Annual%20Report_EU_Funds%20-%20Resume_EN.pdf
Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OPs (May 2012)	1 - 10 (all)	2	3+4	The authors recommend future evaluation criteria to include prioritisation of certain sectors and / or regions; continue the work with beneficiaries to increase their capacity; eliminate duplicate activities and processes in the management of OPs. There is also need of better indicators for measuring the efficiency of the OPs and decrease of the administrative burden through delegation of verification, including at regional level, as well as use of electronic application forms.	http://www.eufunds.bg/document/2847

Note: (*) Legend

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

Method used: 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative

The mid-term review of OPDCBE⁴⁴ was concluded in September 2011. It focused on PA1 and PA2 (related to innovation and technology modernisation) for the period up to 30.06.2011. The study notes that the absorption of funds has been delayed in comparison to the initially planned values of the Financial Plan. The authors pinpoint that there is a continuing trend of late payments to beneficiaries. Usually, there are substantial delays between the time of approval of the selection criteria and the time of publishing of the open call guidelines. The duration of the evaluation process of proposals has ranged from four months to more than one year. In the more recent open procedures, the quality of the project evaluation methodology has significantly improved, in terms of clarifying the methods used. A key problem for the beneficiaries however remains the ensuring of the necessary co-financing. There is some discrepancy between the planned and achieved indicators. A positive trend is the inclusion of the recommendations by potential beneficiaries and other stakeholders in the planning of the new schemes and procedures. The mid-term review identifies a lack of sufficient clarity on certain aspects of the guidelines for applicants, which could lead to failure of proposals on formal administrative grounds. It also underlines that the results correspond to the current (at the time of application and completion of projects) needs of beneficiaries.

The Mid-term review of progress and overall programme implementation⁴⁵ of OPT aimed to assess the achievements, identify the problems, as well as to conduct an analysis of the changes in the external environment, as well as the wider impact of the OPT. According to the authors, after a relatively slow start, by 30.06.2011 the implementation of the OPT has accelerated. They note that if this trend is maintained, the OP will conclude without any substantial loss of funds. The implementation however is uneven – no progress has been achieved in supporting multimodal transport (in PA3) and water transport (in PA4). A large share of the achievements is due to the implementation of only one project – the construction of the Sofia underground. It is expected that the construction of motorways will increase the achievements in PA2 (road infrastructure). The external evaluator recommends a strengthening of the MA's administrative capacity, as well as more investment in the preparation of new projects. The evaluation proposes other areas of necessary improvements, such as optimisation of the management procedures, reporting and payments, enhancement of the guidelines and IT-services to the beneficiaries. The identified problems during the implementation of OPT include a lack of financial resources on the side of the beneficiaries for the start of the activities (need for an increase in the amount of the advance payments); lack of experience and capacity of the MA in the management of large infrastructure projects; problems with the proper application of the Public Procurement Act; late start of the projects; lack of flexibility for meeting unexpected expenditures and activities outside of the planned ones.

The Study on the implementation of projects at beneficiaries' level of the OPT⁴⁶ aimed to increase the quality, efficiency, impact, sustainability and compliance to the current beneficiaries' needs. All six beneficiaries of OPT have been included and analysed in the study. According to the study, even beneficiaries who have already managed a large number of

⁴⁴ Resume of the Mid-term review OPDCBE, ICAP Group AD, ICAP Bulgaria EAD, Global Advisors Audit and Consulting AD, Global Balkans Foundation, September 2011, www.eufunds.bg/document/2287

⁴⁵ Mid-term review of progress and overall programme implementation of OPT, <http://www.optransport.bg/page.php?c=201&d=812>

⁴⁶ Study on the implementation of projects at beneficiaries' level (resume), OPT, <http://www.optransport.bg/page.php?c=201&d=814>

projects still experience difficulties with meeting the reporting standards. Not all procedural manuals and guidelines are clear enough and not all functions of the different bodies involved are distributed in an optimal way. The evaluators note that most projects are still in their inception phase and large part of them experience delays. According to the authors, the implementation is hindered by delays in the public procurements procedures, as well as the lack of capacity for the preparation and implementation of projects. Some beneficiaries have too complex management and internal control rules, which also decrease the efficiency of project implementation. The process is further complicated by the frequent change of the organisational and management structures of the beneficiaries.

The **Evaluation of the Monitoring System of the OPT 2007-2013**⁴⁷ aimed to assess the capacity of the MA to monitor the OPT, improve the managing and the implementation of the Programme, assess the efficiency of the monitoring system and the quality of the indicators used, and increase the transparency of the activities of the public institutions, involved in the implementation of the OP. According to the evaluators the Monitoring System covers the whole project cycle and partially, the currently prepared new projects. In general, it functions well but it needs some improvement in the areas of reporting, use of the information system for management and monitoring, as well as risk management at individual beneficiary level. Project progress reports are sometimes delayed and do not contain the complete necessary information. The system allows for the monthly review of the achieved values of the target indicators. The criteria feasibility, measurability, relevance and commitment to time are not fully covered by the existing set of target indicators. Hence, **the system of indicators needs updating and refinement, and the inclusion of new types of indicators, such as contextual indicators, indicators at programme level, resource indicators and indicators on horizontal issues.**

In January 2012, CEADEF issued its **Annual Report for the Absorption of the EU Funds in the Republic of Bulgaria 2011**⁴⁸. The report reviews a wide range of EU-funded programmes – operational, trans-border, agricultural, fishery, the Schengen instrument, Phare, ISPA, SAPARD, etc. It describes the financial developments, conducted evaluations, identified problems and undertaken alterations in the focus of the programmes. The report lists the **measures taken in 2011 to improve coordination and implementation of EU-funded programmes**. These include the establishment of a National Company for Strategic Infrastructure Projects (state-owned company with a focus on the motorways, overtaking the rights and obligations of the Road Infrastructure Agency); establishment of a Housing Policy Directorate at the Ministry of Regional Development and Public Works (designated as a concrete beneficiary under OPRD for the implementation of a grant scheme for support of energy efficiency in multifamily residential buildings); additional restructuring aiming at reforms in the sectors of water, healthcare and

⁴⁷ Evaluation of the Monitoring System of OP "Transport" 2007-2013,
<http://www.optransport.bg/page.php?c=201&d=813>

⁴⁸ Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012, Full report in Bulgarian:

http://www.parliament.bg/pub/cW/201202080613042011_Annual%20Report_EU_Funds_08.02.2012.pdf; Summary in English:

http://www.parliament.bg/pub/cW/201202090951472011_Annual%20Report_EU_Funds%20-%20Resume_EN.pdf; Presentation in English:

http://www.parliament.bg/pub/cW/20120221090817Annual-Report-PPT-CD_EN.pdf

deinstitutionalisation of childcare; as well as legislative amendments. CEADEF notes the good level of execution of forecasts made under the LOTHAR Instrument (over 75%). According to the authors, **there is no risk of loss of funds** – in 2011 all OPs reached their set objectives in accordance with the rule N+2/N+3.

In May 2012, the Council of Ministers presented **an Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OPs**⁴⁹. The evaluation aimed at optimisation and improvement of the programming and coordination process through analyses of the level of achievement of the NSRF objectives; identification of potential problems and risks; analysis of the existing institutional and regulatory framework; the system of indicators of OPs and NSRF; provision of recommendations. The report makes several positive **findings on the impact of Cohesion policy in Bulgaria**, including an increased economic activity rates; further development of ICT; and some progress in technical infrastructure and comparative stability of the financial situation of the country. At the same time however, it notes that there is substantial share of the population at risk of poverty and that regional disparities have become bigger during recent years. The authors recommend future OPs evaluation criteria to include prioritisation of certain economic sectors and/or regions, continuation of the work with beneficiaries to increase their capacity to prepare quality projects and the removal of duplicate activities in the management of OPs.

Use of the evaluations and their recommendations:

- The recommendations from the **OPRD** mid-term review have resulted in some changes. The annual indicators of the programme have been slightly modified.⁵⁰ The MA has also considered changes for the next programming period 2014- 2020 – the broadband access scheme can be transferred to the Programme for Rural Development and the gas interconnection project Serbia-Bulgaria – to OPDCBE. The MA has considered substituting the competitive selection approach, currently implemented, with direct support to certain towns and municipalities;⁵¹
- As a result of the **OPDCBE** mid-term review, some funds have been re-located between priority axes, mainly to PA 3 “Financial Resources for Development of the Enterprises”. Also, the IB has been transferred to the Ministry of Economy, Energy and Tourism to ensure better control and coordination, while the MA started over-contracting, in order to ensure the absorption of all funds. The indicators of the OPDCBE have been changed, as well as some target values. By August 2012, the MA has entered into the process of discussing the changes with the European Commission. The MA is also reviewing PA 1, which can lead to further re-distribution of funds.⁵²

⁴⁹ An Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OPs, Consortium of consultants including ICAP Group, Bulgarian Consultancy Organisation, etc., May 2012, <http://www.eufunds.bg/document/2847>

⁵⁰ Interview with Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).

⁵¹ Interview with Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of OP “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).

⁵² Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).

Plans for carrying out further evaluations over the 2007 -2013 programming period:

- **OPRD** plans only one ex-post evaluation.⁵³ It has also opened a call for conducting evaluations in relation to the preparation of OPRD 2014-2020 (ex-ante evaluation and environmental impact assessment)⁵⁴;
- The mid-term evaluation of **OPE** has been delayed but its completion is expected by the end of 2012⁵⁵. In addition, by the end of 2012, the MA expects evaluation of the programme's communication plan;
- **OPDCBE** foresees an update of the mid-term review, as well as some ad hoc evaluations, if necessary, including an ex-ante evaluation for the new programming period, with a focus on smart specialisation. There is an on-going evaluation of the OP's Communication Plan⁵⁶;
- According to the **Indicative Evaluation Plan of OPT** (16.03.2009, updated December 2010)⁵⁷, the OPT envisages implementing several on-going evaluations and one ex-post evaluation (to be completed by 31 December 2015). The on-going evaluations shall examine the relevance, consistency, effectiveness and efficiency of the programme. According to the Indicative Evaluation Plan, for the period 2012-2013 OPT will carry out Study of evaluation capacity of OPT MA (H1 2012); Contribution of OPT to Lisbon Strategy goals (H2 2012); Second overall evaluation of OP effectiveness and impact (H1 2013); Evaluation of OPT impacts on horizontal policies (H2 2013). According to conducted interview with the MA of OPT however, it is possible that, other than the already concluded (1) Examination of Project Implementation Process at Final Beneficiary Level; (2) Interim evaluation of progress and programme performance; and (3) Evaluation of the OPT Monitoring System; and the upcoming evaluation, assessing the integration of horizontal principles in the management, monitoring and implementation of OPT, no further evaluations will be undertaken, as the above have already provided sufficient added value⁵⁸ ;
- **OPTA** has provided no fixed schedule of the planned evaluations but instead foresees that evaluations will be carried out only on a needs basis.⁵⁹

⁵³ Interview with Ms Denitsa Nikolova, Director General of Directorate General "Programming of Regional Development" and Head of the Managing Authority of OP "Regional Development 2007-1013", Ministry of Regional Development and Public Works (25.07.2012).

⁵⁴ Ministry of Regional Development and Public Works, Open call for Conducting evaluations in relation to the preparation of the OP Regional Development 2014 - 2020,

http://www.mrrb.government.bg/index.php?lang=bg&do=profile_customer&invitation=0&id=521

⁵⁵ Interview with Ms Irena Dimitrova, Monitoring and Reporting Department and Ms Monika Hristova, Management of European Projects and Programmes, Ministry of Environment and Water (27.07.2012).

⁵⁶ Interview with Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).

⁵⁷ Indicative Evaluation Plan of OPT (16.03.2009, updated December 2010), Ministry of Transport, Information Technology and Communications, <http://www.optransport.bg/en/page.php?c=141>

⁵⁸ Interview with Mr. Lyubomir Sirakov, senior expert, Monitoring, Information and Communication Department; msc. eng. Nikolay Dechev, Acting Head, Monitoring, Information and Communication Department; and Iva Chervenкова, State expert, Programming Department; Ministry of Transport Information Technology and Communication (24.07.12)

⁵⁹ Evaluation Plan of OPTA, Ministry of Finance, 2008, <http://www.eufunds.bg/document/2310>

5. FURTHER REMARKS - NEW CHALLENGES FOR POLICY

Main points from previous country report:

- Speeding up **contracting** and accelerating the **payments** to the beneficiaries. Despite the progress with the contracting, in 2012 the MAs still need to focus on speeding up the payments. It is suggested that the administrative burden can be decreased through delegation of the verification, including at regional level. There is still need of further optimisation in terms of advance payments, greater flexibility in case contract terms need to change, quicker applications assessment and reduction of the number of required documents by the beneficiaries;
- Additional enhancement of the **MAs' administrative capacity**. In 2012 there is progress reported in terms of capacity, however restructuring of the functions of the bodies involved in the OP management and control, elimination of duplicate activities and establishment of better archiving systems is recommended;
- 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 Strategy (still relevant in 2012);
- Introducing a better system for **assessment of the OPs' efficiency**. By 2012 the OPs Monitoring System still needs improvement in the areas of reporting, use of the Information system for management and monitoring, risk management at individual beneficiary level. The system of indicators needs updating and refinement;
- **Active participation in the debates on the introduction of conditionalities** in the allocation of Structural Funds assistance (still relevant in 2012);
- Increasing the efficiency of the OPs' **regional coordination**. Strengthening the Regional Development Councils (at NUTS 2 level). There is a suggestion for setting of a **regional quota system** with regard to budget allocations for the next programming period. In 2012, the MAs continue to suggest future evaluation criteria to include prioritisation of certain sectors and/or regions;
- Improving **public procurement procedures**. By 2012 the legislation was improved; however there is need of strengthening the capacity of the Public Procurement Agency to implement its new function in performing ex-ante control, as well as the capacity of the beneficiaries to carry out the procedures;
- Introducing **electronic submission and reporting** for all OPs. By August 2012 the electronic reporting is still not introduced;
- In 2012, a key problem remains the ensuring of **co-financing** by the beneficiaries, expected to be countered with the new financial instruments.

In 2012 the additional challenges include:

- The proper conclusion of the large infrastructure projects under OPT;
- Continuation of the work with beneficiaries to increase their capacity;
- Putting the focus on the quality and timely implementation of the projects and planning of the next programming period 2014-2020;

- Considering the adoption of a special law on management of EU funds.⁶⁰

⁶⁰ An Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OPs, Consortium of consultants including ICAP Group, Bulgarian Consultancy Organisation, etc., May 2012, <http://www.eufunds.bg/document/2847>

REFERENCES

1. Relevant evaluations by type, indicating the coverage and focus, the method used, when they were carried out and the period they relate to:

a) nation-wide evaluations across OPs (published in 2012)

An Analysis and Evaluation of the Progress towards Achieving the Goals and Priorities of the NSRF and the Respective Contribution of the OPs , Consortium of consultants including ICAP Group, Bulgarian Consultancy Organisation, etc., May 2012, <http://www.eufunds.bg/document/2847>

Method used: Documentary review; administrative data; monitoring indicators; interviews; focus-groups; surveys of beneficiaries; SWOT; statistical methods; HERMIN; qualitative analysis; intervention logic analysis; theory-based assessment; benchmarking.

Period covered: January 2007 - May 2012

Annual Report on the Absorption of EU Funds in the Republic of Bulgaria in 2011, Committee on European Affairs and Oversight of the European Funds at the National Assembly, January 2012, Full report in Bulgarian:

http://www.parliament.bg/pub/cW/201202080613042011_Annual%20Report_EU_Funds_08.02.2012.pdf ; Summary in English:

http://www.parliament.bg/pub/cW/201202090951472011_Annual%20Report_EU_Funds%20-%20Resume_EN.pdf ; Presentation in English:

http://www.parliament.bg/pub/cW/20120221090817Annual-Report-PPT-CD_EN.pdf

Method used: The report draws on the input received from the respective state administration structures responsible for the programmes management and coordination. The report also includes information provided by the Central Coordination Unit to the Council of Ministers via the instrument for financial planning and forecasting – LOTHAR.

Period covered: January 2007- December 2011

b) Evaluations of specific OPs (published in 2011-2012)

Resume of the Mid-term review OPDCBE, ICAP Group AD, ICAP Bulgaria EAD, Global Advisors Audit and Consulting AD, Global Balkans Foundation, September 2011, www.eufunds.bg/document/2287

Method used: Documents checks and on-site visits, interviews with MAs and beneficiaries, focus-groups, use of online questionnaire, qualitative analysis, econometric models, comparison of expected with achieved results.

Period covered: January 2007 – June 2011

Mid-term review of progress and overall programme implementation of OPT, <http://www.optransport.bg/page.php?c=201&d=812>

Method used: Review of documents, survey based on questionnaires, interviews with the beneficiaries, cause and effect analysis, multi-criteria and comparative analysis.

Period covered: January 2007 – June 2011

c) Evaluations of specific aspects of the OPs (published in 2012)

Study on the implementation of projects at beneficiaries' level (resume), OPT, <http://www.optransport.bg/page.php?c=201&d=814>

Method used: Gathering of primary and secondary information; interviews with representatives of the beneficiaries; use of questionnaires; an analytical model, which set quantitative indicators in thematic areas in a scale from -2 to +2.

Period covered: January 2007 – November 2011

Evaluation of the Monitoring System of Operational Programme "Transport" 2007-2013, <http://www.optransport.bg/page.php?c=201&d=813>

Method used: Analysis of the stakeholders, review of national and European documents, administrative documents, expert panel, online questionnaires, individual interviews and focus groups, consultations, including with the MC of the Central Coordination Unit (CCU).

Period covered: January 2007 – September 2011

2. Other relevant research studies and impact assessments carried out in the Member State (published in 2012)

Socio-economic analysis for purposes of OP "Regional Development" for 2014-2020, Ministry of Regional Development and Public Works, <http://www.regions2014-2020.net/>

3. Other references

Evaluation Plan of OP Technical Assistance, Ministry of Finance, 2008, <http://www.eufunds.bg/document/2310>

Indicative Evaluation Plan of OPT (16.03.2009, updated December 2010), Ministry of Transport, Information Technology and Communications, <http://www.optransport.bg/en/page.php?c=141>

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

Ministry of Regional Development and Public Works, Open call for Conducting evaluations in relation to the preparation of the Operational Programme Regional Development 2014 – 2020, http://www.mrrb.government.bg/index.php?lang=bg&do=profile_customer&invitation=0&id=521

National Statistical Institute, <http://www.nsi.bg>

Parliamentary hearing, Committee on European Affairs and Oversight of EU Funds, 18.07.2012, <http://parliament.bg/bg/parliamentarycommittees/members/240/reports/ID/3689>

Parliamentary hearing, Committee on European Affairs and Oversight of EU Funds, National Assembly, 09.05.2012, <http://parliament.bg/bg/parliamentarycommittees/members/240/steno/ID/2454>

Public Procurement Registry of the Agency for Public Procurement, http://rop3-app1.aop.bg:7778/portal/page?_pageid=173,1&_dad=portal&_schema=PORTAL

INTERVIEWS

- Mr. Martin Kozhinkov, Expert and Ms. Yoanna Ilieva, Chief Advisor, Committee on European Affairs and Oversight of EU Funds, National Assembly (27.07.2012).
- Ms Miryana Dragomirova, Chief Expert, Directorate General European Funds for Competitiveness, Ministry of Economy, Energy and Tourism (01.08.2012).
- Ms Denitsa Nikolova, Director General of Directorate General “Programming of Regional Development” and Head of the Managing Authority of Operational Programme “Regional Development 2007-1013”, Ministry of Regional Development and Public Works (25.07.2012).
- Mr. Lyubomir Sirakov, Senior Expert, Monitoring, Information and Communication Department; Coordination of Programmes and Projects Directorate; msc. eng. Nikolay Dechev, Acting Head, Monitoring, Information and Communication Department; Coordination of Programmes and Projects Directorate, Ms. Iva Chervenкова, State expert, Programming Department, Ministry of Transport, Information Technology and Communications (24.07.2012).
- Ms Irena Nikolova, Senior Expert and Mr. Mitko Marinov, Assistant Chief, Management of European Projects, Programming of EU Funds Department, Council of Ministers (26.07.2012).
- Ms Irena Dimitrova, Expert, Monitoring and Reporting Department and Ms Monika Hristova, Assistant Chief, Management of European Projects and Programmes, Ministry of Environment and Water (MA of OPE) (27.07.2012).

ANNEX 1 - EVALUATION GRID FOR EXAMPLES OF GOOD PRACTICE IN EVALUATION

Evaluation Grid A - Mid-term review OPDCBE

BASIC INFORMATION	
Country: Bulgaria	
Policy area: Enterprise support and RTDI	
Title of evaluation and full reference: Mid-term review OPDCBE, September 2011	
Intervention period covered: 2007-2011	
Timing of the evaluation : June 2011 – September 2012	
Budget: EUR 127,670 (BGN 249,700)	
Evaluator: External evaluators - ICAP Group AD, ICAP Bulgaria EAD, Global Advisors Audit and Consulting AD, Global Balkans Foundation	
Method: Documentary analysis, review of selected projects, checklists, interviews with the MA and stakeholders, focus groups, use of online questionnaire for the OP's applicants and on-site visits of beneficiaries, qualitative analysis, use of econometric models, comparison of expected with achieved results. The interviewed stakeholders included: employers' organisations, banks, etc.	
Main objectives and main findings: Main objectives: Assessing the achieved results and quality of implementation. Main findings: Delays in the physical and financial implementation, publishing the open calls, late payments to beneficiaries. The quality of the project evaluation methodology is significantly improved. Key problem is the ensuring of co-financing.	
Appraisal: Despite the fact that only 2 priority axes are reviewed and the impact of the ERDF support still cannot be measured, the mid-term review is consistent, uses a number of evaluation methods, provides information on 21 procedures, correctly identifies all problems that the OP is experiencing and provides recommendations. Moreover, as Chapter 5 (table 53) shows, most of the recommendations have been accepted by the MA, followed by concrete actions.	
CHECK LIST	
Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes	
Report	
Are the objectives, methods and findings of the evaluation clearly set out?	2
Are the findings and recommendations clearly supported by the analysis?	2
Are the methods used suitable given the objectives of the valuation and have they been well applied?	2
Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation?	2
Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account?	1
Is a serious attempt made to distinguish the effects of the intervention from these other factors?	1

Evaluation Grid B – OPT

BASIC INFORMATION	
Country: Bulgaria	
Policy area: Transport	
Title of evaluation and full reference: There was one public procurement for 4 evaluations: Lot 1: Study on the implementation of projects at beneficiaries' level of OPT Lot 2: Mid-term review of progress and overall programme implementation of OPT Lot 3: Evaluation of the Monitoring System of OPT Lot 4: Evaluating the integration of the horizontal principles in the management, monitoring and implementation of OPT 2007 – 2013 (still ongoing)	
Intervention period covered: 01.01.2007-30.06.2011	
Timing of the evaluation: 27.06.2011-08.05.2012	
Budget: 271,787 EUR (BGN 531,570) for all 4 evaluations	
Evaluator: External evaluators – Eco-Viko Consortium, Ecorys Consortium, UIG and Partners.	
Method: Lot 1: Study on the implementation of projects at beneficiaries' level of OPT: Gathering of primary and secondary information; interviews with representatives of the beneficiaries; use of questionnaires; an analytical model, which set quantitative indicators in thematic areas in a scale from -2 to +2. Lot 2: Mid-term review of progress and overall programme implementation: Review of documents, survey based on questionnaires, interviews with the beneficiaries, cause and effect analysis, multi-criteria and comparative analysis. Lot 3: Evaluation of the Monitoring System of OPT: Analysis of the stakeholders, review of national and European documents, administrative documents, expert panel, online questionnaires, individual interviews and focus groups, consultations, including with the MC of the Central Coordination Unit (CCU).	
Main objectives and main findings: Lot 1: Study on the implementation of projects at beneficiaries' level of OPT: aiming to make an analysis of the performance; the capacity of beneficiaries; identifying best practices and analysis of the possibility of exchange of experience between beneficiaries. The beneficiaries managing a large number of projects experience difficulties with the reporting. Not all procedural manuals and guidelines are clear enough. Most projects are still in the beginning phase, and large part of them experience delays. There is lack of capacity for the preparation and implementation of projects. Some beneficiaries have too complex management and control internal rules that further decrease the efficiency. Lot 2: Mid-term review of progress and overall programme implementation: aiming to assess the financial achievements, identifying the barriers and problems during the absorption of funds, assessing the physical implementation, analysis of the changes in the external environment, and analysis on achieving the targets set and the wider impact of the OP. After a relatively slow start, by 30.06.2011 OPT accelerates its implementation. The implementation however is uneven – no advance has been made in supporting multimodal transport (in axis 3) and water transport (in axis 4). A large share of the achievements is due to the implementation of only one project – the construction of the Sofia metro. Lot 3: Evaluation of the Monitoring System of OPT: aiming to assess the capacity of the Managing Authority to monitor the OP. The Monitoring System functions well in general, but it needs improvement in the areas of reporting, use of the Information system for management and monitoring, risk management at individual beneficiary level. The system of indicators needs updating and refinement. There is problem with the lack of electronic records.	
Appraisal: The evaluations use a wide range of methods to review the internal processes used by the MAs and the beneficiaries, and hence to identify the reasons behind the main problems of the OPs. They provide relevant charts on the OP's achievements, as well as adequate recommendations for countering the problems.	
CHECK LIST	
Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes	
Report	
Are the objectives, methods and findings of the evaluation clearly set out?	2
Are the findings and recommendations clearly supported by the analysis?	2
Are the methods used suitable given the objectives of the valuation and have they been well applied?	2
Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation?	2
Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account?	1
Is a serious attempt made to distinguish the effects of the intervention from these other factors?	1

ANNEX 2 – TABLES

See Excel Tables 1 -4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 4 - Commitments by main policy area (by end-2011)

Annex Table A - 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 investment 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 ...
		73	Measures to increase participation in education and training throughout the life-cycle ...
	Labour market	65	Modernisation and strengthening labour market institutions

Policy area		Code	Priority themes
	policies	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
		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
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)
4. Environment and energy	Energy infrastructure	32	Inland waterways (TEN-T)
		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
		43	Energy efficiency, co-generation, energy management
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drink water)
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaption to climate change
		50	Rehabilitation of industrial sites and contaminated land

Policy area		Code	Priority themes
		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
		76	Health infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
		79	Other social infrastructure
	Tourism and culture	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
		60	Other assistance to improve cultural services
	Planning and rehabilitation	61	Integrated projects for urban and rural regeneration
	Other	82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
		83	Specific action addressed to compensate additional costs due to size market 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 evaluation ...
		85	Preparation, implementation, monitoring and inspection
		86	Evaluation and studies; information and communication

Annex Table B - Regional distribution of the support under all OPs in Bulgaria (15.7.2011 - 16.06.2012)

Region	Total No of contracts (by 15.7.2011)	Total No of contracts (by 16.06.2012)	Total No of contracts (% change)	Total value, EUR million (by 15.7.2011)	Total value, EUR million (by 16.06.2012)	Total value (% change)
North West region	481	612	27.2	278.5	407.8	46.4
North Central region	494	661	33.8	288.8	479.1	65.9
North East region	468	619	32.3	244.5	458.3	87.4
South West region	1,254	1,736	38.4	1,293.2	2,244.6	73.6
South Central region	689	973	41.2	384.9	1,166.5	203.0
South East region	401	600	49.6	964.8	1,205.1	24.9
Total (without the international projects)	3,787	5,201	37.3	3,454.8	5,961.4	72.6

Region	Total No of beneficiaries (by 15.7.2011)	Total No of beneficiaries (by 16.06.2012)	Total No of beneficiaries (% change)
North West region	299	348	16.39
North Central region	303	376	24.09
North East region	294	370	25.85
South West region	958	1 243	29.75
South Central region	426	541	27.00
South East region	279	357	27.96
Total (without the international projects)	2,559	3,235	26.42

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