

41st NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA

**COMMITTEE ON EUROPEAN AFFAIRS AND OVERSIGHT OF THE
EUROPEAN FUNDS**



**EU FUNDS MANAGEMENT IN THE REPUBLIC OF
BULGARIA**

PROGRESS AND EFFECTS

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CHAIRPERSON OF THE CEADEF**

WHY DO WE FOCUS ON EFFECTIVENESS AND EFFICIENCY?



SCOPE OF THE REPORT:

14 Programmes, with a total budget of **€11,75**

billion:

7 Operational Programmes;

5 Cross-Border Cooperation Operational Programmes;

Rural Development Programme;

Operational Programme “Fisheries Sector Development”.

CONTENT

I. Overall progress in the EU Funds management in Bulgaria

- In terms of efficiency
- In terms of effectiveness

II. The “NIE” MODEL - Needs, Investments, Effects

- OP “Transport”
- OP “Environment”
- OP “Technical Assistance”
- OP “Human Resources Development”
- OP “Regional Development”
- OP “Competitiveness”
- OP “Administrative Capacity”
- Cross-Border Cooperation Operational Programmes
- Rural Development Programme
- OP “Fisheries Sector Development”

III. CEAOEF conclusions and recommendations – today and tomorrow

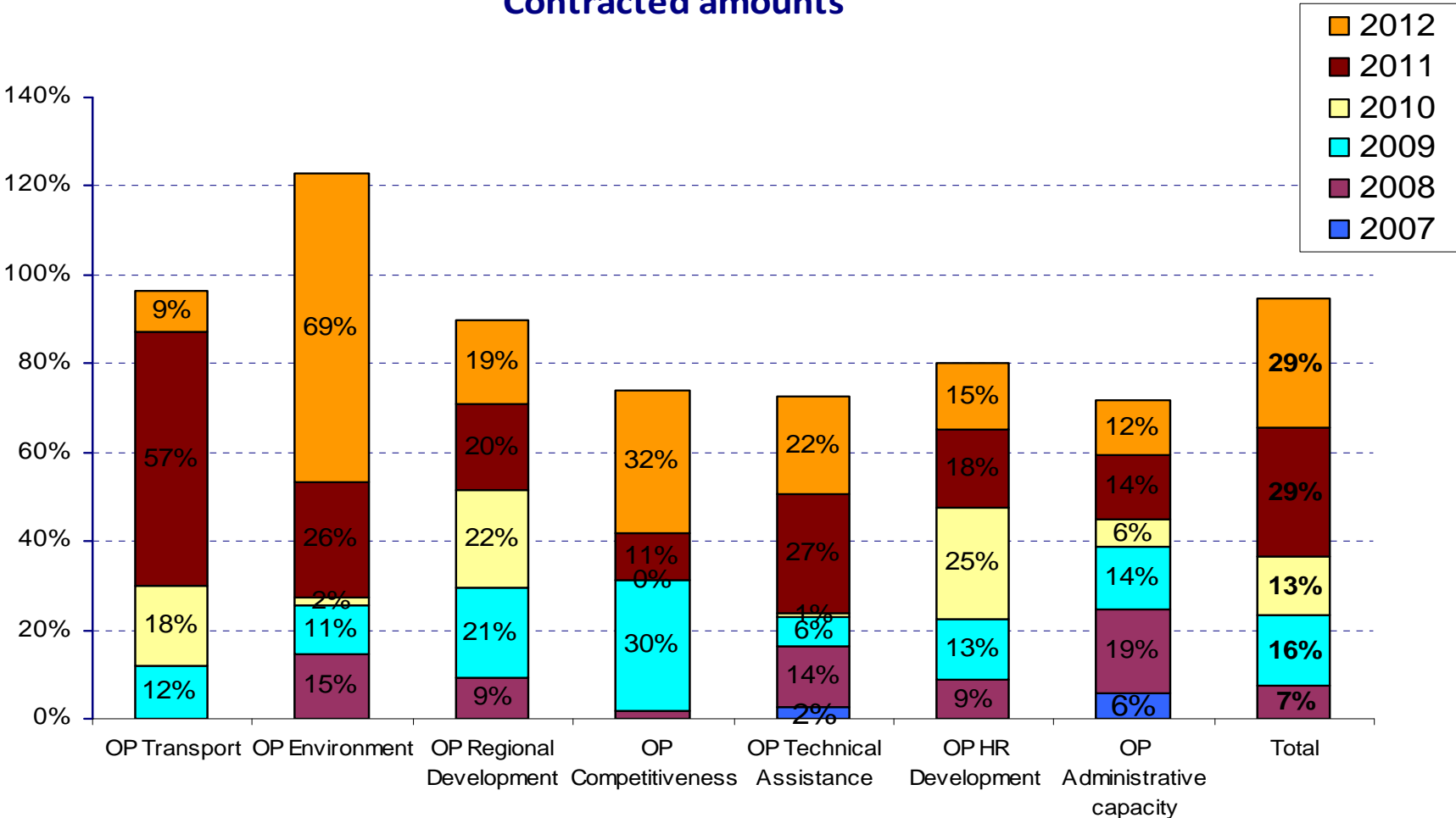
EFFICIENCY

- Functioning of the system in the best possible way with minimum loss of time and effort;
- Sustainable contracting and payment rate;
- Sustainability of the EU Funds management and control system;
- Building an adequate institutional and legislative framework.



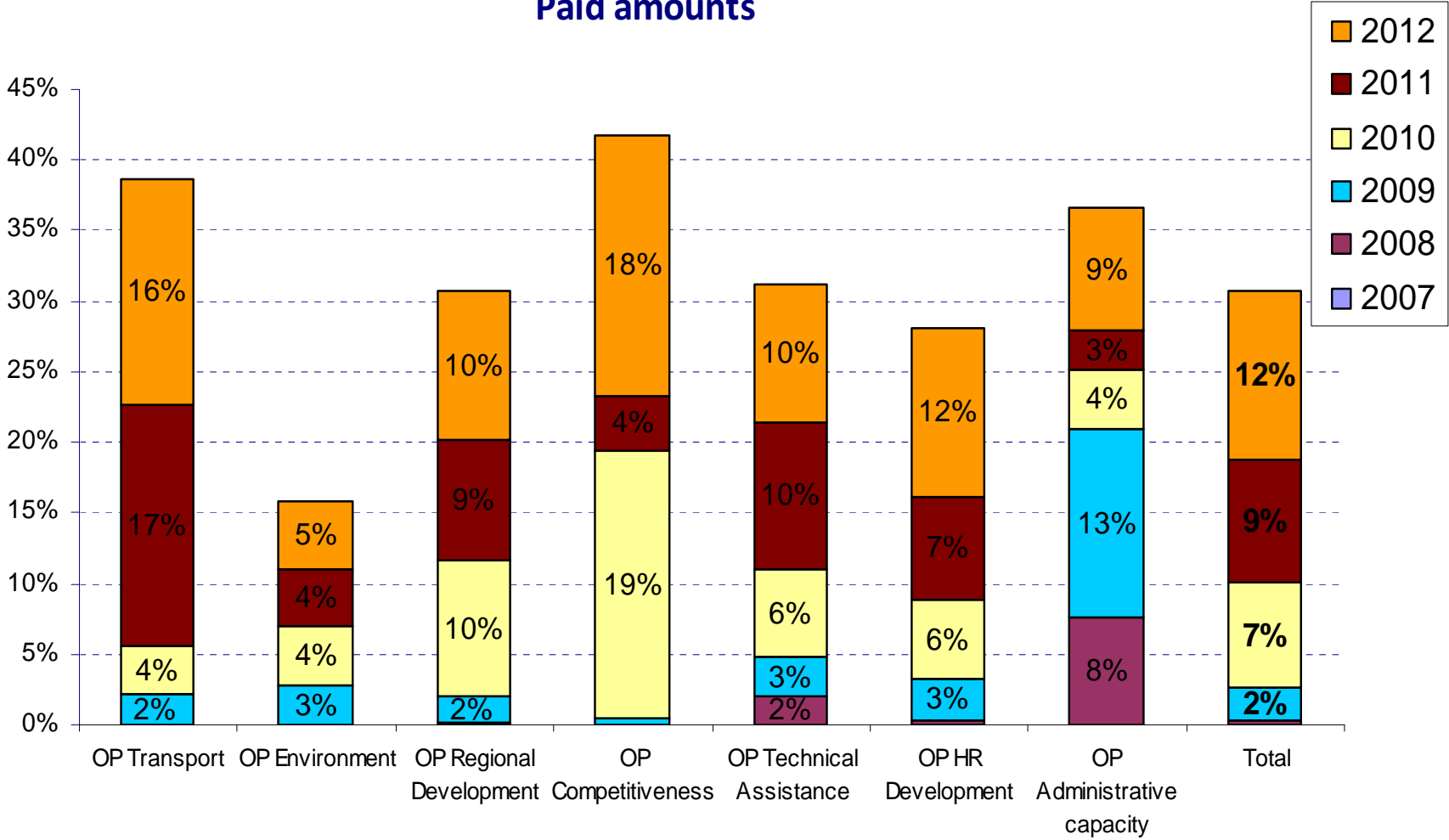
EFFICIENCY – CONTRACTING RATE

Contracted amounts



EFFICIENCY – PAYMENT RATE

Paid amounts



FAVOURITES AMONG THE OPs

PERIOD	FAVOURITES IN TERMS OF CONTRACTING	FAVOURITES IN TERMS OF PAYMENT
31.10.2012	OP „Environment “	OP „Transport “
	OP „Transport “	OP „Administrative Capacity “
	OP „Regional Development “	OP „Technical Assistance “
31.12.2011	OP „Transport “	OP „Administrative Capacity “
	OP „Regional Development “	OP „Transport “
	OP „Human Resources Development “	OP „Technical Assistance “

EFFICIENCY- MANAGEMENT AND CONTROL SYSTEM

- A sustainable MCS has been created;
- Low percentage of financial corrections – 1.59% of the total amount paid under the SCF as of 31.10.2012 (Certifying Authority data);
- Low error rate in financial terms in the OPs – well below the admissible 2% materiality threshold (Audit Authority data);
- No OPs “stopped”- Bulgaria, Finland, Sweden and Denmark.

EFFICIENCY – ADECUATE INSTITUTIONAL AND LEGISLATIVE FRAMEWORK

- Capacity building of the institutions and beneficiaries;
- Partnership and dialogue with the stakeholders;
- Legal framework changes;
- E-application and project reporting;
- Optimization of the procedures for project application, implementation and reporting.

CEAOEF RECOMMENDATIONS

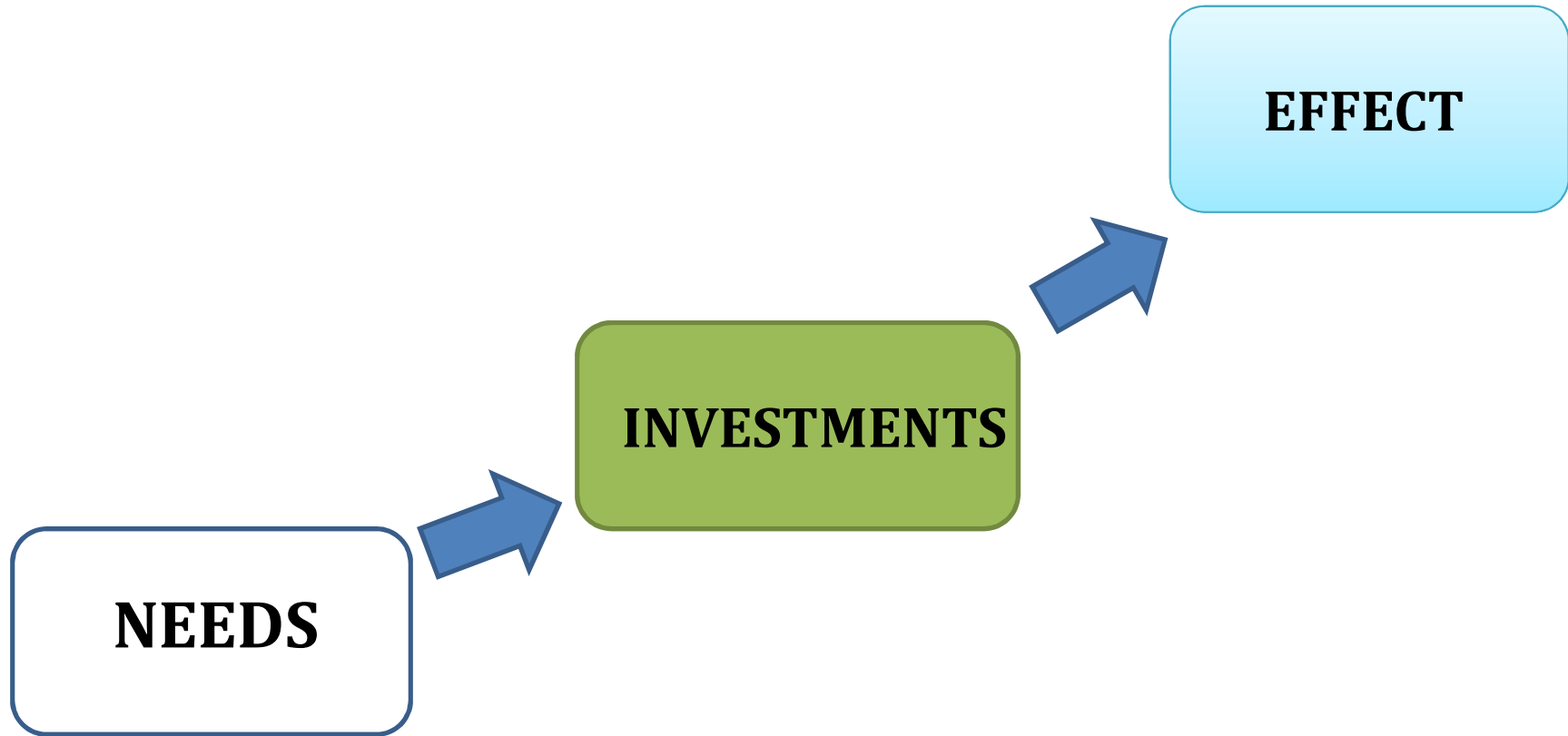
- Projects, supporting the administrative capacity and institutional efficiency;
- EU Funds management law;
- Optimal utilization of the European Funds:
 - Additional instrument;
 - Leverage Effect;
 - Long-term effect and sustainability.

EFFECTIVENESS


- Priorities within the National Strategic Reference Framework;
- The „NIE“ Model - „Cost - Benefit“ Analysis of the EU Funds in Bulgaria.



THE “NIE” MODEL



“NIE”- INVESTMENTS

	Contracted amounts 31.10.2012		Paid amounts 31.10.2012	
	€	%	€	%
OP „Transport “	1 929	96	774	39
OP „Environment“	2 208	123	284	16
OP „Regional Development“	1 439	90	491	31
OP “Human Resources Development“	971	80	341	28
OP „Competitiveness “	859*	74*	484*	42*
OP „Administrative Capacity“	129	72	66	37
OP „Technical Assistance“	41	73	17	31
Total	7 580	95	2 458	31

*Taking into account € 349 billion contracted and paid out under JEREMIE

“NIE”- EFFECT

OP	Good examples	Impact
OPT	Sofia Metro – Stages 1 and 2	13 metro stations, 13,2 km metro lines, 300 000 passengers daily ; intermodality;
OPE	Integrated investment project for improvement of Hisarya water sector	200 000 citizens with better water infrastructure; over 188 000 CO2 emissions saved for the next 30 years;
OPRD	Sofia Ring Road’s Southern Arc	More than 1.1 million people use modernized urban environment – over 500 000 m ² ; more than 1.5 million people use the 382 modernized buildings; better educational infrastructure for 173 schools where 33 800 pupils study;
OPC	Holcim Bulgaria JSC	Increasing the beneficiaries’ production capacity by 34,5%;
OPHRD	Center for Family-Type Accommodation “For a Happier Childhood” – Lom	More than 9 700 new jobs; 68 000 unemployed have taken part in trainings; more than 51 000 people have been hired upon completion of trainings;
OPAC	Information and administration center of the National Assembly	2100 e-services (more than twice the target set);
OPTA	Management Information System for EU SCF	No direct effect for the society.

GENERAL CONCLUSIONS - EFFECT

1. EU Funds – 60% of the total public investments; 60% of the 7 OP's financial resource – allocated to growth-related measures and job creation;
2. Multiplying effect: 1€ of the SCF creates 1,21 €;
3. Need for an objective analysis and realistic indicators in the programming process;
4. Need for flexibility and integrated approach in the implementation of the sectoral policies and reforms;
5. Effective Cohesion Policy – coordinated and integrated framework of the different sectors;

GENERAL CONCLUSIONS - EFFECT(2)

6. Need for analysis at the level of a single project for assessment of the investment effectiveness;
7. Boosting effects by reduction of administrative burden;
8. Avoiding “Projects for projects” - “Art for art”;
9. Avoiding „paradox of the good choice“ – focus on the quality achieved, not quality declared;
10. Increasing institutional capacity of the local administrations.

Recommendations for the new Programming period (2014-2020) in Bulgaria

CEADEF recommends:

1. A thorough analysis of the progress made under the performance indicators;
2. Analysis of the mistakes and the legislative changes;
3. Preparation of a „Manual of good practices“ from the first Programming period;
4. Implementation of „e-Cohesion“ 2014-2020;
5. Avoidance of the „late start“ risk;

Recommendations for the new Programming period (2014-2020) in Bulgaria

6. Clear line of demarcation and overcoming the risk of „white spots“;
7. Integrated approach towards territorial development;
8. Building of adequate regional infrastructure in Southeast Europe;
9. Cohesion policy: investment policy for intelligent, ecological and inclusive development;
10. „Intelligent Solidarity“.

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