

Operational Programme on Transport 2007 – 2013

ANNUAL REPORT 2009



**REPUBLIC OF BULGARIA**

**MINISTRY OF TRANSPORT, INFORMATION  
TECHNOLOGY AND COMMUNICATIONS**

**COORDINATION OF PROGRAMMES AND PROJECTS  
DIRECTORATE**

**MANAGING AUTHORITY**

**OPERATIONAL PROGRAMME ON TRANSPORT 2007-2013**

**ANNUAL REPORT**

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По-близо, по-близки...

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## SUMMARY

The annual report on the implementation of Operational Programme on Transport 2007-2013 was drafted in accordance with Article 67 of Council Regulation (EC) 1083/2006 and in compliance with the requirements of Commission Regulation (EC) 1828/2006. It sticks to the structure presented in Regulation 1828/2006 for the drafting of annual reports and the structure established over the previous two years of the annual reports on the implementation of Operational Programme on Transport 2007-2013.

A positive fact is that by the end of 2009 there are approved projects and signed grant contracts under four out of five priority axes. Only under priority axis IV “Improvement of the Maritime and Inland-Waterway Navigation” no grant contracts were signed until 31.12.2009. The European Commission approved the first major infrastructure project – for the extension of Sofia metro, and under priority axis I MA approved the project “Electrification and Reconstruction of Svilengrad–Turkish border railway line”. Nevertheless, there is certain delay in the original timetables for projects preparation and implementation under the programme. In order to compensate the accumulated delay, during the sixth Monitoring committee meeting beneficiaries RIA and NRIC submitted proposals for expansion the scope of the programme. As a result at the meeting of the MC it was decided to broaden the scope of OPT with projects for “Completion of “Trakia” MW, lots 2, 3 and 4”, “Rehabilitation of railway infrastructure along sections of Plovdiv-Burgas railway line and “Modernisation of Sofia-Dragoman railway line”.

In 2009 the main pressing issues to the programme are related to delay in project preparation; the administrative capacity of the main beneficiaries – RIA and NRIC; lack of funding at the budget of the beneficiaries for pre-financing, land acquisition and archaeological excavation. The existence of these problems is realized, but the solution in some cases is above the competences of MA. In II p.3 are presented the main problems that the programmes faces and the possible corrective measures that can be taken, according to MA. These measures were put forward and discussed at different levels.

Considering the financial implementation of OPT, it is a positive fact that as of the end of 2009 payments were made three of the priority axes, except for priority axes II and IV. However it is disturbing that by the end of 2009 only 0.2% of the budget was paid to beneficiaries and there were no interim payments were received from EC for lack of approved management and control systems. It is expected that speed up of physical implementation will lead to better financial implementation of the programme. There is a real threat for automatic

decommitment after 2011. A possible solution of this problem is to implement with priority more mature projects, which will have faster physical and financial effect at OPT.

To give more clarity on the OPT implementation, the 2009 Annual Report is divided into two main sections – one on the general progress in the programme's implementation in 2009 and another on the implementation by priority axes.

In line with the requirements for the layout of the Annual Report and for the purpose of comprehensiveness, **Section II Overview of OPT Implementation in 2009** gives information on the OPT physical and financial implementation as of 31 December 2009. Considerable progress has not been identified in the physical progress of the programme in 2009 compared with 2008. The programme's financial implementation marked a growth, and as of 31 December 2009 the negotiated amounts stood at 11.75% of the programme's budget, against 0.2% as of 31 December 2008. The progress in the OPT financial implementation is due mainly to the project for Sofia metro extension.

### **Section III Implementation of Operational Programme on Transport by Priority Axes**

presents information on the progress in the preparation and implementation of separate major projects by priority axes. A positive fact is that in 2009 the Commission approved Bulgaria's first major infrastructure project – Sofia metro extension. On the other hand, the delay in the preparation of other major projects to be funded by the OPT remains a key problem. As it was mentioned this is to a large extent attributed to the prolonged process for preparation of the application forms, the delay in the finalisation of land acquisition procedures and archaeological surveys as well as the lack of funds in beneficiaries' budgets for project pre-financing. The issue with the administrative capacity of the two largest beneficiaries – the National Railway Infrastructure Company and the Road Infrastructure Agency - remains pending.

## ACRONYMS

AEUFD – Audit of EU Funds Directorate

AEUFEA – Audit of EU Funds Executive Agency

AFCOS – Anti-Fraud Co-ordination Service

BPIC – Bulgarian Ports Infrastructure Company

BTC – Bulgarian Telecommunications Company

BULRIS – Bulgarian River Information System

CCU – Central Coordination Unit

CF – Cohesion Fund

CM – Council of Ministers

CMD – Council of Ministers Decree

Commission – European Commission

CP – Communication Plan

CPPD – Coordination of Programmes and Projects Directorate

DG – Directorate General

DSDP – Detailed Site Development Plan

EA – Executive Agency

EAMDR - Executive Agency for Exploration and Maintenance of the Danube River

EBRD – European Bank for Reconstruction and Development

EC – European Communities

EIA - Environmental impact assessment

EIB – European Investment Bank

EPA – Environmental Protection Act

ERDF – European Regional Development Fund

ERTMS – European Rail Traffic Management System

EU – European Union

EUFMC - EU Funds Management Council

IFIs – International Financial Institutions

ISPA - Instrument for Structural Policies for Pre-Accession – a programme which is a basic EU pre-accession financial tool

JASPERS - Joint Assistance to Support Projects in European Regions - a joint initiative of the European Commission, EIB and EBRD <http://www.ebrd.com/> for providing technical assistance

LOTHAR – a system for forecasting and monitoring of the financial implementation of operational programmes in Bulgaria

LUPA – Land Use Planning Act

MA – Managing Authority

MC – Monitoring Committee

MCSO – Management and Control Systems Description

MF – Ministry of Finance

MOEW - Ministry of Environment and Water

MRDPW - Ministry of Regional Development and Public Works

MS – Metro station

MT – Ministry of Transport

MTITC – Ministry of Transport, Information Technology and Communications

MW - Motorway

NF – National Fund

NFA – National Forestry Agency

NGO – Non-governmental organization

NIMC – National Institute for the Monuments of Culture

NRIC – National Railway Infrastructure Company

NIPCM – National Institute for Protection of Cultural Monuments

NSRF – National Strategic Reference Framework

OASPPC - Ordinance for the award of small public procurement contracts

OP – Operational Programme

OPT – Operational Programme on Transport

PHARE - a programme which is a basic EU pre-accession financial instrument for cooperation with the Central and Eastern European Countries



PIU – Project Implementation Unit

PPA – Public Procurement Agency

PPA - Public Procurement Act

RIA - Road Infrastructure Agency

RIEW – Regional Inspectorate of Environment and Water

RIS – River Information System

SAP – software accounting system

SG – State Gazette

SMC – Sofia Municipal Council

SM – Sofia Municipality

SRR - Sofia Ring Road

TEC – Technical Expert Council

TEN-T – Trans-European transport network

UIP – Unified information portal ([www.eufunds.bg](http://www.eufunds.bg))

UMIS – Unified Management Information System – information system for management and monitoring of the resources from EU Structural Funds and the Cohesion Fund

VTMIS – Vessel Traffic Management Information System

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## I. IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned: Convergence
	Eligible area concerned: Bulgaria
	Programming period: 2007-2013
	Programme number (CCI No.): 2007BG161PO004
	Programme title: Operational Programme on Transport
ANNUAL IMPLEMENTATION REPORT	Reporting year: 2009
	Date of approval of the annual report by the Monitoring Committee: 08.06.2010

## II. OVERVIEW OF OPT IMPLEMENTATION IN 2009

### 1. Analysis of the progress and the achievements

#### 1.1 Physical implementation of OPT as of 31 December 2009

**Table 1: OPT core indicators**

Indicator		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Transport projects (number)	Achievement	0	0	2 <sup>1</sup>							2
	Target									15	
	Baseline	0									
New roads (km)	Achievement	0	0	0							0
	Target				81.7					248.9	
	Baseline	0									
New TEN roads (km)	Achievement	0	0	0							0
	Target				81.7					248.9	
	Baseline	0									
Reconstructed roads (km)	Achievement	0	0	0							0
	Target				290					880	
	Baseline	0									
Value for time savings <sup>2</sup> in Euro (roads) (million euros per year)	Achievement	0	0	0							0
	Target							150			
	Baseline	0									
New railroads (km)	Achievement	0	0	0							0
	Target				11.9					36	
	Baseline	0									
TEN railroads	Achievement	0	0	0							0

<sup>1</sup> Infrastructure projects under implementation

<sup>2</sup> The value of the indicator is based only on the project for Completion of Trakia Motorway, lots 2, 3 and 4

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(km)	Target				269.6					817	
	Baseline	0									
Reconstructed railroads (km)	Achievement	0	0	0							0
	Target				269.6					817	
	Baseline	0									
Value for time savings in Euro (railroads) (million euros per year)	Achievement	0	0	0							0
	Target				0.79					2.39	
	Baseline	0									
Additional population served with improved urban transport (number)	Achievement	0	0	0							0
	Target				0			190 000			
	Baseline	0									

## **1.2 Financial implementation of OPT as of 31 December 2009**

As of 31 December 2009 grant contracts were signed under four of the five priority axes of Operational Programme on Transport, except for Priority Axis IV – Improvement of the maritime and inland-waterway navigation. From early 2007 to end-2009 a total of 36 grant contracts were signed under the programme at the amount of EUR 235 356 949.38 (BGN 460 318 182.30) or 11.75% of the programme's budget was contracted by the end of 2009. In 2009 23 grant contracts at the amount of EUR 231 087 652.08 were signed.

The Managing Authority of OP Transport made payments to beneficiaries at the amount of EUR 42 311 787.80 (BGN 82 754 663.95) from 1 January 2007 to 31 December 2009, or 2.06% of the programme's total budget was paid as of 31 December 2009. In 2009 EUR 41 438 960.68 (BGN 81 047 562.47) was paid out.

**Table 2: Breakdown in euro of the EU assistance by priority axes**

Priority axis –EU	Community co-financing	National co-financing	National co-financing		Total funding	Rate of EU funds contribution	For information	
			National public funding	National private funding			EIB funding	Other funding
	(a)	(b) = (c) + (d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/ (e)		
Priority axis I - Development of railway infrastructure along the Trans-European and major national transport axes – CF	464 000 000	116 000 000	116 000 000	0	580 000 000	80 %	0	0
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes – CF	791 669 892	197 917 473	197 917 473	0	989 587 365	80 %	0	0
Priority Axis III - Improvement of Inter-Modality for Passengers and Freight – ERDF	179 429 731	31 664 070	31 664 070	0	211 093 801	85 %	0	0
Priority axis IV - Improvement of the maritime and inland-waterway navigation – ERDF	133 322 500	23 527 500	23 527 500	0	156 850 000	85 %	0	0
Priority axis V - Technical assistance - ERDF	56 057 500	9 892 500	9 892 500	0	65 950 000	85 %	0	0
<b>TOTAL</b>	<b>1 624 479 623</b>	<b>379 001 543</b>	<b>379 001 543</b>	<b>0</b>	<b>2 003 481 166</b>		<b>0</b>	<b>0</b>



**Table 3: OPT financial implementation in euro as of 31 December 2009 by priority axes and source of funding**

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority (EU+national)	Corresponding public contribution (EU+national)	Expenditure paid by the body responsible for making payments to the beneficiaries (EU+national)	Total payments received from the Commission (only interim)
Priority axis I Development of railway infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	3 596 920.11	3 596 920.11	3 602 903.42	0.00
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	0.00	0.00	0.00	0.00
Priority axis III Improvement of Inter-Modality for Passengers and Freight (European Regional Development Fund)	30 013 534.52	30 013 534.52	36 725 550.82	0.00
Priority axis IV Improvement of the maritime and inland-waterway navigation (European Regional Development Fund)	0.00	0.00	0.00	0.00
Priority axis V Technical Assistance (European Regional	2 714 467.92	2 714 467.92	1 983 333.56	0.00

Development Fund)				
<b>Grand Total</b>	<b>36 324 922.55</b>	<b>36 324 922.55</b>	<b>42 311 787.80</b>	<b>0.00</b>
Total in transitional regions in the grand total				
Total in non-transitional regions in the grand total				
ESF type expenditure in the grand total where the operational programme is co-financed by ERDF				
ERDF type expenditure in the grand total where the operational programme is co-financed by the ESF				

**Table 4: Grant contracts and payments in Euro as of 31 December 2009**

Project title	Total value of the project (euro)	Total value of eligible expenditure (euro)	Grant (euro)		Payments made as of 31.12.2009 (euro)		
			EU	National budget	EU	National budget	Total
<b>Priority axis 1</b>	<b>43 916 797.88</b>	<b>29 825 045.20</b>	<b>23 860 036.16</b>	<b>5 965 009.04</b>	<b>2 882 322.73</b>	<b>720 580.69</b>	<b>3 602 903.42</b>
Technical assistance for the preparation of a project for Electrification and Reconstruction of Svilengrad–Turkish border railway line BG161PO004-1.0.01-0001	35 892.69	29 910.58	23 928.46	5 982.12	19 101.86	4 775.47	23 877.33
Electrification and Reconstruction of Svilengrad–Turkish border	43 880 905.19	29 795 134.62	23 836 107.70	5 959 026.92	2 863 220.87	715 805.22	3 579 026.09

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railway line; BG161PO004-1.0.01-0001							
<b>Priority axis 2</b>	<b>2 454 201.03</b>	<b>2 454 201.03</b>	<b>1 963 360.82</b>	<b>490 840.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Technical project development for the site: Struma MW Lot 2, Dupnitsa-Blagoevgrad section from km 322+000 to km 356+000 BG161PO004-2.0.01-0002	1 533 875.64	1 533 875.64	1 227 100.51	306 775.13	0.00	0.00	0.00
Provision of consulting services for completion of application forms of project for Construction of Struma MW BG161PO004-2.0.01-0003	920 325.39	920 325.39	736 260.31	184 065.08	0.00	0.00	0.00
<b>Priority axis 3</b>	<b>379 422 424.13</b>	<b>211 935 948.94</b>	<b>157 632 029.90</b>	<b>27 817 417.04</b>	<b>31 216 718.20</b>	<b>5 508 832.62</b>	<b>36 725 550.82</b>
Project for Sofia Metro extension, stage I – metro diameter II: Nadezhda road junction (MS 5-II) – Cherni Vrah Blvd. (MS 11-II) section BG161PO004-3.0.01-0001	379 115 649.00	211 680 303.00	157 414 730.85	27 779 070.15	31 216 718.20	5 508 832.62	36 725 550.82
Technical assistance for the preparation of project for: Construction of Intermodal Terminal in Sofia – stage I; BG161PO004-3.0.01-0003	306 775.13	255 645.94	217 299.05	38 346.89	0.00	0.00	0.00
<b>Priority axis 4</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Priority axis 5</b>	<b>18 799 053.25</b>	<b>17 628 256.19</b>	<b>14 984 017.76</b>	<b>2 644 238.43</b>	<b>1 685 833.53</b>	<b>297 500.03</b>	<b>1 983 333.56</b>
General Transport Master Plan BG161PO004-5.0.01-0001	3 592 950.31	3 592 950.31	3 054 007.76	538 942.55	1 018 002.58	179 647.52	1 197 650.10

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<b>Total</b>	<b>444 592 476.29</b>	<b>261 843 451.36</b>	<b>198 439 444.64</b>	<b>36 917 504.72</b>	<b>35 784 874.46</b>	<b>6 526 913.34</b>	<b>42 311 787.80</b>
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### 1.3 Information about the breakdown of use of the two funds by category

Key in accordance with Annex II, Part A of Regulation 1828/2006

Codes for priority themes

Code	Priority theme
17	Railways (TEN-T)
21	Motorways (TEN-T)
22	National roads
26	Multimodal transport
27	Multimodal transport (TEN-T)
28	Intelligent transport systems
32	Inland waterways (TEN-T)
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication

Form of finance

01 – Non-repayable aid

Codes for the Territorial dimension

00 – Not applicable

01 – Urban

Codes for the economic activity dimension

00 – Not applicable

11 – Transport

Codes for the location dimension

BG – Bulgaria

BG411 – Sofia (capital)

Table 5 provides information on indicative allocations in euro of the Community contribution to OPT by categories.

**Table 5: Indicative breakdown of allocations in euro of the Community contribution in the OPT by category**

<b>Combination of codes of dimensions 1 to 5 ***</b>					
Code Dimension 1 <b>Priority theme</b>	Code* Dimension 2 <b>Form of finance</b>	Code* Dimension 3 <b>Territory</b>	Code* Dimension 4 <b>Economic activity</b>	Code* Dimension 5 <b>Location</b>	Amount in EUR (euro) **
17	01	00	11	BG	464 000 000
21	01	00	11	BG	646 869 892
22	01	00	11	BG	144 800 000
26	01	01	11	BG411	157 414 731
27	01	01	11	BG411	22 015 000
28	01	00	11	BG	16 022 500
32	01	00	11	BG	117 300 000
85	01	00	00	BG	56 057500
<b>Total</b>					<b>1 624 479 623</b>
* The categories should be coded for each dimension using the standard classification					
** Amount of the Community contribution for each combination of categories					

Table 6 provides information about the contracted amounts in euro of the Community contribution by categories in accordance with section C, Annex II of Regulation 1828/2006.

**Table 6: Contracted Community contribution by category as of 31 December 2009 (in euro)**

<b>Combination of codes of dimensions 1 to 5 ***</b>					
Code* Dimension 1 <b>Priority theme</b>	Code* Dimension 2 <b>Form of finance</b>	Code* Dimension 3 <b>Territory</b>	Code* Dimension 4 <b>Economic activity</b>	Code* Dimension 5 <b>Location</b>	Amount in euro **
17	01	00	11	BG	23 836 107.70
21	01	00	11	BG	0.00
22	01	00	11	BG	0.00
26	01	01	11	BG411	157 414 730.85
27	01	01	11	BG411	0.00
28	01	00	11	BG	0.00
32	01	00	11	BG	0.00
85	01	00	00	BG	15 505 770.89

86	01	00	00	BG	1 682 835.20
<b>Total</b>					<b>198 439 444.64</b>
* The categories should be coded for each dimension using the standard classification					
** Amount of the Community contribution for each combination of categories					

Table 7 provides information about the amounts paid in euro of the Community contribution by categories in accordance with section C, Annex II of Regulation 1828/2006.

**Table 7: Community contribution paid by MA as of 31 December 2009 by category (in euro)**

Combination of codes of dimensions 1 to 5 ***					
Code* Dimension 1 Priority theme	Code* Dimension 2 Form of finance	Code* Dimension 3 Territory	Code* Dimension 4 Economic activity	Code* Dimension 5 Location	Amount in euro **
17	01	00	11	BG	2 863 220.87
21	01	00	11	BG	0.00
22	01	00	11	BG	0.00
26	01	01	11	BG411	31 216 718.20
27	01	01	11	BG411	0.00
28	01	00	11	BG	0.00
32	01	00	11	BG	0.00
85	01	00	00	BG	1 594 371.81
86	01	00	00	BG	110 563.58
<b>Total</b>					<b>35 784 874.46</b>
* The categories should be coded for each dimension using the standard classification					
** Amount of the Community contribution for each combination of categories					

#### 1.4 Provided assistance by target groups

Not applicable.

#### 1.5 Assistance repaid or re-used

*(Information on the use made of assistance repaid or re-used following cancellation of assistance as referred to in Articles 57 and 98( 2) of Regulation (EC) 1083/2006).*

There were no events leading to financial corrections in the Operational Programme in 2009.

## 1.6 Analysis of the OPT physical and financial progress, and in particular for the purposes of the Lisbon earmarking

Given the specificity of OP Transport, 87.6% of the programme's budget has been allocated for the Lisbon earmarking. As the overall programme implementation – both physical and financial – remains below the initial plans, the implementation of Lisbon earmarking activities is also lagging behind.

**Table 8: Indicative allocations of funds for Lisbon earmarking by category of expenditure under OPT (EU only)**

<b>Convergence objective</b>			
Code (according to Annex IV of Regulation 1083/2006)	Priority themes (according to Annex IV of Regulation 1083/2006)	Community amount allocated to the category of expenditure (in euro)	Share of category within the total Community allocation to this objective (%)
	<b>Transport</b>	<b>1 423 622 123</b>	<b>87.64</b>
17	Railways (TEN-T)	464 000 000	28.56
21	Motorways (TEN-T)	646 869 892	39.82
26	Multimodal transport	157 414 731	9.69
27	Multimodal transport (TEN-T)	22 015 000	1.36
28	Intelligent transport systems	16 022 500	0.99
32	Inland waterways (TEN-T)	117 300 000	7.22
Total Community financial allocation to earmarked categories		1 423 622 123	87.64
Total Community financial allocation to Convergence objective		1 624 479 623	100

**Table 9: Contracted amounts for Lisbon earmarking by category of expenditure as of 31 December 2009 under the OPT (EU only)**

<b>Convergence objective</b>			
Code (according to Annex IV of Regulation 1083/2006)	Priority themes (according to Annex IV of Regulation 1083/2006)	Community amount contracted to the category of expenditure (in euro)	Share of the category within the total Community allocations (%)



	Transport		
17	Railways (TEN-T)	23 836 107.70	5.14
21	Motorways (TEN-T)	0.00	0.00
26	Multimodal transport	157 414 730.85	100
27	Multimodal transport (TEN-T)	0.00	0.00
28	Intelligent transport systems	0.00	0.00
32	Inland waterways (TEN-T)	0.00	0.00
Total contracted Community funding to earmarked categories		181 250 838.55	11.16
Total Community financial allocation to Convergence objective (only the EU)		1 624 479 623	100

**Table 10: Payments made for Lisbon earmarking by category of expenditure under OPT as of 31 December 2009 (only the EU)**

<b>Convergence objective</b>			
Code (according to Annex IV of Regulation 1083/2006)	Priority themes (according to Annex IV of Regulation 1083/2006)	Community funding paid to category of expenditure (in euro)	Share of the category within the total Community allocation (%)
	Transport		
17	Railways (TEN-T)	2 863 220.87	0.62
21	Motorways (TEN-T)	0.00	0.00
26	Multimodal transport	31 216 718.20	4.83
27	Multimodal transport (TEN-T)	0.00	0.00
28	Intelligent transport systems	0.00	0.00
32	Inland waterways (TEN-T)	0.00	0.00
Total paid Community funding to earmarked categories		34 079 939.07	2.10
Total Community financial allocation to Convergence objective (only the EU)		1 624 479 623	100

## **2. Information on the compliance with Community law (problems encountered and measures taken to deal with them)**

No problems related to non-compliance with the Community law have been identified as of 31 December 2009.

## **3. Significant problems encountered and measures taken to overcome them**

During the implementation of Operational Programme on Transport by the end of 2009 the following major problems can be identified:

### **3.1. Considerable delay in the preparation of projects under the programme**

The delay is most noticeable in the implementation of projects in the road sector which are supposed to receive nearly EUR 1 billion of the programme's budget. This is mainly attributed to the lack of projects prepared for implementation, the lack of resources for pre-financing activities, land acquisition purposes and archaeological surveys in the budget of the Road Infrastructure Agency. The repeated restructuring of the beneficiary's administration over the past years has had a further negative impact, as it led to a large number of departures of experienced employees. MTITC initiated discussion with RIA and MRDW in order to identify measures of assistance to RIA in projects implementation.

To step up the preparation and launch of important road projects, an order of the Prime Minister at the end of August 2009 set up a working group to ensure the coordination needed for the launch of Trakia Motorway and Maritsa Motorway and Lyulin Motorway. Its members include representatives of various institutions involved in the process of land acquisition, change in land use, EIA. Until end-2009, its major activity was related to the preparation of the launch of Lot 2 of Trakia Motorway, and therefore it carried out comprehensive review of the procedures needed for finalization of the land acquisition procedures and issue of building permits. The status of lots 3 and 4 of Trakia Motorway is about to be reviewed and the preparation of Maritsa Motorway is also subject to review. MTITC will discuss the possibility to implement this format of project preparation towards other road projects.

In 2011 due to the failed absorption of funding under priority axis II "Development of Road Infrastructure along the Trans-European and Major National Transport Axes", funds under the priority axis are threatened to be automatically decommitted. MTITC requested from RIA to produce more projects for funding under OPT.

A serious delay has been accumulated in the preparation of the project for Improvement of the Navigation on the Danube River in Joint Bulgarian - Romanian Parts at the Batin and Belene Islands, programmed for funding under priority axis IV – "Improvement of the Maritime and Inland-Waterway Navigation". The major reason for the delayed preparation is the accumulated delay in the implementation of an ISPA project implemented by Romania that has to prepare the implementation of the Bulgarian OPT project. Taking into account the fact that about EUR 117 million has been allocated for the implementation of the said project under the ERDF, in case of continuing delay in the preparation of its implementation, funds under priority axis IV will be automatically decommitted from 2011. MTITC requested from EAMDR, BPIC and Maritime administration to discuss the possibility to submit more projects for implementation under OPT.

The preparation of projects funded under priority axis I “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” have also faced delays. A positive sign, however, is that this priority axis has projects which are under implementation and ones which are in an advanced stage of preparation.

### **3.2 Lack of beneficiaries’ budget funding for project pre-financing, land acquisition procedures and archaeological surveys**

The lack of funds prior to the Commission’s official approval of major projects has proved to be a significant problem since the launch of the programme in 2007. This problem concerns mostly the RIA and the NRIC, which need considerable financial resources for pre-financing activities, as the process of approval of major infrastructure projects is prolonged and is finalised with the Commission official decision. One of the possible sources for pre-financing of individual projects is through ensuring EIB loans or loans from other international financial institutions. In the second half of 2009 some progress was made in this field, but still the problem remains unsolved as a whole. MTITC presented the issue for discussion to the Council of Ministers, but still by the end of 2009 no decision was found.

We should also take into account the risk that in case of pre-financing with own resources, all expenditure may not be verified and/or certified at a later stage.

In addition to the above-presented problem the lack of sufficient funding in the beneficiaries’ budget for land acquisition and archaeological surveys has to be taken into consideration as well as the complicated procedures for their implementation. Hence beneficiaries’ budgets have to ensure funding for the performance of the above-mentioned activities and improvement of the coordination between different administrations. A positive step in this direction was the establishment of an interinstitutional committee, including representatives of various institutions involved in the process of land acquisition, land use change, EIA within the construction of major motorways.

### **3.3 Administrative capacity**

The beneficiaries' administrative capacity continued to be a serious problem in 2009. Although there was not a serious turnover within the MA, the two largest OPT beneficiaries – the Road Infrastructure Agency and the National Railway Infrastructure Company have repeatedly brought up the issue of strengthening the administrative capacity.

Capacity building and strengthening should not include only organisation of trainings for employees, but mainly provision of incentive for the staff, in terms of remuneration as well as career development. Despite the introduction of special bonuses for experts involved in EU funds management and control, so far they have proved to be insufficient in the administrative capacity building of the OPT beneficiaries. The repeal of Council of Ministers Decree IIMC 197/2008 at the end of 2009 had a further negative impact, as it previously entitled experts working with EU funds to receive additional bonuses.

A possible solution for administrative capacity strengthening at the MA as well as at the beneficiaries is a more efficient use of technical assistance resources which will ensure the needed incentive for building qualified and competent administration.

Furthermore, the MA detected also other problems and shortcomings in the OPT implementation:

- Slow process of preparation of application forms;
- The cooperation with JASPERS has not always been efficient, the coordination in a number of issues related to the preparation of application forms takes months;
- Beneficiaries' forecasts have not so far taken into account the possible lack of complete certification of expenditure under the projects (failure to absorb funds).
- The repeated change in forecasts for project implementation threatens the programme's financial implementation – there is a real danger of loss of funds at the end of 2011; as previously mentioned the implementation of projects in the road sector as well as the project for improvement of navigation on the Danube are most endangered in this respect.

The following corrective measures are feasible for the solution of the above-presented problems:

- Launch, if possible, of tender procedures and signing of construction contracts prior to the approval of the application forms. The risk of lack of approval by the Commission has to be taken into account here, as well as the risk of a tender procedure price higher than the amount specified in the application form, which will widen the financial gap. Furthermore, Council of Ministers' consent should be obtained for major projects (of over EUR 50 million), to guarantee the project finalisation in financial terms.
- Solution to the financial gap issue in the case of revenue-generating projects. In the case of OP Transport these are investment projects of the National Railway Infrastructure Company.
- Establishment of the project pre-financing mechanism from the programme's budget prior to the approval of the application form. The MTITC has used this approach as regards

Metropolitan EAD, immediately prior to the Commission's decision. A Council of Ministers Decision has to regulate such an approach, and the Council of Ministers has to grant its consent for projects of over EUR 50 million to protect the Community's financial interest – if the project is not approved, to guarantee the recovery of funding to the programme.

- Regulation of the option for negotiation of funds exceeding the budget available under the priority axes so that in the event of project implementation problems, the projects which are being implemented at a regular pace can "offset" the spending of funds.

### **3.4. OPT management and control systems**

As the Annual Report on the OPT implementation for 2008 said, a letter of the Commission No 11973 dated 11.12.2008 notified the MA of OPT and the Audit Authority that the submitted documents were unacceptable as basic UMIS modules were not operational and the system for performing audits and audit operations in accordance with Article 61, paragraph 1(a) (b) of Regulation (EC) 1083/2006 was not satisfactory.

The Management and Control Systems description was updated in the first quarter of 2009 in relation to the second compliance assessment and it was subsequently approved on 21 April 2009. On 30 April 2009, the AEUFEA was sent the updated version of the Procedural Manual of the OPT Management and Control. During the process of compliance assessment, the recommendations of the AEUFEA and the Commission were taken into account. Following the review of the Management and Control Systems Description, they were sent to the Audit Authority on 30 May 2009. As a result, on 1 July 2009, the report on the evaluation of the OPT management and control systems was sent to the Commission. The Commission's letter dated 12 August 2009 did not give a positive opinion on the OPT MCS for the second time, mainly in relation to the UMIS.

As a result of the repeated rejection of the OPT MCS, the MA undertook action in the autumn of 2009 to include the latest remarks and address the shortcomings in the MCSD and the Procedural Manual for OPT implementation. On 26 November the MA of OPT sent to the AEUFEA the updated versions of the Management and Control Systems Description and the updated version of the OPT Procedural Manual. In a letter dated 9 December 2009, the AEUFEA submitted its preliminary audit report on the compliance assessment of the OPT management and control systems. In its conclusions, the Audit Authority said that the management and control systems for OPT implementation comply with the requirements of Article 58 to Article 62 of Regulation (EC) 1083/2006 and Section 3 of Commission

Regulation 1828/2006. The report on the evaluation of the OPT management and control systems was sent to the Commission on 16 December 2009. On 9 February 2010, the Commission submitted its opinion to the Audit Authority and the MA of OPT, notifying them that the presented compliance assessment documents are acceptable and the OPT management and control systems comply with the requirements of Articles 58-62 of Regulation 1083/2006.

#### **4. Changes in the context of OPT implementation**

##### **4.1 Change in the organisation and coordination of the EU funds management mechanism**

The adoption of Council of Ministers Decree № 202 of 13 August 2009 on the establishment of a mechanism for the coordination of the management of European Union funds repealed Council of Ministers Decree № 104 of 2008 on the organisation and coordination in the management of EU funds and Council of Ministers Decree № 224 on the establishment of a Council of Coordination and Operational Monitoring of EU Funds. The new Council of Ministers Decree № 202 of 13 August set up the EU Funds Management Council (EUFMC) as a body at the Council of Ministers to ensure the coordination of the measures for implementation of the governmental policy for economic and social development of the country, financed with EU funds. The Council is in charge of all issues related to the programming, management, monitoring and control over measures financed by EU funds, including the operational programmes financed by the ERDF and the CF. The Deputy Prime Minister and Minister of Finance chairs the Council, and its members are the Minister of Foreign Affairs, the Minister of Economy, Energy and Tourism, the Minister of Regional Development and Public Works, the Minister of Labour Policy, the Minister of Transport, Information Technology and Communications, the Minister of Environment and Water, the Minister of Agriculture and Food as well as a Deputy Minister of Interior.

The major functions of the EUFMC directly related to the OPT implementation are the coordination of the proposals to the Commission concerning major projects, coordination of the indicative annual work programme of the OPT and the annual report on implementation.

A secretariat supports the work of the EU Funds Management Council, ensuring the Council's administrative and expert operation in relation to:

- EU funds programming;

- general methodological guidance on the management and application of horizontal policies to the programmes financed with EU funds;
- operational management and control of the programmes financed with EU funds;
- methodological support of the general approach to prevention and fight against corruption at state institutions in relation to the protection of the financial interests of the European Communities;
- provision of information on the management of EU funds;
- supervision of the work of the units for ex-ante, routine and ex-post control in public procurement in relation to the implementation of projects financed with EU funds;
- coordination and control of activities for strengthening of the administrative capacity at central, regional and local level for the purpose of management of EU funds;
- performs the functions of a central information office as regards the management of the funds under the Structural Funds and the Cohesion Fund of the EU.

Further to the above-mentioned changes, Council of Ministers Decree № 229 of 23 September 2009 on the adoption of the Rules of Procedure of the Council of Ministers and its administration designated the Programming of EU Funds Directorate as the Central Coordination Unit. This Decree repeals Council of Ministers Decision № 965 of 16 December 2005 concerning the CCU, which designated the Management of EU Funds Directorate at the Ministry of Finance as the Central Coordination Unit after the accession of the Republic of Bulgaria to the EU.

As a whole, the above-mentioned changes in the overall organisation of the management and coordination of EU funds have not caused problems to the implementation of OP Transport. The changes were presented in the description of the OPT management and control systems of November 2009.

#### **4.2 Change in the structure of the Road Infrastructure Agency**

An amendment to the Roads Act, promulgated in the SG, issue 75 of 18 September 2009, restructured the National Road Infrastructure Agency at the Council of Ministers into the Road Infrastructure Agency at the Ministry of Regional Development and Public Works. A management board with a chairperson and two members was set up to manage the Agency. The Statute for structure, activity and organisation of work was promulgated on 15 December 2009 in issue 100 of the State Gazette. In this context, the employees of the “Implementation of OPT and CF Projects” Directorate are about to be re-appointed.

As the Annual Report on OPT implementation for 2008 said, the Agency's restructuring in 2009 was the second in two years. Although the new RIA structure preserved the "Implementation of OPT and CF Projects" Directorate, the administrative capacity of the largest OPT beneficiary is not satisfactory. The MTITC and the MRDPW make efforts to strengthen the RIA's administrative capacity, but the issue of building sustainable administrative capacity at the two largest beneficiaries - the RIA and the NRIC - remains unsolved.

#### **5. Substantial modification pursuant to Article 57 of Regulation (EC) № 1083/2006**

By the time of reporting – 31.12.2009 there are not any substantial modifications as referred to in Article 57 of Regulation (EC) 1083/2006.

Pursuant to Article 57 of Regulation (EC) 1083/2006, the MA of Operational Programme on Transport ensures that an operation retains the contribution from the Funds, only if that operation does not, within five years from the completion of the operation or three years from the completion of the operation in Member States which have exercised the option of reducing that time limit for the maintenance of an investment or jobs created by SMEs, undergo a substantial modification:

- a) affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and
- b) resulting either from a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity.

#### **6. Complementarity with other Community instruments**

##### **6.1. Complementarity with ISPA projects**

- **Preparation of projects in the railway sector under the ISPA programme**

The funds under the three ISPA financing memorandums finance the preparation of the following projects for implementation of OP Transport:

Under measure № 2005/BG/16/P/PA/004, Technical Assistance for the Rehabilitation of Railway Infrastructure along Sections of Plovdiv-Burgas and Mezdra-Gorna Oryahovitsa in Bulgaria. The project for the Rehabilitation of railway infrastructure along sections of Plovdiv-Burgas railway line was included in the main list for OPT implementation, and on 31 December 2009, the MTITC launched a tender procedure for the selection of a contractor. This was possible thanks to the drafting of a technical project and tender documentation under the Public Procurement Act with funding under the ISPA programme.



The project for the Rehabilitation of Railway Infrastructure along Sections of Mezdra-Gorna Oryahovitsa railway line is on the alternative list for OPT implementation. A contract for technical assistance under the ISPA programme is underway in that relation, which includes identification of needs, a technical project and tender documentation and strategy for subsequent construction. The contract deadline has been extended twice and expired on 30 October 2009. In 2010, the MTITC has to decide what to do with the contract.

- Under measure № 2005/BG/16/P/PA/004, Technical Assistance for the Modernisation of Vidin-Sofia Railway Line. The project was successfully and duly finalised with the drafting of feasibility studies, selection of an alternative for modernisation, programme for modernisation and tender strategy. The launch of a project for the drafting of an environmental impact assessment report has been scheduled for the first quarter of 2010. The outcome of the two ISPA contracts will be used in the future preparation of projects with OPT funding.
- Measure 2006/BG/16/P/PA/002, Technical Assistance for the Modernisation of the Railway Lines along the Trans-European Transport Corridors (TEN-T) in Bulgaria This measure covers contracts for technical assistance to projects for the modernisation of Sofia-Plovdiv railway line; the modernisation of Sofia-Dragoman railway line and the modernisation of Sofia-Pernik-Radomir railway line, with the following scope: implementation of feasibility studies with alternatives for modernisation, preliminary design and a tender strategy for the implementation of the investment project.

The project for modernisation of Sofia-Plovdiv railway line was included in the main list of OPT implementation. The technical assistance contract under the ISPA programme expired on 30 November 2009, and the consultant was not able to perform its contractual obligations within the deadline. The MA has informed the contractor that it has to perform its obligations in line with the terms of reference and that penalty payments will be accrued for the delay.

A technical assistance contract is being implemented with ISPA funding under the project for Sofia-Dragoman. The technical assistance contract covers the period to the end of February 2010, and its performance was considerably delayed by 7 months in the feasibility studies stage.

A technical assistance contract is being implemented with ISPA funding under the project for the modernisation of Sofia-Pernik-Radomir railway line. The contract duration runs until 21 April 2010, and there is a considerable delay of about 8 months in the timetable for the implementation of the contract at the feasibility studies stage.

- **Preparation of projects in the road sector under the ISPA programme**

Under the ISPA programme two OPT priority projects are being prepared – Modernisation of Vratsa-Botevgrad road section of E-79 and the project for Vidin-Montana road section of E-79 (Dimovo-Bela-Ruzhintsi). The Modernisation of Vidin-Montana (E-79) was included as component 6 in the financial memorandum of the measure for Technical Assistance for Preparation of Road Projects for TEN-T Sections in the Republic of Bulgaria under the Commission’s decision of 30 June 2009. Component 4 for the Connection of Hemus Motorway with Sofia Ring Road was removed from the measure as it is financed with national funds.

The preparation of the project for Modernisation of Vratsa-Botevgrad Road Section of E-79 is delayed as there are crossing points with a project of the NRIC and the design has to be reviewed which will result in corrections to the EIA report, land plot plans and new coordination.

As we already mentioned the preparation of the project for Vidin-Montana Road Section of E-79 (Dimovo-Bela-Ruzhintsi) was included as component 6 of ISPA measure for Technical Assistance for Preparation of TEN-T Road Projects in the Republic of Bulgaria. The drafting of tender documentation for the preparation of studies, analyses and design was launched at the end of December 2009.

Both road projects, whose preparation is under the ISPA programme, have been delayed, which results in a delay in their OPT implementation and threatens their completion.

- **Preparation under the ISPA programme of a project for improvement of navigation on the Danube river**

The project for Improvement of the Navigation on the Danube River in Joint Bulgarian - Romanian Parts from rkm 530-520 of the Batin Island and rkm 576-560 of Belene Island is directly related to the implementation of an ISPA project in Romania for Technical Assistance for the Improvement of Navigation Conditions in the Joint Bulgaria—Romanian Part of the Danube and Supporting Studies. According to the latest timetable for the implementation of the Romanian project, it has to be finalised on 30 June 2010, or with a 23-month delay compared with the initial timetable. The causes for the delay in the project implementation have been described in detail in the part for reporting on the implementation of projects under priority axis IV – “Improvement of the Maritime and Inland-Waterway Navigation”.

## **6.2. Cooperation with JASPERS**

The sixth meeting of the Monitoring Committee in June 2009 resulted in the decision to seek cooperation with JASPERS in the preparation of application forms and tender documentation for

Trakia Motorway as well as to lend assistance to the MTITC in the analysis of the outcome of the project for development of the General Transport Master Plan. In September was held a joint meeting with representatives of the MTITC (deputy minister and MA employees), reaching an agreement that JASPERS should lend further consulting assistance through sending an additional team to Bulgaria for the finalisation of the application forms and the supporting documents for the following projects: Plovdiv-Burgas and Sofia-Plovdiv. A similar meeting was held in October for projects in the road sector, where the emphasis was that Trakia Motorway is currently the main priority for Bulgaria. A detailed list with the available documentation has to be submitted for the other projects in the road sector. Based on that, JASPERS will launch tender procedures for consultants that will assist the RIA in the finalisation of the preparation of application forms.

### **6.3. Cooperation with the EIB**

The credit agreement signed with the EIB on 14 December 2007 at the amount of EUR 700 000 000 (seven hundred million) was negotiated as a structural programme loan designed to ensure the national co-funding of projects by priorities, entitled to EU grants during the 2007-2013 programming period. It supports projects of Operational Programme on Transport and Operational Programme Environment. The funds from this structural programme loan are meant to cover the national co-funding of major projects – of over EUR 50 million for the OPT and over EUR 25 million for the OPE in accordance with Article 39 of Regulation (EC) № 1083/2006 and “small” projects included in the OPT and OPE. It should be mentioned that OPT and OPE beneficiaries the use of resources under the national co-financing agreement is a grant. In this case, the funds for settlement and repayment of the loan are at the expense of the central budget of the Republic of Bulgaria.

In relation to the use of funds from the Credit Agreement, an order dated 14 December 2009 of the Deputy Prime Minister and Minister of Finance set up a working group designated to define the procedure, conditions and mechanisms for co-financing of municipalities with loan funds as well as to detail the procedures and discuss possible amendments to the terms and conditions of the Credit Agreement for structural programme loan *Bulgaria, Co-Financing of EU Funds 2007-2013* between the Republic of Bulgaria and the European Investment Bank. The use of the Credit Agreement is a possible solution to the financial gap of OPT revenue-generating projects whose beneficiary is the NRIC.

In a letter of 8 June 2009, the EIB approved the possibility for beneficiaries to obtain funds on a loan-like basis for revenue-generating projects to ensure financing of projects through a Bulgarian credit institution as an agent of the MF.

To perform its task, the working group held two meetings in early 2010, and the Ministry of Finance proposed a mechanism for the use of funds from the Credit Agreement.

The MA of OPT together with the NRIC drafted an opinion on the developed mechanism which was submitted to the MF for consideration within the working group. The NRIC believes that the proposed mechanism is inapplicable as long as it would create financial debt for the beneficiary in the short and long-term perspective. In addition to the NRIC opinion, it was mentioned that the procedure for approval of EIB funds described in the mechanism is too complicated taking into account that JASPERS, in which the EIB has a major holding, has detailed information on the situation with every individual project. In this light, the MA of OPT proposed the introduction of a possibility for a positive opinion of JASPERS on the drafted application forms and/or cost-benefit analyses to be a sufficient condition for the use of EIB resources.

In accordance with Article 40(h) of Council Regulation 1083/2006 the financing plan of the application forms have to show all sources of financing of a project and the indicative plan of contribution from EU funds to give clarity on the project's financial resources prior to its approval. This is not possible under the proposed mechanism, as there will not be approval for funding of financial gap on the part of the EIB as of the moment of preparing the application form.

Given the impossible compromise in the working group, the MF proposed a new version of the mechanism, which does not require re-negotiation of the Credit Agreement, but requires political decision-making. The new version of the mechanism is conditional upon the facts that:

- the funds from the loan will finance only major OPT and OPE projects and hence the funds will be channelled into large projects of significance for the development of the country's infrastructure
- the funding of the financial gap for major revenue-generating projects will comply with the procedure for national co-financing and will be provided under the central budget. In this case the state will provide a large part of the funds necessary for project implementation, outside those from the ERDF and the CF. All funds needed for these projects will be programmed in the State Budget Act for the respective year, as a transfer from the National Fund, and the absorption of the separate tranches by years will depend on the estimates of the national co-funding and the funding of the financial gap of major revenue-generating OPT and OPE projects in the medium-term period with the State

Budget Act of the Republic of Bulgaria for the respective year. In this case the approximate amount of national co-financing for railway projects would come in at about EUR 243 million, VAT excluded.

This proposal would enable the duly processing of application forms for Plovdiv-Burgas and Sofia-Plovdiv sections as well as Sofia-Dragoman section in case of available resources. The problem of coverage of the financial gap in the railway sector remains unsolved as regards projects of under EUR 50 million. The MA of OPT considers the proposed mechanism suitable for the use of funds under the Credit Agreement.

#### **6.4. Development of ERTMS strategy in Bulgaria**

On 10 August 2009 a committee was appointed to be in charge of, consider and evaluate the filed proposals for a public procurement procedure for Development of Strategy for ERTMS Deployment, funded under priority axis Technical Assistance. The members of the committee included experts from the MA of OPT as well as one representative of both the NRIC and Railway Administration Executive Agency. Two tenderers submitted proposals within the procedure. The committee considered the proposals, finishing its work on 25 August, and recommending to the contracting authority to disqualify both tenderers. The proposal for disqualification of the tenderers was based on the fact that both proposals failed to meet the requirements of the PPA and the contracting authority. As a result, an order of the contracting authority of 27 August 2009 terminated the procedure.

On 8 October 2009 a committee was set up to draft new tender documentation for public procurement Development of Strategy for ERTMS Deployment. On 11 December 2009, the committee submitted for approval draft documentation to the contracting authority. The public procurement procedure has to be launched in 2010.

### **7. Horizontal issues**

#### **7.1. Public procurement and ex-ante control performed by OPT MA**

An amendment of the Public Procurement Act (effective from 1 January 2009) and the subsequent amendments of March 2009 promulgated in the SG, issue 24 of 2009 entitled the executive director of the Public Procurement Agency to take part in the process of ex-ante control over the public procurement procedures fully or partially financed with EU funds, exerted by the managing authorities of the operational programmes as follows:

- (a) for construction works – when the value is equal to or higher than the amount

referred to in Article 45(a), paragraph 1;

(b) for supplies or services of cost equal to or higher than BGN 1 000 000; and in case of detected irregularities at the beneficiary in the previous two years when conducting public procurement procedures, and when there is a penal decree, or a resolution of an appeal authority, which is in force.

New Article 20(a) was introduced in the Public Procurement Act, regulating in detail the ex-ante control exerted by the Managing Authority of the Operational Programme, the Public Procurement Agency and independent technical experts in the respective field. The Managing Authority is responsible for the coordination and organisation of control.

The ex-ante control of the criteria laid down in the Public Procurement Act (Article 19, paragraph 2, item 22) covers the following stages of the public procurement procedure:

### **1. Public procurement documentation**

(a) the Public Procurement Agency exerts control and verifies the draft decision on the opening of the procedure and the invitation to tender and tender documentation subject to approval;

(b) Independent external experts of specialised knowledge in the respective field exert control over the technical specifications as part of the public procurement documentation. Managing Authority prepares its statement procurement documentation and sends it to the beneficiary after it had received reports from Public procurement agency and the external expert. Managing authority may not approve the expenditures made of the public procurement, if the beneficiary does not follow the recommendations of MA

### **2. Public procurement procedure committee**

One of the experts who have drafted the compliance report for the technical specifications of the documentation takes part as a member or consultant in the public procurement procedure committee. An expert from the Managing Authority can take part in the work of the public procurement procedure committee as a member or an observer.

### **3. Minutes/ report on the committee's work**

The minutes/ report on the committee's work are subject to the control of the Managing Authority through the drafting of an opinion following its receipt and verification. In case the opinion includes findings of unlawfulness, they have to give also recommendations for addressing it. The recommendations are not binding for the contracting authority, but in case of failure to perform them, the Managing Authority can reject the expenses for the assigned public procurement within the respective project.

The procedures for exerting ex-ante control are prescribed in detail in the Regulation on exerting ex-ante control over the public procurement procedures fully or partially financed with EU funds. The Regulation was coordinated between institutions and was adopted with Council of Ministers Decree № 96 of 23 April 2009.

In the process of public procurement award, the Managing Authority performs its control functions as regards the acceptability of the financing of public procurement contracts under OP Transport. The ex-ante control is meant to ensure a reasonable level of assurance for the lawfulness of the public procurement fully or partially financed with EU funds. Beneficiaries are obliged to perform the public procurement award in compliance with the Public Procurement Act and the regulations concerning its application.

In 2009 the MA of OPT exerted ex-ante control in the public procurement award process in relation to the following projects:

- Electrification and Reconstruction of Svilengrad–Turkish Border Railway Line;
- Rehabilitation of Railway Infrastructure along Sections of Plovdiv-Burgas Line
- Completion of Trakia Motorway – Lots 2, 3 and 4
- Establishment of River Information Services System in the Bulgarian Part of the Danube River
- 18 procedures under projects funded under priority axis Technical Assistance

No procedure was terminated in 2009 due to appeal on the part of a tenderer.

## **7.2. Establishment of interinstitutional working groups to improve coordination**

- **Establishment of a working group to improve the coordination for the launch of Trakia MW and Maritsa MW**

To step up the preparation and launch of major road projects, an order of the Prime Minister at the end of August 2009 set up a working group to ensure the coordination needed for the launch of Trakia Motorway and Maritsa Motorway. Its members include representatives of various institutions involved in the process of land acquisition, change in land use, EIA. Until end-2009, its major activity was related to the preparation of the launch of Lot 2 of Trakia Motorway, and therefore it carried out comprehensive review of the procedures needed for finalization of the land acquisition procedures and issue of building permits. The status of lots 3 and 4 of Trakia Motorway is about to be reviewed and the preparation of Maritsa Motorway is also subject to review.

- **Establishment of a standing interinstitutional group to exert methodological control in the performance of archaeological surveys**

An order of the Minister of Regional Development and Public Works set up a standing interinstitutional group, including experts from the MRDPW, the RIA and the Ministry of Culture. The working group is meant to ensure methodological control in the performance of archaeological surveys in the following projects: Further Construction of Trakia MW, Lot 2, 3 and 4; Construction of Maritsa Motorway from km 5 to km 72; Construction of Struma MW and Kardzhali-Podkova

### **7.3. Drafting of procedural manuals of OPT beneficiaries**

As of 31 December 2009, the head of the Managing Authority of OPT received and approved the manuals of three beneficiaries of the programme. Due to structural changes at the beneficiaries – the NRIC and the RIA – their manuals will be approved after the restructuring.

#### **National Railway Infrastructure Company**

A letter with outgoing № 10-22-331/18.11.2009 was sent to the MA of OPT with an opinion on the upgraded versions of the Procedural Manual for Management and Implementation of OP Transport 2007-2013 of the National Railway Infrastructure Company. The structural changes at the company are about to be finalised and will have to be presented in the manual and the latter will be submitted for approval to the head of OPT MA.

#### **Road Infrastructure Agency**

A letter with outgoing No 04-25-125/10.07.2009 was sent to the MA of OPT with remarks and recommendations on the initially presented version of the Procedural Manual for Implementation of Road Projects under OP Transport 2007-2013. The beneficiary's manual has not been approved as of 31 December 2009.

#### **Metropolitan EAD**

The head of the MA of OPT has endorsed the final version of the Procedural Manual of Metropolitan EAD – a beneficiary of Operational Programme on Transport 2007-2013 with letter outgoing № 32-01-626/21.10.2009.

#### **Bulgarian Ports Infrastructure Company**



The head of the MA of OPT endorsed a final version of Procedural Manual of Bulgarian Ports Infrastructure Company for work under projects funded by OP Transport 2007-2013 with letter outgoing № 10-45-55/30.11.2009.

### **Executive Agency for Exploration and Maintenance of the Danube River**

The head of the MA of OPT endorsed the final version of Manual for Planning, Preparation and Implementation of Projects under Operational Programme on Transport 2007-2013 of Executive Agency for Exploration and Maintenance of the Danube River with letter outgoing № 10-18-1/07.01.10.

## **8. Monitoring and evaluation measures and OPT audits carried out**

### **8.1. Meetings of the MC of OPT**

- **Sixth meeting of the MC of the OPT – 8-9 June 2009**

The sixth meeting of the MC of OPT was held on 8-9 June 2009 in the Samokov Hotel in Borovets resort. It was attended by representatives of the Commission and JASPERS, members and deputies with voting rights of the MC of OPT, representatives of the non-governmental sector and representatives of the beneficiaries and the MA of OPT. The meeting was held in two parts – an expert session and a formal part.

During the expert session was presented the status of the OPT implementation from November 2008 to June 2009 and the beneficiaries reported on the project progress by priority axes; afterwards the MA of OPT reported on the programme implementation by operations.

During the formal part representatives of the beneficiaries, the NRIC and the RIA presented proposals for extension of the OPT scope and the justification thereof; afterwards the proposals were discussed and adopted by MC members. The extended indicative list of priority projects programmed for financing under Operational Programme on Transport 2007-2013 includes the construction of “Trakia” Motorway (lots 2, 3 and 4), a project for rehabilitation of railway infrastructure along sections of Plovdiv-Burgas railway line and the project for modernisation of Sofia-Dragoman railway line.

During the formal part of the session were presented, discussed and adopted proposals for amendment to the rules of procedure of the MC of OPT and the Annual Report on the OPT implementation for 2008 was unanimously adopted. The head of OPT MA acquainted the MC members with the remarks and recommendations given by the Commission at the annual meeting

held on 18 February 2009. In July 2009, through a written procedure, the MC of OPT approved version 2 of the Indicative Work Programme for 2009.

- **Seventh meeting of OPT MC – 24 November 2009**

The seventh meeting of the MC of OPT was held in Sofia on 24 November 2009. It was attended by representatives of the Commission and JASPERS, members and deputies with voting rights of the MC of the OPT, representatives of the non-governmental sector and representatives of the beneficiaries and the MA of the OPT. The meeting was held in two parts – an expert session and a formal part.

During the expert session the status of OPT implementation from June 2009 to November 2009 was presented by priority axes.

During the formal part of the session, the Managing Authority of OPT presented an overview of the programme's financial implementation, reporting on the on-the-spot-checks; monitoring and evaluation activities, presenting the current situation of the OPT monitoring and control systems and UMIS for the reporting period. The current status of the filed application forms, the LOTHAR system and the payment forecasts for 2010 were also discussed by the participants in the meeting. The criteria for selection of projects to be funded under priority axis "Technical Assistance" of OPT and the Indicative Annual Work Programme of the Managing Authority for 2010 were also presented, discussed and adopted.

## **8.2. Information system (UMIS)**

The information system for management and monitoring of the resources from EU Structural Funds and the Cohesion Fund (UMIS) was launched into operation in January 2009.

Council of Ministers Decree № 322 of 19 December 2008 regulates the conditions, procedure and mechanism for the operation of the system. Additional instructions were issued on the recording and update of information in the system. Pursuant to the established rules, an order of the Minister of Transport, Information Technology and Communications named the officials of the Managing Authority of Operational Programme on Transport and the beneficiaries of the programme entitled to have access to UMIS.

The initial recording of all data on already signed contracts with OPT beneficiaries/ grant award orders and information on their physical and financial implementation was finalised in early 2009. Upon the introduction of minimum part of the information there was certain delay due to technical difficulties in the operation of the system.

Following the audit for compliance assessment of the IT systems for accounting, monitoring and financial accountability in computer-aided form under Operational Programme on Transport, carried out from 15 May 2009 to 12 June 2009, the Commission sent remarks on the improvement of the UMIS functionality; these comments covered all Managing Authorities. The MA of OPT developed an action plan that was submitted for coordination to the Ministry of Finance. The CCU undertook action for centralised and coordinated implementation of the recommendations given by the Commission for the Operational Programmes; as a result, the following new functionalities of UMIS were introduced:

- Verification for existence of double funding;
- Verification of the recorded data by procedure/contract/annex and their subsequent lock to prevent revision and change;
  - The “lock data” of a project proposal to prevent revision and/or change after the registration of a contract thereof;
  - Possible upload of the files of a report of the evaluation committee, a decision of the contracting authority and the documents to the contract;
  - Release of a statement upon the establishment of an evaluation committee, communicating the number of project proposals, which were not covered by the sessions of the evaluation committee, possible release of new records in the Monitoring-Evaluation modules for project proposals which were not covered by the sessions of the evaluation committees.
- Establishment of automatic interface between UMIS and SAP to enable the automatic recording in UMIS of data on payments made under an operational programme.

The launch into operation in October 2009 of the extended functionality of the UMIS financial module can be considered as a solution to all Commission recommendations concerning the improvement of the system. The final audit report on the compliance assessment of the management and control systems of Operational Programme on Transport, received by the MA of OPT on 18 December 2009 with letter № 07-00-484/18.12.2009 - officially confirmed the implementation of the recommendations.

### **8.3 LOTHAR**

The LOTHAR forecasts for the OPT implementation were “frozen” in September 2009 until the end of 2010 based on the data presented by the beneficiaries. The forecasts for the period of certification of expenses take maximum limit values – six months after the payment.

As a whole, the curve of certification of the operational programme is relatively far from the limit line for loss of funds, which means that losses of funds for the operational programme are not expected.

The forecast for the road projects in priority axis II is most critical, as the curve of certification crosses the line of loss of funds worth EUR 117 121 394 in co-financing from the Cohesion Fund of the European Union or a total of EUR 146 121 394 (EU and national co-financing).

The above-presented shows that the project deadlines laid down in the OPT cannot be further extended which may result in loss of funds in line with the rule for N+3/2 of Article 93 of Council Regulation 1083/2006. However, the LOTHAR report of December 2009 on the OPT implementation forecasts there is delay at some of the beneficiaries as regards major activities of the project cycle - organisation of tender procedures and submission of application forms.

#### **8.4. On-the-spot checks**

The wide range of construction works and the variety of OPT-funded projects predetermines the necessity of extended and in-depth technical expertise and competence for the performance of the necessary verification checks of expenses. In this context, in 2009 the Ministry of Transport, Information Technology and Communications held a public procurement procedure for the selection of a contractor (consultant) to provide specific expertise to the MA of OPT on conducting on-the-spot checks. On 8 July 2009 was signed a contract with the following scope: Selection of Consultant for Provision of Specific Expertise in Conducting On-the-Spot Checks under Operational Programme on Transport 2007-2013. The selected consultant was assigned to take part in 3 on-the-spot checks in 2009.

In 2009 the MA of OPT carried out 5 on-the-spot checks in compliance with the annual plan for organisation of on-the-spot checks in 2009. The planned system check of the beneficiary Road Infrastructure Agency was postponed until the establishment of operative structure of the agency, that is until the adoption and entry into force of its new Statute, which at end of 2009 was not effective and respectively the check did not take place.

The scope of the on-the-spot checks carried out, the findings and recommendations made are enumerated below in a chronological order:

***On-the-spot check of Project "Extension of the Metropolitan Sofia, I Stage – "Road junction Nadejda - Central Railway Station - Sveta Nedelya square - Cherni Vrah blvd." ("Road junction Nadezhda" (MS 5-II) – "Cherni Vrah"blvd. (MS 11-II)" – 23 April 2009.***

The check was meant to examine the established organisation for implementation of activities within the project as well as the progress in the actual physical implementation.

The MA representatives visited the offices respectively of the beneficiary and the engineer under the project as well as the head office of the contractor under Differentiated Position 1 for the design and construction and the on-site premises of the contractor under Differentiated Position 2 for design and construction. The on-the-spot check focused also on two building sites under Differentiated Position 1 (the start shaft at Nadezhda road junction and MS 5-II of Maria Luiza Blvd. in Banishora district) as well as a building site of Differentiated Position 2 (MS10-II of Cherni Vrah Blvd to Hemus Hotel).

The team conducting the on-the-spot check under the project did not detect any serious problems in project implementation so far. The main recommendations addressed shortcomings linked to the information and publicity measures which were implemented according to a schedule.

***On-the-spot check of the project for "Establishment of River Information Services System in the Bulgarian Part of the Danube River" – 26 June 2009***

The on-the-spot check was meant to verify the degree of preparation of the said project, the organisation of documentation under the project and the available human resources involved in the project implementation.

The delay in the deadline for submission of the reporting information to the MA of OPT was identified as a main problem. The beneficiary attributed the delay to the painstaking procedure of coordination between the Vessel Traffic Management and Information Services for Maritime and River Transport Directorate in the city of Varna, directly responsible for the preparation and implementation of the project and the central management of the BPIC in the city of Sofia. The procedure takes between 3 and 4 days on average.

In this context, the MA of OPT recommended the beneficiary to take measures to establish a smooth mechanism for drafting and submission to the MA the reporting documents related to the project implementation in order to meet the deadlines set in the operational agreement.

***On-the-spot check of the project for “Electrification and Reconstruction of Svilengrad–Turkish Border Railway Line” – 31 August 2009 – 1 September 2009.***

The on-the-spot check was mainly meant to verify the project's documentation, the actual progress in the implementation of activities presented in the calendar timetable, as well as to identify potential risks under the project.

The following areas were identified as risk areas for the project implementation: the connection of the contact networks in Bulgaria and Turkey; construction of the section through protected areas with protected spring snowflake (Leucojum) and unpaid value added tax (VAT) for the second part of the total advance payment. To address the detected problems, the beneficiary was recommended to develop the necessary strategy and to ensure the needed budget for interim payments under the project and funds for VAT payment.

The MA team found out that the beneficiary had ensured the necessary human resources for the implementation and management of the project's activities. To avoid overlapping of functions and potential conflict of interest, the MA recommended to the beneficiary to detail the obligations and responsibilities of the experts and to analyse the involvement of external experts in the project implementation unit. Recommendations covered also the information and publicity measures.

***Second on-the-spot check in 2009 of the project “Extension of the Metropolitan Sofia, I Stage – “Road junction Nadejda - Central Railway Station - Sveta Nedelya square - Cherni Vrah blvd.” (“Road junction Nadezhda” (MS 5-II) – “Cherni Vrah”blvd. (MS 11-II)” – 06 October 2009 – 20 October 2009.***

The check was meant to ensure all verifications of the reported expenditure in the request for interim payment submitted by Metropolitan EAD.

Following the on-the-spot check of the building sites of the two differentiated positions, the team of experts of the Managing Authority and the consultant found out that the performed activities at all sites along the two differentiated positions in fact correspond to the progress reported by the beneficiary. No irregular activities were detected as regards the expenses subject to the on-the-spot checks. It was found out that the contractors under the two differentiated positions use two different systems of expenditure reporting. As a result, the MA is withholding the verification of part of the covered expenses until the introduction of a reporting system by the other contractor as well.

The implementation of the contracts and the degree of completion of the activities as a whole comply with the legal framework, the project documentation and the OPT rules, and the performed activities do not deviate considerably from the approved timetables. There is delay only in the design of one of the contractors, which is not the more critical road and will not lead to a risk of delay of the project. From a project management perspective, this represents a shortcoming because of the lack of precise predictability in time of the process of development of the design and respectively one of the recommendations concerned the drafting of a timetable in the design to offset the accumulated delay.

In relation to the more serious findings there were recommendations for improvement of the safety measures, more precise application of the LUPA, drafting of precise timetables for the design of Differentiated Position I, to be updated on a regular basis and to be scrutinized also by the project manager of the beneficiary. Application of a unified reporting system based on the positive experience of the contractor under Differentiated Position I.

In addition, the beneficiary was recommended to improve its accounting reporting as regards the project implementation, to enrich the content of the project file and to strengthen the control over the implementation and accountability of contractor's approved project preparation and implementation.

***On-the-spot check of the project for “Construction of Intermodal Terminal in Sofia” – 30 November 2009 and 3 December 2009***

The on-the-spot check was meant to verify the degree of preparation of the project, the established internal organisation for its preparation and implementation, the organisation of the available documentation and its detailed verification as well as identification of the potential risks.

During the check were discussed the problems arising in the preparation of the investment project for “Construction of Intermodal Terminal in Sofia”, which led to the complete suspension of its implementation in 2009. The problem with the approval of the Detailed Site Development Plan (DSDP) for the area of the intermodal terminal can be defined as the most considerable among them. Three owners of land falling into the DSDP filed a complaint to the Supreme Administrative Court on 11 December 2008 against the order of the Minister of Regional Development and Public Works, which approved the three stages of the DSDP. A cadastral map of the district has to be drawn up and it has to be included in the cadastre of Sofia Municipality.

Taking into account the ongoing legal proceedings of the complaint against the DSDP, the team of experts of the MA of OPT and the consultant which conducted the on-the-spot check recommended a detailed analysis of the preparation of the project, to enable the identification of the areas in which the project's preparation works can continue along with the legal proceedings. The beneficiary has to put forward a strategy for the preparation of the project in this context and to mobilise its efforts to achieve maximum readiness.

### **Additionally planned on-the-spot checks**

In relation to a request for final payment the MA of OPT carried out one additionally planned on-the-spot check on 2 February 2009 of the project for preparation of project for "*Designing and Implementation of Geographical Information Systems (GIS) for the needs of National Railway Infrastructure Company*". The major recommendations to the beneficiary were related to the improvement of its accounting policy in relation to the projects funded under Operational Programme on Transport.

The consultant for on-the spot checks developed new risk assessment methodology for projects funded under the programme to be used in the drafting of the annual plan for on-the-spot checks by the MA of OPT together with the risk assessment model in MS Excel format and short guidelines for its use. This outcome was used for risk assessment which served as a basis for the preparation of the annual plan for conducting on-the-spot checks by the MA of the OPT in 2010. It is scheduled to be updated in mid-2010 in order to cover newly approved OPT projects.

### **8.5. Monthly meetings with beneficiaries**

Pursuant to Article 6 Monitoring and Reporting, point 7 of the operational agreements signed between the MA of OPT and beneficiaries of the programme, in January 2009 the MA of OPT started the organisation of monthly meetings for reporting the progress of OPT-funded projects, in order to carry out routine monitoring of their, and respectively the programme's, implementation. Separate meetings are held with every beneficiary and their agenda covers general issues and topical problems. A total of 8 monthly meetings were held in 2009 and minutes thereof were drafted for each of them and sent to the participants.



## **8.6. OPT ongoing evaluation**

From June to August 2009, the Ministry of Transport, Information Technology and Communications held an open procedure for the selection of an external evaluator of OP Transport to carry out the OPT ongoing evaluation in line with the Indicative evaluation plan. Five tenderers submitted tenders which were assessed by the evaluation committee, but all of them failed to meet the administrative requirements. They were disqualified and the procedure was terminated.

As a result of the terminated procedure, in early September 2009 a new committee was appointed to review the tender documentation. In the first half of September, the documentation was submitted for coordination to the Public Procurement Agency in compliance with the requirements of the Public Procurement Act. On 11 November, the MTITC received the PPA comments and the committee continued its work, taking into account the remarks made. As a result of a delay in the selection of an evaluator, the evaluation process could not be launched in 2009. MA updated the evaluation timetable in the Indicative Plan and the evaluations scheduled for 2009 will be carried out in 2010, and all other evaluations will be postponed by six months compared to the initial timetable.

An application form is about to be submitted in early 2010 under priority axis “Technical Assistance” for an evaluation project under OPT in 2010 and 2011. According to the timetable of the Indicative evaluation Plan in the coming two years, three thematic evaluations and one interim evaluation of the OPT have to be carried out..

## **8.7. Audits carried out**

### **8.7.1 Audits carried out by external audit bodies**

- In February 2009 was received audit report № 0000000208 on an *audit of the management systems of the Structural Funds and the Cohesion Funds of the EU from 1 January 2006 to 30 June 2008* carried out by the National Audit Office. The recommendations made as regards the MTITC concern: duly recording and update of the full amount of information regulated in Council of Ministers Decree No 6/2007 in the unified information portal and the OPT official website; necessary steps for the introduction of procedures ensuring that beneficiaries and contractors maintain separate analytical accounting; necessary steps to ensure the timely update and precise specification of MA internal rules (manuals, MCSD, instructions, functional characteristics, etc) in line with the amendments to the regulatory framework and

adoption of measures for the introduction of a system ensuring complete and reliable information on staff training for the purpose of development of efficient programmes for focused and adequate training of employees. According to the report of the National Audit Office of November 2009 on the outcome of the check subsequently carried out, it was found out that part of the recommendations have been implemented. A reference of the outcome of the check on the implementation of the routine recommendations was issued.

- *Audit of the reliability of available computerised systems of accounting, monitoring and financial reporting under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the competent management and control bodies for their compliance with the requirements of Council Regulation 1083/2006 and Commission Regulation 1828/2006* carried out by the AEUFEA and Deloitte Audit OOD. The audit report was received in July 2009 and it presented the general opinion that the conducted procedures had been developed in a suitable way. An action plan for the implementation of some of the concrete recommendations concerning the work of the MA of OP Transport 2007-2013 was also drafted.
- *Audit of the management and control systems set up at the MA of OP Transport 2007-2013* carried out by the AEUFEA and KPMG Bulgaria OOD. The final audit report was received in August 2009. It recommended the correction of detected shortcomings in the operation of certain elements of the systems, including UMIS. An action plan was drafted to ensure the implementation of the recommendations. The implementation of the recommendations was considered in detail in the subsequent compliance assessment audit of the management and control systems of OP Transport carried out by the Audit of European Union Funds Executive Agency. The audit report was received in December 2009 and does not contain recommendations and proposals for correction measures on the part of the MA of the OPT. It drew the conclusion that the management and control systems of OP Transport comply with the requirements laid down in Articles 58-62 of Commission Regulation 1083/2006.

#### 8.7.2 Audits carried out by “Internal audit unit” directorate” within MTITC

- *Audit 1: “Checking of the tender procedures for nominating a contractor “Delivery of a System for river information services in the Bulgarian part of Danube River (BUL-RIS)” in the period 01.01.2008-30.09.2008.* There is a recommendation in the audit report for

correction of art.8(1) “Audits” in the Operational agreement between the MA of OPT and the Beneficiary - Bulgarian Port Infrastructure Company (BPIC) in order to make it possible that the “Internal audit unit” to audit the grant for implementation of the OPT projects by carrying out on the spot checks. Action plan prepared and the recommendation was fulfilled.

- *Audit 2:* Checking the project “Provision of financial resources for business trips of MA employees until 31.12.2008”. Recommendations were made towards stamping the UMIS number on the cover page application form in order to verify the compatibility of the application form with the referent number of the project; to be respected the deadline of 30 days for taking decision on the application forms and 15 days after the decision is taken for the official reply to the beneficiaries; to obey the administrative procedure for making business trip reports; to keep the deadlines for preparation of project financial reports .An action plan was prepared and applied.
- *Audit 3:* “Checking the financial and accounting reports for contract for public campaign for the creation of logo and slogan for the OPT until to 31.12.2009.” The recommendation was to record the design of the sign and the logo of the OPT 2007-2013 as a nonmaterial asset.
- *Audit 4:* :“Checking the tender procedure for contract for making and support of the official OPT 2007-2013 web site” and the progress by 31.12.2009” The recommendations: The recommendations were towards making it impossible to interpret and make subjective judgments when defining evaluation criteria of tender procedures; to perform ex-ante control of the tender documentation before the approval of tender documentation; to follow-up the deadlines of signed contracts and to observe contract obligations; finished parts of the elaborated documentation to be approved only by the responsible experts. The recommendations are under implementation according to the action plan.
- *Audit 5:* “Checking of the tender procedures for nominating a contractor for the contract “Elaboration of the general transport plan” and analyzing the progress up to 31.05.2009. The recommendations: improving the system for the ex-ante control of the tender documentation for public procurement procedures ; control before publishing the procurement announcements and keeping the deadlines for the announcements in the respective media; strictly controlling the time schedule (according to the contract) by the PIU .The action plan is under implementation .

- *Audit 6:* “Checking the system and the organization of the Third and the Forth regular meeting of the Monitoring Committee of OPT” up to 31.03.2009”. No recommendations.
- *Audit 7:* “Checking the procedures of the contracting for “Preparation, implementation and monitoring of the event for the presentation of OPT” and the contract “Preparation and implementation of public events for the popularity of OPT” and the implementation by 30.06.2009. No recommendations were made.
- *Audit 8:* “Checking the tender documentation for the contracting for “Creation of a methodology for monitoring and evaluation and implementation of the activities of the monitoring and evaluation of the Communication plan of OPT” and the progress up to 30.06.2009. The recommendation is to follow the procedures of Ordinance for the award of small public procurement contracts and to keep the deadlines for sending the information. The recommendation is under implementation.
- *Audit 9:* “Checking the system and the order of calculating the additional remuneration for stimulating the MTITC employees involved in the managing of OPT projects”. The recommendations were towards revising and clarifying the Methodology for calculating the additional remuneration and updating job descriptions of the employees in accordance with the procedure manual and the Description of management and control systems of”. The action plan was prepared and the recommendations were fulfilled.
- *Audit 10:* “Checking the order and the system of the financial supply for organization of the meetings of the Monitoring Committee of OPT in the period November 2008-30.09.2009”. No recommendations.
- *Audit 11:* “*Checking the procurement procedure for “A consultant for an implementation of the specific experstrise at on the spot checks “ and the progress of the project”. The preliminary audit report was received in December 2009.*

### III. Implementation of Operational Programme on Transport by priority axes

#### 1. Priority axis I – “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”

##### 1.1 Achievement of the targets and analysis of the progress

**Table 11: Physical progress of priority axis I – “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” by quantified indicators as of 31 December 2009.**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis I – Development of Railway Infrastructure along the Trans-European and Major National Transport Axes</b>											
Time savings (million of hours per year)	Achievement	0	0	0							0
	Target				0,76					2,3	
	Baseline	0									
Time savings (million euros per year)	Achievement	0	0	0							0
	Target				0,79					2,39	
	Baseline	0									
Average speed (km/h)	Achievement	102,9	102,9	102,9							102,9
	Target				106,6					114,2	
	Baseline	102,9									
Traffic capacity (trains/day)	Achievement	0	0	0							0
	Target				2393,7					2645	
	Baseline	2270									
Built rail tracks (km)	Achievement	0	0	0							0
	Target				3659,9					3684	
	Baseline	3648									
Rehabilitated track (km)	Achievement	0	0	0							0
	Target				707,7					1231	
	Baseline	450									
Electrified track (km)	Achievement	0	0	0							0
	Target				3296,9					3321	

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	Baseline	3285									
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In 2009 under priority axis I - “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” – was signed one grant contract for EUR 29 795 134.62, while from the beginning of the programming period to end of 2009 two grant contracts were signed under the axis at total amount of EUR 29 825 045.20. From 1 January 2007 to 31 December 2009, the Managing Authority of OP Transport made payments to beneficiaries under priority axis I in the amount of EUR 3 602 903.42 (BGN 7 046 666.60) and in 2009 alone the payments made under the priority axis amounted to EUR 3 579 025.94 (BGN 6 999 966.60).

Despite the considerable increase of negotiated and paid funds under the axis in 2009, the absorption rate remains extremely low, with barely 5.14% of the budget under priority axis I being negotiated and 0.62% of the total axis budget being paid to beneficiaries.

To step up the implementation of railway projects, which are in the most advanced stage of preparation, the Ministry of Transport drafted and approved in 2009 the Strategy for Construction of Trade-Oriented Railway Lines in Republic of Bulgaria funded under Operational Programme on Transport 2007-2013. Based on this strategy and the criteria for prioritizing the projects under OP Transport, the National Railway Infrastructure Company re-prioritised the projects programmed for implementation under priority axis I. For that purpose, it reviewed the results of the implemented technical assistance projects under the ISPA programme and their outcome was discussed and approved by the NRIC management board and the Civil Council at the Ministry of Transport.

As a result of the NRIC’s re-prioritisation of projects, the beneficiary proposed a change in the scope of OP Transport within priority axis I Development of Railway Infrastructure along the Trans-European and Major National Transport Axes. The request for extension of the scope consisted of inclusion of the alternative projects for Rehabilitation of Plovdiv-Burgas Railway Line and the Modernisation of Sofia-Dragoman Railway Line in the list of main projects. Furthermore, the implementation of the projects for Modernisation of Vidin-Sofia Railway Line and the Modernisation of Sofia-Pernik-Radomir Railway Line should continue during this programming period, but only through activities of their preparation for implementation in the next programming period.

The OPT Monitoring Committee discussed and approved the NRIC’s request for extension of the scope of OPT priority axis I at the sixth meeting of the MC, held on 8 and 9 June 2009.

#### Project for “*Design of the Construction of Vidin-Sofia Railway Line*”

Only a design contract will be implemented during this programming period due to the high investment cost of the construction of 269 km railway line. The application form has to be

submitted to the MA of OPT in January 2010. The design contract will be preceded by a supervision and coordination contract, whose contractor will prepare and manage the design contract. The tender procedure for supervision and coordination is scheduled to start in March 2010, while the tender procedure for design – in February 2011.

**Project for “*Modernization of Sofia-Plovdiv Railway Line*”**

The total length of the section is 155 km, divided into three parts; section 2 from Elin Pelin to Septemvri will be implemented in the next programming period due to the lack of financial resource for its completion in this period. The contract on supervision, compliance assessment and management will cover both sections (section 1 Sofia-Elin Pelin and section 3 Plovdiv-Septemvri) and the tender procedures are expected to start in June 2010. The project may be threatened by the lack of available pre-financing and coverage of the financial gap. In December 2009 JASPERS provided additional expert assistance for the adaptation of the cost-benefit analysis for the sections to be built in this period as well as for the completion of application forms. A favourable factor for the project implementation is the absence of the necessity for EIA for the flat sections.

**Project for “*Electrification and Reconstruction of Svilengrad–Turkish Border Railway Line*”**

A decision of the head of the MA of OPT of 21 May 2009 approved the project. The grant contract in the amount of EUR 29 795 134.62 (BGN 58 274 218.15) was signed on 22 May 2009.

The following major steps of the project preparation and implementation in 2009 may be noted in a chronological order:

- On 25 May 2009 was signed a contract with OHL ZS AD, the Czech Republic on the project implementation. The sum of the contract amounts to BGN 69 999 666 (VAT excluded) with a 24-month implementation period.
- The project implementation was launched on 1 July 2009.
- The beneficiary paid to the contractor an advance payment in the amount of BGN 6 999 966.60 (VAT excluded) and the sum was verified and repaid by the MA of the OPT.
- An order of 14 August 2009 set up the project implementation and management unit (PIMU) to be in charge of the coordination and implementation of the signed contract.
- As part of the performance of its contractual obligations, the Contractor submitted to the NRIC the following documents: Initial Work Programme, Communication Plan, Quality Plan, Environmental Management Plan, Interface Management Plan and Risk



Management Plan. The contractor concluded the geodesic surveys, geological and hydrological research works. The NRIC approved the preliminary design of the route. The contractor started the delivery of materials for the site which are to be paid in accordance with the contract. The procedure in Svilengrad Municipality for provision of earth landfilling sites was finalised.

The draft project has to be approved by 5 March 2010 by the NRIC and the engineer and will be submitted to the MRDPW for the issue of a building permit so that by 15 April 2010 the contractor will be able to launch railway construction works and electrification.

Project for “*Rehabilitation of Railway Infrastructure along Sections of Plovdiv-Burgas Line*”

The section is 292 km long in total. It will be implemented through construction contracts under three differentiated positions and construction supervision thereof. The tender procedure for Rehabilitation of Railway Infrastructure along Sections of Plovdiv-Burgas Line was opened on 13 November 2009. JASPERS started granting additional expert assistance to help for the completion of the preparation of the application form. The latter has to be submitted to the MA of OPT in May 2010 after JASPERS gives its final opinion. A favourable factor for the project implementation is the absence of the necessity for EIA.

Project for “*Modernization of Sofia-Dragoman Railway Line*”

An ISPA-funded technical assistance contract, signed in August 2008, is under implementation within the project. The duration of the technical assistance contract continues until February 2010 and it has been delayed by 7 months so far.

The launch of the project is threatened if other projects use up the resources under the axis. The application form is expected to be submitted for consideration to the MA of OPT in December 2010. The scheduled date for the launch of the tender procedure is March 2011.

**1.2 Significant problems encountered in projects preparation and implementation under the priority axis and measures taken to overcome them**

The lack of enough drafted projects to apply for OPT funding has been identified as the most critical problem for project implementation under priority axis I as of end-2009. In this context, as was already mentioned, the beneficiary, the NRIC, proposed the reprioritisation of the projects programmed for funding which should step up the implementation of those in a more advanced stage.

The preparation of main as well as alternative projects whose beneficiary is the NRIC happens under technical assistance projects implemented within the ISPA programme. As serious delay has been observed in their preparation, this has an impact on their OPT implementation as well. In this context, for the purpose of faster preparation of investment projects in the railway sector the MTITC and the NRIC signed on 3 June 2009 an OPT grant contract for EUR 511 291.88 (BGN 1 000 000) under the project for Technical Assistance for Consulting Services for the Drafting of Documentation Packages Necessary for Procedures and Activities in the Preparation of Implementation of OPT Investment Railway Projects from 2009 to 2012, implemented under priority axis Technical Assistance. The NRIC held a procedure as laid down in the Public Procurement Act to select a contractor and on 23 March 2009 it signed a framework agreement on the provision of consulting services. The contracts signed under the framework agreement include:

- development of technical specification for compliance assessment in line with the binding scope referred to in Article 142 of the Land Use Planning Act and drafting and completion of tender documentation within a public procurement procedure for the selection of a consultant pursuant to the PPA under the project for Modernisation of Sofia-Plovdiv Railway Line.
- drafting and completion of an application form under Operational Programme on Transport 2007-2013 (OPT) in relation to the provision of funding needed for compliance assessment of a project for Modernisation of Sofia-Plovdiv Railway Line;
- drafting and completion of an application form under Operational Programme on Transport 2007-2013 (OPT) in relation to the provision of funding needed for compliance assessment of all parts of the investment projects as regards the essential requirements for construction in line with the binding scope referred to in Article 142 of the LUPA, technical specification of the compliance assessment of all parts of the investment projects as regards essential requirements for construction in line with the binding scope referred to in Article 142 of the LUPA and drafting and completion of tender documentation for a public procurement procedure for the selection of a consultant pursuant to the PPA for compliance assessment of all parts of investment projects as regards essential requirements for construction under project: Modernization of Sofia-Dragoman Railway Line;
- drafting of technical specification of the compliance assessment of all parts of the investment projects as regards essential requirements for construction in line with the binding scope referred to in Article 142 of the LUPA and drafting and completion of tender documentation for a public procurement procedure for the selection of a consultant

pursuant to the PPA for compliance assessment of all parts of investment projects as regards essential requirements for construction under project: Modernization of Sofia-Pernik-Radomir Railway Line;

- drafting and completion of an application form under Operational Programme on Transport 2007-2013 in relation to the provision of funding needed for compliance assessment of all parts of the investment projects as regards the essential requirements for construction in line with the binding scope referred to in Article 142 of the LUPA under project: Modernization of Sofia-Pernik-Radomir Railway Line;

Another considerable problem for project implementation under priority axis I remains the lack of funds in the beneficiary's budget for financing of activities prior to receiving Commission's approval of major projects and coverage of projects' financial gap. This problem appears to be particularly serious for the NRIC as their projects generate revenue. One of the possible sources of pre-financing of activities under individual projects is through ensuring EIB loans or loans from other international financial institutions. In the second half of 2009 was marked some progress in this field, but still the problem remains unsolved as a whole.

In 2009 the National Railway Infrastructure Company optimized its corporate structure and the permanent staff of the NRIC central administration was reduced by 42%, while at regional level the cut was 30%. In this context, the Strategic Development and Investment Projects Directorate was set up at the beneficiary's structure, bringing together two directorates – Strategic Development and Investment Policy and Infrastructure Projects Management and Implementation. The workforce of the new directorates is considerably reduced – with permanent staff of 59 people, whereas the total number of the previous two directorates involved in the preparation and implementation of investment projects was 111. This scaled down the beneficiary's capacity to prepare and implement infrastructure projects due to the lack of enough well-qualified employees willing to work in the field of railway infrastructure. Although the beneficiary's plan for bonuses has been approved as laid down in Council of Ministers Decree (CMD) 197/2008, NRIC employees cannot use them as CMD 277 of 26 November 2009 repealed CMD 197/2008. In this context, the MA of OPT took action to clarify whether the beneficiaries' employees can receive the unpaid bonuses pursuant to CMD 197/2008 with retroactive effect. The application of the said agreement with retroactive effect remains an unsolved case so far.

## 2. Priority axis II – “Development of Road Infrastructure along the Trans-European and Major National Transport Axes”

### 2.1. Achievement of the targets and analysis of the progress

**Table 12: Physical progress of priority axis II – “Development of Road Infrastructure along the Trans-European and Major National Transport Axes” by quantified indicators as of 31 December 2009.**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis II - Development of Road Infrastructure along the Trans-European and Major National Transport Axes</b>											
Time savings (thousands of hours per day)	Achievement	0	0	0							0
	Target				440,8					1336,4	
	Baseline	0									
Time savings (million of euros per day)	Achievement	0	0	0							0
	Target				0,4					1,23	
	Baseline	0									
Operating costs (VOC) savings/ 1000 km • For light vehicles • For heavy vehicles	Achievement	0 0	0 0	0 0							0 0
	Target				13,73 32,46					41,62 98,39	
	Baseline	0 254,99									
Reduction of fatalities on road (number)	Achievement	1006	1061	901							901
	Target				1171					585	
	Baseline	1171									

Average speed on I class network (km/h) • For light vehicles  • For heavy vehicles	Achievement	50 40	50 40	50 40							50 40
	Target				60					80	
	Baseline	50 40	50 40							70	
Built motorways (km)	Achievement	0	0	0							0
	Target				399					537,7	
	Baseline	331,2									
Built bypasses (km)	Achievement	0	0	0							0
	Target				13,9					42,3	
	Baseline	0									
Rehabilitated class I roads (km)	Achievement	0	0	0							0
	Target				290					880	
	Baseline	0									

Under priority axis II “**Development of Road Infrastructure along the Trans-European and Major National Transport Axes**” were signed the first two grant contracts in 2009 for EUR 2 454 201.03, or barely 0.25% of the budget of the axis. The Managing Authority did not make payments to the beneficiary as of the end of 2009.

In 2009, an amendment to the Roads Act, promulgated in the SG, issue 75 of 18 September 2009, restructured the National Road Infrastructure Agency at the Council of Ministers into the Road Infrastructure Agency at the Ministry of Regional Development and Public Works. A management board a chairperson and two members was set up with to manage the agency. The Rules of Procedure of the Road Infrastructure Agency were promulgated on 15 December 2009 in the State Gazette.

Project for “***Modernization of Vratsa- Botevgrad section I-1 of E-79 Road***”

The project envisages modernization of existing 31.5 km two-lane road into four-lane between the towns of Mezdra and Botevgrad along the route of E-79 and the Trans-European transport network. A risk related to the project is its crosspoint with an NRIC project which will require re-design. In this context a meeting between NRIC and RIA experts was held in May 2009 whose agenda covered conflict points and their solution. However, this can require the re-design of the ready project in these sections which will lead to the respective corrections in the EIA report, the land plot plans and new coordination.

The application form for project funding under OP Transport was submitted for consideration to JASPERS in July 2009. In December 2009, the remarks and comments were received and were sent to the consultant to take them into account.

The EIA report was completed but in relation to the change in the section it will have to be redeveloped prior to the organisation of public consultation. The land plot plan was returned to the designer to further develop it in relation to the land acquisition procedures. The NIPCM is about to issue its opinion on the existence of archaeological objects in the section.

Project for “***Vidin –Montana of E-79 Road***”

The project includes construction of 20.5 km class I road with new projection between Dimovo - Bela - Ruzhintsi along the route of road E-79 and corridor IV.

The project will be prepared under ISPA measure for Technical Assistance for Preparation of TEN-T Road Projects in the Republic of Bulgaria in 2010. On 30 June 2009, the Commission

issued a decision which excluded Component 4 (Connection of Hemus Motorway to Sofia ring road) and Component 5 (TA for successful signing of contracts) from the measure, while Component 6 was included: Modernisation of Vidin-Montant (E-79) section. New component 6 envisages the preparation of feasibility studies, cost-benefit analysis, technical project, land plot plan, EIA report and application form for project funding under the CF. The drafting of tender documentation for the preparation of studies, analyses and design was launched at the end of December 2009.

Project for “*Kardzhali – Podkova*”

The project includes the rehabilitation of 8 km of existing pavement surface from Kardzhali to road bifurcation Dzhebel and 24 km new construction from road bifurcation Dzhebel to Podkova.

A meeting between representatives of the MT, the RIA, the MOEW and DG Environment and DG Regional Policy of the Commission on 7 April 2009 led to a decision for a new EIA. An EIA report was subsequently drafted, and the MOEW gave a positive evaluation of it at end-2009. It is subject to forthcoming public consultation.

The land was expropriated and paid. The National Forestry Agency received a proposal for the exclusion of the forestry resources in 2007 and the final exclusion will take place in the future.

Four ongoing archaeological projects are located in the section. A meeting in November 2009 between representatives of the RIA and the NIPCM led to a decision on additional archaeological surveys to be concluded by the end of June 2010.

Project for “*Connection of the Hemus Motorway to Sofia Ring Road*”

The project envisages the construction of a new 8.5-km section to connect the existing section of Hemus Motorway to Sofia Ring Road.

A meeting between representatives of the MT, the RIA, the MOEW and DG Environment and DG Regional Policy of the Commission on 7 April 2009 led to a decision for a new EIA. A new EIA report was subsequently drafted and submitted for evaluation at the MOEW. BGN 23 000 000 is needed for the conclusion of land acquisition procedures, which has not been ensured. At the beginning of June 2009 JASPERS received a third revised version of the project's application form. In July 2009, JASPERS sent comments on the application form. JASPERS framework consultant will take action as regards the remarks.

Project for “***Construction of Struma Motorway***”

The section is 132 km long in total. The project has been divided into 4 lots, namely: Lot 1 – Dolna Dikanya - Dupnitsa; Lot 2 – Dupnitsa - Simitli; Lot 3 – Simitli - Sandanski and Lot 4 – Sandanski - Kulata border checkpoint. The scheme of the lots – defined in a Council of Ministers Decision – needs to be changed as Lot 2 currently reaches Simitli, and in fact its implementation is envisaged only to Blagoevgrad. Lot 3 Simitli-Sandanski and Blagoevgrad – Simitli section of Lot 2 will not be implemented during the current programming period.

The DSDP approval of Lot 1 is expected in early 2010. The DSDP for Lot 2 should be approved in May 2011. The DSDP of Lot 4 will be approved in March 2010.

The application forms for project funding under OP Transport will be prepared within a technical assistance project with the following scope: *Provision of Consulting Services for Completion of Application Forms of Project for Construction of Struma MW under the Cohesion Fund*. The grant contract will be signed in September 2009. It amounts to BGN 1 800 000, and its duration is 12 months. Furthermore, in September 2009 was signed a grant contract with the RIA at the amount of BGN 3 000 000 under a project for *Development of a Technical Project for the Site: Struma MW Lot 2, Dupnitsa-Blagoevgrad section from km 322+000 to km 356+000*

The compliance with environmental requirements represents a high risk for the project as it can increase the construction costs of Lot 3, in particular in the section of the Kresna Gorge.

The project implementation requires BGN 800 000 for archaeological surveys and BGN 7 000 000 for land acquisition procedures.

Project for “***Construction of Maritsa Motorway from km 5 to km 72***”

The project includes new construction of 67-km motorway section, starting from the end of the already completed part of Maritsa Motorway at km 5 + 100 and ending at the beginning of Harmanli-Lyubimets motorway section which is under construction.

A meeting between representatives of the MT, the RIA, the MOEW and DG Environment and DG Regional Policy of the Commission on 7 April 2009 led to a decision for a new EIA. Thereafter a new EIA was drawn up in 2009 and at end-2009 the MOEW gave a positive opinion on the EIA report.

The land was expropriated and paid. The Council of Ministers issued a decision on the expropriation of the private forestry resources at the end of December 2009. An application for the exclusion of the forestry resources from the NFA was also filed in December 2009.



There are four sites subject to further archaeological surveys under the project and their completion by November 2010 requires BGN 2 800 000.

The full version of the OPT application form was sent to the MTITC, the MF and JASPERS in May 2009. In December 2009 JASPERS submitted its comments. Further action will be taken in response to the comments and the application form will be finalised by a framework consultant of JASPERS.

The feasibility studies under the project are outdated and part of them have to be reviewed. The delay in the project implementation is due also to the existence of conflict points of the section with the NRIC project for Electrification and Reconstruction of Svilengrad–Turkish Border Railway Line along corridors IV and IX.

#### Project for “*Completion of Trakia MW, Lots 2, 3 and 4*”

A decision of the Monitoring Committee of 9 June 2009 approved the project for construction of Trakia Motorway under OPT. The construction of 115.100 km from Stara Zagora to Karnobat remained unfinished and is divided into three sections. Lot 2 Stara Zagora – Nova Zagora – 31.700 km, Lot 3 Nova Zagora – Yambol – 34.300 km, Lot 4 Yambol—Karnobat – 49.100 km.

The MOEW issued its decision on the EIA report on 14 December 2009. The first version of the application form was submitted for review to JASPERS.

- *Lot 2, Stara Zagora – Nova Zagora*

On 12 November 2009 was launched a procedure under the PPA for the selection of a contractor for the construction of Lot 2.

- *Lot 3, Nova Zagora - Yambol*

The land was expropriated and paid. The land plot plans for the land covered by electricity and telecommunication networks were drawn up and assessed. Forestry resources are not affected. Five sites subject to finishing archaeological surveys are located in the section and in case of available funding they are expected to be completed by the end of May 2010.

- *Lot 4, Yambol - Karnobat*

The land was expropriated and paid. Documents for the exclusion of the forestry resources in the affected areas were submitted to the National Forestry Agency. The NFA is expected to issue the documents for state ownership and the final completion of the procedure.

## **2.2 Significant problems encountered in project preparation and implementation under the priority axis and measures taken to overcome them**

- The project implementation under this priority axis remains most critical as the largest amount of funds have been programmed for it, and still the project preparation marks considerable delays and faces a number of problems. The major difficulties the beneficiary, the Road Infrastructure Agency, faces are related to: lack of available funding to complete land acquisition procedures;
- lack of available funding to complete archaeological surveys and requests of archaeological institutes for extension of the contracts for further surveys;
- existence of conflict points with NRIC projects and road projects of the RIA, and as a result the route of some of the problem sections in certain projects can be changed. This will require the development of new land plot plans, further land acquisition procedures and EIA.
- outdated feasibility studies for some of the projects, parts of which have to be reviewed.
- repeated restructuring of the RIA administration over the past years, marked by a large number of departures of experienced employees.

To step up the preparation and launch of major road projects, an order of the Prime Minister at the end of August 2009 set up a working group to ensure the coordination needed for the launch of Trakia Motorway and Maritsa Motorway. Its members include representatives of various institutions involved in the process of land acquisition, change in land use, EIA. Until end-2009, its major activity was related to the preparation of the launch of Lot 2 of Trakia Motorway, and therefore it carried out comprehensive review of the procedures needed for finalization of the land acquisition procedures and issue of building permits.

An order of the Minister of Regional Development and Public Works set up a standing interinstitutional group, including experts from the MRDPW, the RIA and the Ministry of Culture. The working group is meant to ensure methodological control in the performance of archaeological surveys in the following projects: “Completion of Trakia MW, Lots 2, 3 and 4”; “Construction of Maritsa Motorway from km 5 to km 72”; “Construction of Struma MW” and “Kardzhali-Pdokova”

Meetings between RIA and NRIC experts have been held to solve the problem of cross points in the routes of road and railway projects. This problem was not solved by the end of 2009.

The situation of the administrative capacity of the beneficiary, the RIA, remains serious, and it was intensified by the repeated restructuring of the Agency over the past years. The repeal of Council of Ministers Decree 197/2008 at the end of 2009 had a further negative impact, as it previously entitled experts working with EU funds to receive additional bonuses.

To step up the project implementation of priority axis II, the Road Infrastructure Agency proposed the extension of the scope of priority axis II Development of Road Infrastructure along the Trans-European and Major National Transport Axes with the project for Completion of Trakia Motorway Lots 2, 3 and 4 being added to the priority list of OPT projects and the project for the Northern Part of Sofia Ring Road being added to the list of alternative projects. The proposal for extension of the list of projects was made after the RIA assessed the degree of preparation of the individual projects and the risk of failure of absorption of funds under priority axis II.

The RIA called for the extension of the scope of OPT priority axis II through the inclusion of the project for Construction of Trakia Motorway, Lots 2, 3, 4 in the priority list and the project for the Northern Part of Sofia Ring Road in the alternative list. The OPT Monitoring Committee discussed and approved the request at its sixth meeting, held on 8-9 June 2009.

### 3. Priority axis III – “Improvement of Inter-Modality for Passengers and Freight”

#### 3.1. Achievement of the targets and analysis of the progress

**Table 13: Physical progress of priority axis III – “Improvement of Intermodality for Passengers and Freight” by quantified indicators as of 31 December 2009.**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis III – Improvement of Intermodality for Passengers and Freight</b>											
Time savings (thousands hours per day)	Achievement	0	0	0							0
	Target							19.3 (47.9)		60.5	
	Baseline	0									
Time savings (million euros per day) <sup>3</sup>	Achievement	0	0	0							0
	Target							55.39 <sup>4</sup>		12.8	
	Baseline	0									
People using the metro (number)	Achievement	0	0	0							0
	Target				(204 000)			169 038 (294 600)		26000 0	
	Baseline	78 400									
Number cargo handled (TEU/week)	Achievement	0	0	0							0
	Target				1000					1000	
	Baseline	100									

<sup>3</sup> This indicator has to be specified as in the operational programme it is million euros per day, and in the project for Sofia Metro Extension it is accounted as million euros per year.

<sup>4</sup> This value is for million euros **per year**.

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Average speed of public transport for central itineraries (km/h)	Achievement	14	14	14						0
	Target				22,5			24 (32)		40
	Baseline	14								
Capacity of metro system (number of wagons)	Achievement	0	0	0						0
	Target				(65)			72 (120)		
	Baseline	48								
Capacity of handling of inter-modal terminal (TEU/per week)	Achievement	0	0	0						0
	Target				1500					1500
	Baseline	500								
Length of metro line (km)	Achievement	0	0	0						0
	Target				12.4(20.2)			16.4(24.2)		24.8
	Baseline	9.9								
Metro stations (number)	Achievement	0	0	0						0
	Target				11(17)			15(21)		25
	Baseline	8								
Modernized inter-modal terminal (number)	Achievement	0	0	0						0
	Target				1					1
	Baseline	0								
Length of rail tracks for transport terminals (km)	Achievement	0	0	0						0
	Target				3					3
	Baseline	0								
Areas prepared for freight villages (sq m)	Achievement	0	0	0						0
	Target				132000					400000
	Baseline	0								

**Note:** The value of the indicators in brackets is considered after the extension of metro diameter I, currently under construction with a Japanese loan, is launched into operation to Mladost residential complex in 2009-2010. The values outside the brackets show the contribution of stage I to the baselines of the metro operating in Sofia in 2007.

In 2009 under priority axis III “**Improvement of Intermodality for Passengers and Freight**” were signed two grant contracts for EUR 185 449 446.94 (BGN 362 707 591.81) in total or 87.85% of the budget of the axis. As of 31 December 2009 the Managing Authority of OP Transport made payments to the beneficiaries of Priority Axis III in the amount of EUR 36 725 550.82 (BGN 71 828 934.06) or 17.4% of the budget of the axis.

In a decision of 22 September 2009, the Commission approved also the first for Bulgaria major OPT infrastructure project - the extension of Sofia metro with OPT grant amounting to EUR 185 193 801, including EUR 157 414 730.85 from the ERDF and EUR 27 779 070.15 in national co-funding.

Project for *”Extension of the Metropolitan Sofia, I Stage – “Road junction Nadejda - Central Railway Station - Sveta Nedelya square - Cherni Vrah blvd.” (“Road junction Nadezhda” (MS 5-II) – “Cherni Vrah”blvd. (MS 11-II)”*

On 9 July 2009, the OPT head signed Decision (OPT-32/09.07.2009) on the grand award for the project. On the same date was signed also grant contract ДОПТ-7/09.07.2009 with a duration until 31 December 2014. The Commission’s decision for the approval of the project was issued on 22 September 2009.

As of 31 December 2009, the progress on Differentiated Position I – Nadezhda Road Junction – Central Railway Station - St Nedelya Square - Patriarch Evtimiy Blvd. was as follows:

- 95 projects were submitted and 44 were approved;
- The site in Obelya district – 311 rings were produced, which is enough for the distance between the start shaft and MS 5.
- At the start shaft were installed the bored piles for the strengthening of the road at Nadezhda Road Junction and the connecting beams. The construction of a second level of reinforcing beams also finished. The earthwork was performed to the level of the foundation slab. CEZ approved the provision of 10 kV power for the site from substation Orion.
- The tunnel-boring machine (TBM) was manufactured. The machine was produced by the manufacturer and its site acceptance took place in Germany at the beginning of December 2009. It is scheduled to be transported at the end of January 2010.

- The construction of the vertical load-bearing structure was completed at MS 5. Reinforcing and concrete works of the roof slab of the metro station were carried out. Work on the foundation slab and the load-bearing walls was launched. The shaping of the tramway route started at the end of the year.
- Works for the construction of a collector structure were underway at MS 6. The vertical structure was finished. The roof slab and the other two slabs were under construction.
- At MS 7 there is serious “cross-cut” of the infrastructure and restructuring of communications, which led to some delay in 2009 in design and construction, which is expected to be offset. The contractor will be assigned to develop an offset programme. Due to the new transport communication solution (sinking of lanes in Slivnitsa Blvd and the traffic under Maria Luiza Blvd., as well as the construction of a roundabout), the station was moved closed to the central railway station. At this location, the station will be built faster. Construction works are expected to start next week.

As of 31 December 2009, the progress on Differentiated Position II - Patriarch Evtimiy Blvd. – NDK - Cherni Vrah Blvd. was as follows:

- 76 projects were submitted and 38 were approved;
- 105.30 meters were dug in the tunnel between MS 10 and MS 11. The working speed reached 2 m/day, which includes tunnel excavation and making the first coating.
- The design of MS 9 is in its final stage. All projects are scheduled to be submitted for approval by the engineer at the end of February 2010.
- The construction of the essential structure was underway at MS 10, except for the southern hallway and part of the platform.
- In the constructed tunnel between MS 9 and MS 10, the metro tunnel was sanated and the defects of the reinforced concrete structure in both tracks of the tunnel section were removed. The concrete infill in the two tracks of the metro tunnel section were carried out. Injection works took place to remove leakages.

The construction works on MS 8 and MS 11, which are not funded by the OPT budget, were launched. At the building sites of both metro stations were launched works for restructuring and re-location of communications.

The total progress of the project from 1 January to 31 December 2009 stood at 20%, while the preliminary timetable provided for 21% progress as of 31 December 2009.



**Table 14: Progress in the implementation of various stages of major projects in accordance with point D1 of Annex XXI XXII of the project for "Extension of the Metropolitan Sofia, I Stage – "Road junction Nadejda - Central Railway Station - Sveta Nedelya square - Cherni Vrah blvd." ("Road junction Nadezhda" (MS 5-II) – "Cherni Vrah"blvd. (MS 11-II)".**

Activities	Start date	Completion date
1. Feasibility studies	06.01.2006	07.12.2007
2. Cost-benefit analysis	02.01.2007	05.06.2009
3. Environmental impact assessment	12.01.2006	23.03.2007
4. Design studies	01.06.2006	01.03.2007
5. Preparation of tender documentation	01.01.2007	01.07.2007
6. Launch of tender procedures -for design and construction works	01.07.2007 04.07.2007	01.04.2008 21.07.2008
-for engineering and consultancy	01.11.2007	28.05.2008
7. Land acquisition	not applicable	not applicable
8. Construction phase	01.12.2008	01.09.2012
9. Operational phase	02.09.2012	

**Table 15: Financial implementation of a major project in accordance with H2.2 of Annex XXI and XXII of Regulation 1828/2006**

Total amount of investment costs in euro – sources of financing					Of which (for information)
Total investment cost	Community assistance	National public contribution	National private contribution	Other sources – Sofia Municipality	EIB/EIF loans
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
247 146 137	157 414 731	27 779 070	not applicable	61 952 336	105 000 000

Project for “***Construction of Intermodal Terminal in Sofia – stage I***”

On 2 September 2009 the MTITC and the NRIC signed a grant contract for project for Technical Assistance for the Preparation of Project for Construction of Intermodal Terminal in Sofia – stage 1 for EUR 255 645.94 (BGN 500 000), meant to provide assistance to the NRIC from external consultants for the necessary procedures in the preparation of the construction of an intermodal terminal in Sofia. On 30 April 2009, a contract was signed within the project for the Preparation of Land Acquisition Procedures Needed for the Construction of Intermodal Terminal – Sofia, stage 1, while in November 2009 was held a tender procedure for the selection of a contractor for the provision of Consulting Services for the Drafting of Documentation for the Necessity for EIA and EA of the project for Intermodal Terminal - Sofia; a contract is expected to be signed in January 2010 with the selection contractor.

**3.2 Significant problems encountered in project preparation and implementation under the priority axis and measures taken to overcome them**

The preparation and implementation of the project for intermodal terminal in Sofia is threatened by delay due to a complaint against the selected urban plan filed at the court.

#### 4. Priority axis IV “Improvement of the Maritime and Inland- Waterway Navigation”

##### 4.1. Achievement of the targets and analysis of the progress

**Table 16: Physical progress of priority axis IV – “Improvement of the Maritime and Inland-Waterway Navigation” by quantified indicators as of 31 December 2009.**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis IV – Improvement of the Maritime and Inland-Waterway Navigation</b>											
Part of sea travel along Bulgarian coast covered by safety system (%)	Achievement	10.3	18 <sup>5</sup>	18							18
	Target				39,9					100	
	Baseline	10,3									
Part of river travel along Bulgarian banks covered by safety system (%)	Achievement	0	0	0							0
	Target				36,4					100	
	Baseline	5,10									
Cost saving for modal shift from rail to IWT per km (euro)	Achievement	0	0	0							0
	Target				0,01					0,03	
	Baseline	0									
Supervised coast length	Achievement	24,7	35 <sup>6</sup>	35							35
	Target				95					238,4	

<sup>5</sup> As a result of the implementation of the remarks on project VTMISS– stage 2 under PHARE programme, the radar surveillance was expanded by 7 additional radars, which enhanced the monitoring system

<sup>6</sup> As a result of the implementation of the remarks on project VTMISS– phase 2 under PHARE programme, radar surveillance was expanded by 7 additional radars and TV cameras

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(nautical miles)	Baseline	24,7									
Supervised river length (km)	Achievement	14	60 <sup>7</sup>	60							60
	Target				126,6					407,7	
	Baseline	24									
Navigability period in the year (%)	Achievement	0	0	0							0
	Target				70					83	
	Baseline	64									
VTMIS implementation (number)	Achievement	1 (limited capacity)	1 (limited capacity)	1 (limited capacity)							1 (limited capacity)
	Target									1 (improved capacity – new equipment and software)	
	Baseline	1 (limited capacity)									
BULRIS (number)	Achievement	0	0	0							0
	Target									1	
	Baseline	0									
Length of the sections to corrected (km)	Achievement	0	0	0							0
	Target				17,4					0	
	Baseline	26									

<sup>7</sup> As a result of the introduction of additional functions in Ruse testing centre the receipt of signals from on-board AIS transponders and monitoring of the river section near Ruse was enabled. The modernisation was at the expense of the BPIC.

There are no grant contracts signed under priority axis IV **Improvement of the Maritime and Inland-Waterway Navigation** as of 31 December 2009 and the MA has not made any payments to beneficiaries.

Project for “***Improvement of the navigation in joint Bulgarian - Romanian parts of the Danube River: from rkm 530 to rkm 520 - Batin and from rkm 576 to rkm 560 – Belene***”

To enable the launch of the preparation of the application form, Bulgaria and Romania have to complete and approve feasibility studies carried out under a project for *Technical Assistance for the Improvement of Navigation Conditions in the Joint Bulgaria—Romanian Part of the Danube and Accompanying Studies*, funded under the ISPA programme. According to the timetable of the project’s contractor, it has to be completed by the end of June 2010.

The MA of OPT received an application form with the following scope: *Provision of Consulting Services for Completion of Application Forms for Funding and Development of Tender Procedures under the Project for Improvement of the Navigation Conditions in the Joint Bulgarian-Romanian Part of the Danube from rkm 530 to rkm 520 – Batin and from rkm 576 to rkm 560 – Belene under the European Regional Development Fund.*

The Romanian ISPA project resulted in the drafting of an EIA report which was submitted to the beneficiary, the EAMDR, and relevant public consultation is expected at the beginning of 2010.

As this is a joint project between Bulgaria and Romania, in 2009 the beneficiary, the EAMDR, lent assistance and cooperated with the Romanian counterpart by:

- attending meetings with the Romanian counterpart and the contractor of the Romanian project for the purpose of solution to implementation-related issues;
- submitting information and other materials to help feasibility studies carried out under the project;
- reviewing and providing opinions on the working materials presented by the Romanian counterpart under the project.

Project for “***Establishment of River Information Services System in the Bulgarian part of the Danube River***”

The project has been divided into three stages: Stage 1- Establishment of River Information Services System; Stage 2 – Extension of the Scope of the Services and the System; and Stage 3 – Deployment of New Technology in Compliance with newly adopted Commission rules.

The PPA procedure for the selection of a contractor for the first stage of the BULRIS project was opened on 9 October 2009. A decision of the BPIC general director extended the deadline for submission of proposals to 19 December 2009. The public opening took place on 21 December 2009.

The public procurement procedure was underway as of 31 December 2009. Following the signing of the contract for project implementation (stage 1) with the selected contractor, the beneficiary will draw up and file an application form.

#### Project for *Establishment of Vessel Traffic Management Information System (VTMIS) – stage 3*

The third stage of the VTMIS project has to be compliant and compatible with the established River Information Services (RIS) system. Therefore, the activities related to the technical coordination of the VTMIS are scheduled to start in 2010 after the elaboration of the RIS technical project and after the completion of the procedure for selection of a contractor under the BULRIS project.

#### **4.2 Significant problems encountered in projects preparation and implementation under the priority axis and measures taken to overcome them**

The preparation and implementation of projects programmed for financing under priority axis IV has been considerably delayed. The success of the project for improvement of navigation of the Bulgarian-Romanian part of the Danube is seriously threatened as its completion is directly conditional upon the outcome of studies performed by Romania under the ISPA programme. The deadline has been repeatedly extended and according to the latest timetable of the consultant, works on the project are likely to end by 30 June 2010, which will bring the delay of its implementation to about 23 months. Meanwhile, the tender procedures for assignment of the control and implementation of the infrastructure project have not been clarified and there is uncertainty over the necessary public procurement for which precise information on the scope and subject of activities has to be available. In November 2009, the beneficiary proposed the project to be carried out through “engineering implementation” (design and implementation) which shortens the procedure for development of a work project.

The beneficiary, the EAMDR, showed its readiness to the MA to apply with a project for the Improvement of the Navigation Systems and Topohydrographic Measurements on the

Danube for some EUR 5 000 000 and a three-year duration. The project can be funded under the OPT but it does not solve the problem with the enormous resource of EUR 138 000 000.

## 5. Priority axis V – “Technical Assistance”

### 5.1 Achievement of the targets and analysis of the progress

**Table 17: Physical progress of priority axis V – “Technical Assistance” by quantified indicators as of 31 December 2009**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis V - Technical Assistance</b>											
General transport master plan (number)	Achievement	0	0	0							0
	Target				1						1
	Baseline	0									
Strategic business plan for development of the railway transport (number)	Achievement	0	0	0							0
	Target				1						1
	Baseline	0									
Communication plan implementation (number)	Achievement	0	1 <sup>8</sup>	1							1
	Target				1						1
	Baseline	0									
General plan for monitoring of the environment and its implementation (number)	Achievement	0	0	0							0
	Target				1						1
	Baseline	0									
Trained people according to training programmes (%)	Achievement	0	4.2	8.2							8.2
	Target				100 %					100 %	
	Baseline	0									
Publicity actions at national level	Achievement	4	11	16							16
	Target				9					24	

<sup>8</sup> Approved – currently under implementation



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(number)	Baseline	0									
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18 grant contracts were signed in 2009 under priority axis V “Technical Assistance” for EUR 13 388 869.48 (BGN 26 186 352.60). The grant contracts inked between 1 January 2007 and 31 December 2009 come in at 30 for a total amount of EUR 17 628 256.21 (BGN 34 477 872.34) or 26.73% of the budget of the axis has been negotiated at end-2009.

From 1 January 2007 to 31 December 2009, the Managing Authority of OP Transport made payments to beneficiaries under priority axis I in the amount of EUR 1,983,333.57 (BGN 3,879,063.29) and in 2009 alone the payments made under the priority axis amounted to EUR 1,134,183.77 (BGN 2,218,661.81).

**Project for “*Designing and Implementation of Geographical Information Systems (GIS) for the needs of NRIC*”**

A decision of the head of the MA of OPT of 27 November 2008 approved the project. The grant contract in the amount of EUR 10 000 000 was signed on 06 January 2009.

The following major steps of the project preparation and implementation in 2009 may be noted in a chronological order:

- On 25 May 2009 was signed a project implementation contract between the NRIC and consortium EuroGeoRail in total amount of BGN 9 312 000 and 18-month duration.
- On 24 September 2009, the contractor submitted a report on stage 1 - GIS designing, within which it developed: Analysis of the requirements; system architectural design; database design; detailed design with in-depth description of the separate components of the system. In November 2009, the acceptance committee at the NRIC approved the revised report on stage 1 of the project.
- Approved revised report on stage 1 of the project by the acceptance committee – 17 November 2009.
- On 18 November 2009 was launched the implementation of stage 3 – the Establishment of GIS
- From 14 December 2009 to 30 December 2009, the team of the contracting authority under the contract considered and approved the prototype of the system presented by the contractor.
- In total 274 train stations were land-surveyed as of 31 December 2009.

**Project for “*Elaboration of General Transport Master Plan*”**

An order of the Minister of Transport, Information Technology and Communications of 23 November 2009 extended the deadline for project implementation to 31 May 2010. The

contractor drew up and submitted the following reports by end-2009: Analysis of the Existing Transport System, Analysis of the Future Transport Demand and Report on Transport Modelling, which were adopted.

At end-July 2009, the contractor submitted a report on defining the EIA scope, a proposal for review of the GDP forecasts in the Report 3 on the Analysis of the Future Demand for Transport Services and Future Weaknesses to be Overcome and Report 6 on the Initial Evaluation of Options, submitted for consideration to the members of the Steering Committee.

In August 2009 the Steering Committee discussed Report 4 – Report on Identification of Options, Report 5 – Report on the Evaluation Framework and Report 6 - Initial Evaluation of Options at its meeting, and the comments will be included in the final report on the project.

In October 2009, the MA received Report 7 - Detailed Evaluation Report in English. In November it was presented in Bulgarian as well. The project's Steering Committee discussed it and sent the comments and remarks to the contractor to take them into account.

In December 2009, the MTITC received the preliminary strategic environmental assessment of the General Transport Master Plan, drafted in compliance with the requirements of Decision (EC) No 6/2008, which will be submitted to the MOEW.

Project for “*Preparation of Strategic Business Plan for the Development of Railway Transport*”

The project for Preparation of Strategic Business Plan for the Development of Railway Transport has been programmed for funding under priority axis 5 Technical Assistance as part of the project for Technical Assistance for Strategic Development of the Railway Sector in the Republic of Bulgaria.

Decision № ПД-14-175/26.10.2009 of the Minister of Transport, Information Technology and Communications opened the public procurement procedure with the following scope: Preparation of Strategic Business plan for the Development of Railway Transport. The deadline for submission of proposals by tenderers was 4 January 2010. The submitted proposals will be opened, discussed and evaluated in early 2010.

**5.2. Problems encountered and measures taken to overcome them under the priority axis**

The implementation of projects under priority axis Technical Assistance has not faced any significant problems.

## 6. Use of technical assistance

As of end-2009, the Technical Assistance funds were used in three main directions – on the one hand, for the drafting of strategic documents related to the overall activity of the Managing Authority and beneficiaries in the process of programme implementation. This is illustrated by the project for “*Development of the General Transport Master Plan*” at the amount of BGN 7 027 000 whose beneficiary is the MA of the OPT and the project for “*Designing and Implementation of Geographical Information Systems (GIS) for the needs of NRIC*” for which a grant contract was signed for BGN 10 000 000, whose beneficiary is the NRIC and the supporting project for assistance to the NRIC with technical expertise in the monitoring and control over the implementation of the project for “*Preparation of project for Designing and Implementation of Geographical Information Systems (GIS) for the needs of National Railway Infrastructure Company (NRIC)*” (grant in the amount of BGN 44 575). Priority axis Technical Assistance will fund the development of a strategy for ERTMS deployment and the project for elaboration of a strategic plan for the development of railway transport as well as the development of a strategy for implementation of technical specifications for the interoperability of the conventional railway system in the Republic of Bulgaria.

On the other hand, the technical assistance funds will finance the preparation of projects – “*Consulting Services for Compliance Assessment of Investment Project as regards the Essential Requirements for Construction concerning the project for Technical Assistance for the Rehabilitation of Railway Infrastructure along Sections of Mezdra-Gorna Oryahovitsa Railway Line in Bulgaria*” (grant in the amount of BGN 188 000), whose beneficiary is the NRIC, and “*Technical Assistance for Consulting Services for the Drafting of Documentation Packages Necessary for Procedures and Activities in the Preparation for Implementation of Railway Investment Projects*” (grant in the amount of BGN 1 000 000), whose beneficiary is the NRIC, “*Technical Assistance for Preparation of Project for the Construction of Intermodal Terminal in Sofia - stage I*” (grant in the amount of BGN 500 000). Furthermore, under priority axis II “Development of Road Infrastructure along the Trans-European and Major National Transport Axes” were approved projects for development of a technical project for the following site: Struma MW, Lot 2, Dupnitsa-Blagoevgrad section from km 322+000 to km 356+000 (grant in the amount of BGN 3 000 000) and a project for provision of consulting services for completion of application forms for funding of project for Construction of Struma MW under the Cohesion Fund (grant in the amount of BGN 1 800 000).

Thirdly, funds under priority axis Technical Assistance are used for financing of the Managing Authority's operating activity through:

- implementation of publicity and communication measures;
- provision of specific expertise to the MA in on-the-spot checks;
- organisation of meetings of the MC of the OPT
- ex-ante control;
- monthly remuneration for the employees of the MA of the OPT and the Internal Audit Unit of the MTITC for the purpose of improvement of the administrative capacity.
- Plans for additional remuneration of the employees of the MA, the NRIC, the AEMDR and the BPIC were approved in accordance with Council of Ministers Decree 197/2008. As CMD 197/2008 was repealed at end-2009, it was applied only once for the employees of the MA of the OPT. The issue of performance-based remuneration of the employees of the NRIC, the AEMDR and the BPIC with a retroactive effect remains unsolved.

## 7. Information and publicity measures, implementation of the Communication Plan

As part of the Communication Plan and the information and publicity measures, the MA of the OPT carried out the following basic activities in 2009:

### 7.1. Information and publicity events under Operational Programme on Transport

**Table 18: Information and publicity events held under the OPT in 2009**

<b>№</b>	<b>Date/period</b>	<b>Location</b>	<b>Event</b>	<b>Target groups</b>
1.	13 January 2009	Ministry of Transport	OP Transport Open Doors Day	General public; media, NGOs, Beneficiaries
2.	23 March 2009	Building site of consortium MetroTrace	Public on-the-spot check of the actual launch of the project for Sofia Metro extension	Media, general public, beneficiary, local authorities, population in the area of the construction
3.	25 May 2009	Ministry of Transport	Formal ceremony for the signing of two railway contracts under project for Electrification and Reconstruction of Svilengrad-Turkish border railway line and	Media, general public, beneficiary

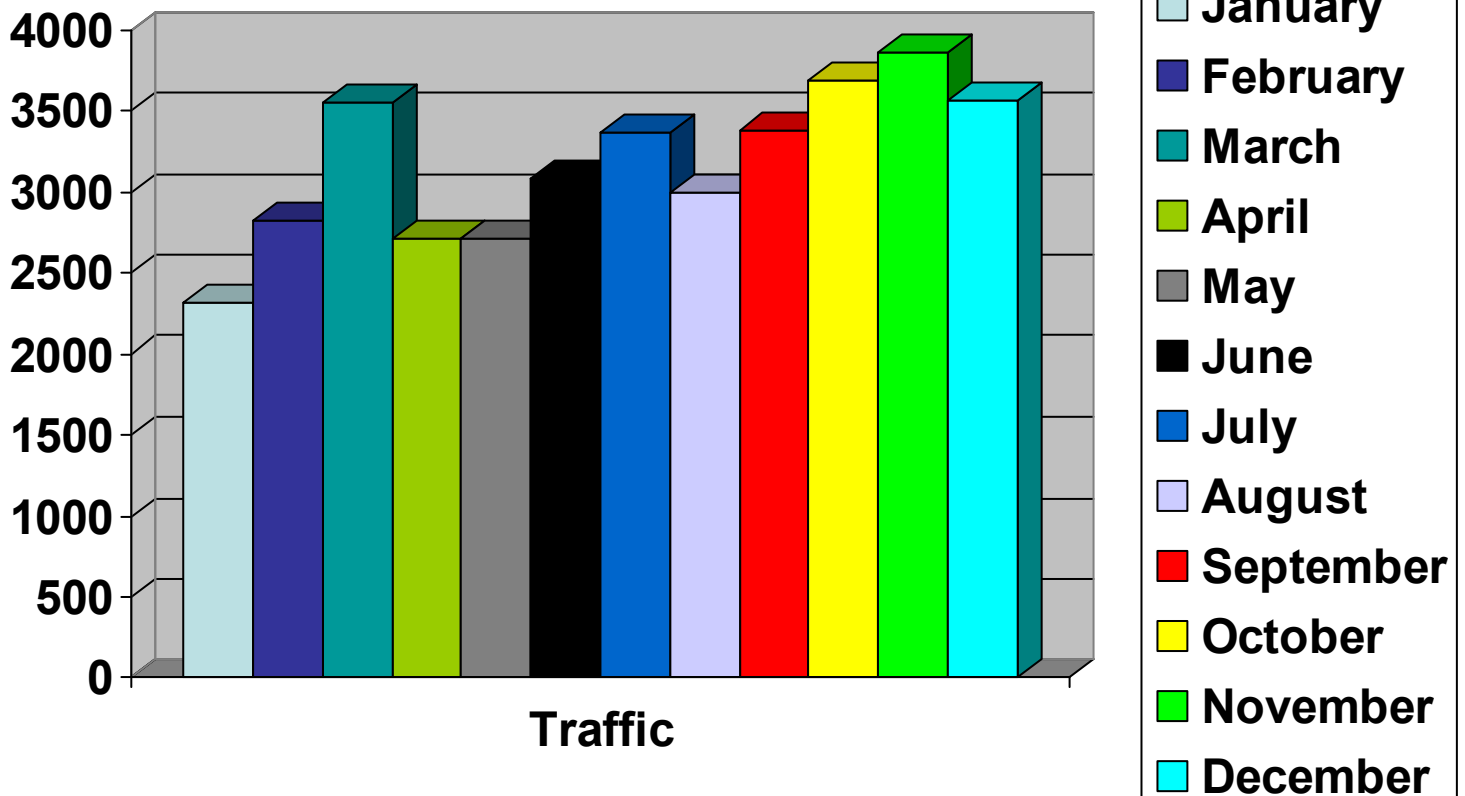
			project for Designing and Implementation of Geographical Information System for the needs of the NRIC	
4.	12 June 2009	Granite Hall, Council of Ministers	Public presentation of the analysis of OPT implementation and its development prospects (press conference)	Media, general public, Beneficiaries
5.	22 October 2009	Building site of consortium MetroTrace	Visit of Regional Policy Commissioner Pawel Samecki to the building site of consortium MetroTrace, Cherni Vrah Blvd., part of the metro extension project in Sofia, funded by the ERDF through the OPT	Media, general public
6.	9 December 2009	Herrenknecht plant, Schwanau, Germany	Official ceremony for the acceptance of the tunnel-boring machine (TBM) under the metro extension project in Sofia	Media, general public; beneficiary
7.	19 December 2009	RIU Pravets Resort Hotel, town of Pravets	Seminar for journalists for presenting the progress on the implementation of OP Transport	Media, general public, NGOs, Beneficiaries

## 7.2. Major activities performed

1. Release of news on the webpage of OP Transport – 45 articles
2. Publication of the projects approved for funding, update on a monthly basis
3. Approved communication plans of investment projects – 2 under the project for Sofia Metro Extension;
4. Meeting with the experts of beneficiaries responsible for information and publicity measures implementation – 24 April 2009;
5. Participation in regular meetings with information and publicity experts of the operational programmes, organised by the Central Information Office.

## 7.3. Statistics of the traffic of the webpage of OP Transport [www.optransport.bg](http://www.optransport.bg)

- Total number of visitors per year - 38 031;
- Unique visitors (number of visits of different users for 24 hours - 00-24 o'clock) - 33 557;
- Page views (number of loads of a page) – 212 071;
- Maximum number (peak) of online users per day – 20



#### 7.4. Projects funded under the OPT Communication Plan

##### 1 . Project for *Development and Maintenance of an Internet Site of Operational Programme on Transport 2007-2013*

Decision OPT-17 of 23 October 2009 of the head of the MA of the OPT on the grant award.

Total budget of the project – BGN 88 800

Project duration – 7 December 2007 – 16 July 2011

Project activities and outcome:

The project implementation continues until 2011. A webpage of Operational Programme on Transport was developed. The webpage complies with all requirements of Regulation 1828/2006. The releases on the webpage meet the requirement of the applied regulation for publication of lists of beneficiaries of the programme and funded projects. The webpage is being updated on a regular basis with news and materials related to OP Transport. The webpage is free of charge and is accessible to the public. A version has been developed for the visually impaired people. The website gives information on the telephones and emails of the employees of the MA of OP Transport. There is email for feedback. It also offers free-of-charge subscription for the news feed. A special section, *Alerts*, enables citizens to send alerts by email.

To improve the transparency of public procurement procedures for projects programmed for funding under OP Transport, the News section of the webpage publishes topical information on the opening of tenders, applicants therein, as well as the selection of a contractor for the particular procedure.

2. Project for *Activities Performed in Implementation of the Communication Plan of OP Transport 2007-2013*

Decision OPT-48 of 26 August 2009 of the head of the MA of the OPT on the grant award.

Total budget of the project – BGN 3 600 000 (VAT included)

Project duration – 24 November 2008 – 1 September 2012

The planned communication measures in implementation of the Communication Plan of Operational Programme on Transport 2007-2013 /OPT/ will enable the OPT Managing Authority to meet the Commission's information and publicity requirements as regards EU structural instruments and will contribute to the implementation of the measures and achievement of the targets laid down in the OPT Communication Plan. The project contains standard activities related to the promotion of OPT targets and priorities, coverage of important public events as well as development of Guidelines for the implementation of information and publicity measures.

The project will ensure daily media monitoring and weekly content analysis of articles in the print media, information in electronic media, news agencies and online editions on topics related to Operational Programme on Transport.

Sociological surveys will be conducted under the project in line with Chapter X Monitoring and Evaluation of the Communication Plan of OP Transport 2007-2013

Evaluation reports on the progress of the Communication Plan implementation will be drafted on an annual basis.

Depending on the readiness and construction of major infrastructure projects, documentaries on the construction of major projects will be made and filmed.

The project specificity has been included as an activity planned within OPT priority axis 5, "Technical Assistance", measure 5 information and publicity.