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

**COORDINATION OF PROGRAMMES AND PROJECTS  
DIRECTORATE**

**MANAGING AUTHORITY**

**OPERATIONAL PROGRAMME ON TRANSPORT 2007-2013**

**ANNUAL REPORT**

**2011**



**ОПЕРАТИВНА ПРОГРАМА  
ТРАНСПОРТ 2007-2013**  
По-близо, по-близки...



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## SUMMARY

The annual report on the implementation of Operational Programme on Transport (OPT) for 2011 was drafted in pursuant to Article 67 of Council Regulation (EC) 1083/2006 and in compliance with the requirements of Regulation (EC) 1828/2006. It follows the structure presented in Regulation 1828/2006 for preparation of annual reports and the structure of the annual reports on the implementation of OPT, established over the previous years.

The report covers the implementation of OP “Transport” by 31.12.2011, which appears to be the most successful year in regards to the size of the awarded grants, certified and paid by EC expenditure. For 2011 only, the amount of the awarded grants was about 1.1 billion euro or almost twice higher than for the whole period of 2007-2010, and over EUR 308 million were paid to beneficiaries, which is almost three times the amount paid in the 2007-2010 period. By the end of 2011, the European Commission paid a total of over EUR 374 million under the programme, which represents about 23% of the budget of the European co-funding of the programme.

At the same time, the implementation of a number of key infrastructure projects for the programme started in the railway and road sector, such as the rehabilitation of the Plovdiv – Bourgas Railway; the rehabilitation of the Septemvri - Plovdiv Railway; the constructions of Lots 1 and 2 of Maritsa Motorway, Lot 1 of Struma Motorway, as well as the connection of Sofia Ring Road with Hemus Motorway and the rehabilitation of the Kurdjali – Podkova road. The public procurement procedures for the above projects were carried out successfully, which allowed the starting of the actual construction in 2011.

Parallel to that, the beneficiaries prepared and submitted to the MA of OPT the application forms, and by end-2011 under the programme were approved four investment projects in the railway sector, three of which major projects (over 50 million euro); five investment projects were approved in the road sector, three of which major; two major infrastructure projects for the construction of the Sofia metro and one project for setting up a river information system in the Bulgarian part of the Danube river. In 2011 only, the European Commission approved the AF of 3 major projects, and other AF were sent for approval. A total of five large-scale projects had received approval by the EC from the beginning of the programme period to the end of 2011.

The implementation of the projects for the construction of the Svilengrad – Turkish Border railway, MW Trakia, Lots 2, 3 and 4 and the two projects for the Extension of the Sofia Metro is continuing successfully. The road junction at Stara Zagora, part of Lot 2 of MW Trakia, was commissioned at end-2011. The Svilengrad – Turkish Border Railway, the two projects for the Extension of the Sofia metro and the greater part of MW Trakia are scheduled to be commissioned in 2012. After the commissioning of the above projects, the first effects from the implementation of OPT will be felt and they will be connected with the reduction of the road traffic to Bourgas and the provision of quicker and clean urban transport in Sofia.

The progress reported in 2011 in regards to the financial and physical implementation of the programme is a result of several factors. On the one part, it is a result of the specifics of preparation and implementation of infrastructure projects. The preparation of projects under OPT continued longer than envisaged initially, and with the exception of the project for the



Extension of the Sofia Metro and MW Trakia project, the implementation of the other major infrastructure projects started in 2011. In this way rhythmical payment among MA, the beneficiaries and the contractors was provided, as well as the respective certification of expenditure and their reimbursement by EC.

The progress achieved in the implementation of OPT is also a result from the amendments made in the programme at the end of 2010. By the decision of the European commission dated 11.11.2011 the amendment of OPT was adopted, which provided stage II of the metro extension project to be funded under priority axis 1., as well as the bridging ISPA-OPT project Purvomai – Svilengrad railway project, providing a bridge between the pre-accession ISPA programme and OPT, The advanced phase of implementation of the second project of the metro contributed to a great extent for the good financial progress of the programme.

In 2011, MA prepared a new amendment to OPT, which was due to impossibility the project for improvement navigation along the Danube River to be implemented during the present programming period. The preparation of the project could not be finished in 2011, and meanwhile to the project is allocated the biggest part of the financial resource of priority axis 4. In this respect, MA had consultations with EC the project to be implemented during the next programme period. This issue was discussed also at the 11<sup>th</sup> meeting of the Monitoring Committee in December 2011 and it was decided the preparation of the project to be completed during the current programming period, and the project to be implemented during the next programming period. The free financial resources will be used for funding the construction of the metro in the section from Tsarigradsko Shosse to Sofia Airport. For this purpose at the 11<sup>th</sup> meeting of the MC of OPT, 110 million euro was transferred from priority axis 4 to priority axis 3 for the implementation of the new project for the construction of metro under priority axis 3.

For the purpose of greater clarity in connection to the implementation of OPT, the 2011 Annual Report is divided into two main sections. **Section II Overview of OPT Implementation for 2011** presents general information about the financial and physical implementation by the end of 2011. Table 1 shows the progress made to core indicators, which are relevant for OPT. The financial implementation of the programme is shown under item 1.2 **Financial implementation of OPT as of 31.12.2011** of the report. Presented is information about the amount of the awarded and paid grant by sources of funding and categories of expenditures. By the end of 2011, awarded grants amount to BGN 3,407 603 951.97 (EUR 1,742 280 234.97) or 87% of the total budget of the programme. The paid grants amount to BGN 888,320,262.08 (EUR 454,190,937.90), which represents 22.67 % of the budget of the programme. The overall amount of the verified expenditures under the programme by the end of 2011 is BGN 980,045,720.93 (EUR 501,089,420.31). The certified expenditure to EC is BGN 895,101,030.48 (EUR 457,657,889.73), of which BGN 538,884,578.89 (EUR 275,531,536.39) expenditure co-financed from CF and BGN 356,216,451.59 (EUR 182,133,373.35) expenditure co-financed from ERDF. By 31.12.2011, EC made interim payments under OPT at the amount of BGN 732,730,385 (EUR 374,639,097).

The implementation of each of the priority axes and of the individual infrastructure projects is presented under Section III **Implementation of Operational Programme on Transport by Priority Axes**. In this section are reported the values of indicators by priority axes by the end of 2011, and information about the physical and financial progress for each infrastructure project under implementation. In regards to the activities performed for monitoring and



evaluation of the programme, information is provided about the OPT MC meetings and the decisions taken, as well as on-the-spot checks carried out by MA. The first three evaluations of OPT: at final beneficiary's level, mid-term evaluation of the programme and evaluation of the monitoring system were carried out in 2011. Information about the findings and recommendations of the individual evaluations is provided under item 7.6 **Ongoing Evaluation of OPT** of Section III of the report. The last part is dedicated to the activities carried out in regards to information and publicity measures in 2011.



## ABBREVIATIONS

MW	– Motorway
PPA	– Public Procurement Agency
RIA	– Road Infrastructure Agency
BTC	– Bulgarian Telecommunication Company
BULRIS	– Bulgarian River Information System
DG	– Directorate General
GIS	– Geographic Information System
EFA	– Executive Forest Agency
OG	– Official Gazette
BPIC	– Bulgarian Ports Infrastructure Company
EBRD	– European Bank for Reconstruction and Development
EC	– European Commission
EIB	– European Investment Bank
UIP	– Unified Information Portal ( <a href="http://www.eufunds.bg">www.eufunds.bg</a> )
EC	– European Communities
ERDF	– European Regional Development Fund
EU	– European Union
PIU	– Project Implementation Unit
SDA	– Spatial Development Act
AEUFEA	– Audit of EU Funds Executive Agency
EPA	– Environmental Protection Act
PPA	– Public Procurement Act
SDA	– Spatial Development Act
EA	– Executive Agency
EA EMDR	– Executive Agency for Exploration and Maintenance of the Danube River
IMT	– Intermodal Terminal
ISPA	– Instrument for Structural Policies for Pre-Accession
UMIS	– Unified Management Information System for EU Structural Funds and the Cohesion Fund
MC	– Monitoring Committee
CP	– Communication Plan
CPPD	– Coordination of Programmes and Projects Directorate



CF	– Cohesion Fund
MOEW	– Ministry of Environment and Water
MRDPW	- Ministry of Regional Development and Public Works
CM	– Council of Ministers
MS	– Metro Station
MT	– Ministry of Transport
MTITC	– Ministry of Transport, Information Technology and Communications
MF	– Ministry of Finance
IFIs	– International Financial Institutions
NRIA	– National Road Infrastructure Agency
OASPPC	- Ordinance on Awarding Small Public Procurement Contracts
NIPCM	– National Institute for Protection of Cultural Monuments
NIMC	– National Institute for the Monuments of Culture
NRIC	– National Railway Infrastructure Company
NGOs	– Non-government organizations
NSRF	– National Strategic Reference Framework
NF	– National Fund
EIA	- Environmental impact assessment
OP	– Operational Programme
OPT	– Operational Programme on Transport
AEUFD	– Audit of EU Funds Directorate
MCSD	– Management and Control Systems Description
CMD	– Council of Ministers Decree
DSDP	– Detailed Spatial Development Plan
RIEW	– Regional Inspectorate of Environment and Water
RIS	– River Information System
CCEUFM	- Council on Coordination of EU Funds Management
SM	– Sofia Municipality
SRR	– Sofia Ring Road
SCC	– Sofia City Council
TEC	– Technical Expert Council
MA	– Managing Authority
AF	– Application Form





- CCU – Central Coordination Unit
- AFCOS – Anti-Fraud Co-ordination Service
- ERTMS – European Railway Traffic Management System
- JASPERS - Joint Assistance to Support Projects in European Regions - a joint initiative of the European Commission, EIB and EBRD for providing technical assistance in the preparation of big infrastructural projects
- LOTHAR – A system for forecasting and monitoring of the financial implementation of operational programmes in Bulgaria
- TEN-T – Trans-European transport network
- VTMIS – Vessel Traffic Management Information System



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*Metropolitan Project, Stage II, Lot 1: Obelya– Nadezhda Road Junction and Lot 2: Mladost I– Mladost III– Tsarigradsko Shosse Blvd., including MS 8 and MS11*

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## I. IDENTIFICATION

OPERATIONAL PROGRAMME	Objective: Convergence
	Eligible area concerned: Bulgaria
	Programming period: 2007 - 2013
	Programme Number (CCI №): 2007BG161PO004
	Programme title: Operational Programme on Transport
ANNUAL IMPLEMENTATION REPORT	Reporting year: 2011
	Date of approval of the annual report by the Monitoring Committee: 05.06.2012

## II. OVERVIEW OF OPT IMPLEMENTATION FOR 2011

### 1. Analysis of Progress and the Achievement

The implementation of the Operational Programme on Transport in 2011 could be defined as the most successful so far both in regards to financial implementation and in respect to submitted and approved application forms for infrastructure projects. This is mainly due to the infrastructure projects under implementation, such as the two projects for the construction of Sofia Metro, lots 2, 3 and 4 of MW Trakia. Their implementation started in 2009-2010 and in 2011 they managed to generate sufficient expenditure under the Cohesion Fund (CF) and the European Regional Development Fund (ERDF), so that the risk of decommitment under the programme is reduced to minimum.

In 2011, grant contracts were awarded in the railway sector for the projects for rehabilitation of the Plovdiv – Bourgas railway line and modernization of the Septemvri – Plovdiv railway line. By the end of 2011, grants amounting to 94% from the budget of priority axis 1 Development of Railway Infrastructure along the Trans-European and Major National Transport Axes were awarded. The construction of stage II of the Extension of Sofia Metro project, as well as the bridging railway project Purvomai – Svilengrad were implemented under this axis. The application form for this project was approved at national level in 2010, however the grant contract was signed in March 2012. As a result, by March 2012 grants were awarded at the amount of almost 10% over the existing budget of priority axis 1. After the conclusion of all tender procedures under priority axis 1, MA plans to reduce the amount of grants awarded under different projects to the amount of . In this way resources will be released, which would not be sufficient, but, could be used for the implementation of the Purvomai – Svilengrad project.

By the end of 2011, grants amounting to 97.6% of the available budget of priority axis 2 Development of Road Infrastructure along the Trans-European and Major National Transport Axes were awarded. Five infrastructure projects are under implementation, three of which are large-scale ones. In the road sector after the completion of the tender procedures the amount of grant awarded under different projects will be reduced to the amount of contracts signed.



The released financial resource will be used for funding “mature for financing” road projects, such as the Sofia – Kalotina.

The implementation of priority axis 3 Improvement of Intermodality for Passengers and Freight is the most stable one in regards to the amount of grants awarded (about 88% of the budget of the axis) and paid expenditure. The main reason is the successful implementation of stage 1 of the Extension of Sofia Metro project, which was also the first approved major infrastructure project under the programme. In 2011, it has finally become clear that the project for the construction of the Intermodal Terminal in Sofia under priority axis 3 cannot be implemented, as the site for the construction of the terminal has lost its relevance. In this respect, the beneficiary NRIC proposed at the 11<sup>th</sup> meeting of MC of OPT the project to be replaced by the construction of intermodal terminal in the city of Plovdiv.

In 2011, progress in the implementation of priority axis IV Improvement of the Maritime and Inland-Waterway Navigation was marked by the approval of the first project under the axis for construction of River Information System in the Bulgarian Part of the Danube River (BULRIS). The beneficiary Bulgarian Ports Infrastructure Company (BPIC) is at the stage of advanced preparation of the Phase 3 of the Vessel Traffic Management System (VTMIS), which is expected to be approved by MA in 2012. The most serious problem for the implementation of the axis is the failure of implementation of the project for improvement of the navigation along the Danube River, which is the biggest project in the water sector of OPT. The delay of the preparation of the project under the Romanian ISPA Programme has been discussed many times during the past years. Due to the impossibility the project to be implemented during the current programming period, at the OPT MC 11<sup>th</sup> meeting in December 2011 it was decided that the preparation of the project will be made during the current programming period. The Bulgarian and the Romanian parties undertook the commitment by a joint declaration to implement it during the next programming period and the released resource to the amount of 110 million euro under priority axis 4 was transferred to priority axis 3. Greatest part of these funds will be used to finance a third project of Metropolitan for the construction of the Sofia metro in the section between Tsarigradsko Shosse and Sofia Airport.

The funds of priority axis Technical Assistance are used to finance a number of activities for functioning of the beneficiaries and MA both for strengthening the administrative capacity and for preparation of projects. The main recommendation on behalf of the EC, which remains valid for the beneficiaries and MA, is to search for more systematic approach for using the technical assistance in strengthening the capacity of the two major beneficiaries NRIC and RIA. The issue refers also to other beneficiaries under the programme and for its solution a common national approach should to be found.

### **1.1 Physical Implementation of OPT as of 31.12.2011**

By 31.12.2011, 65 contracts/orders were concluded/issued under the Operational Programme on Transport (OPT) for awarding grants to the amount of BGN 3 407 603 951.97 (EUR 1 742 280 234.97) or 87% of the total budget of the programme. By the end of 2011, 51 projects are under implementation under all priority axes. Eleven grant contracts for infrastructure projects were concluded, and the total value of the awarded grant is BGN 3,345,697,772.91 (EUR 1,710,628,108.23), 7 of the projects are major infrastructure projects (over 50 million euro). Approved by MA of OPT and sent to the EC are eight application



forms for major infrastructure projects, of which five are approved by the EC, and three others are in the process of evaluation.

The following infrastructure projects are being implemented:

- Under Priority Axis 1 - ***Development of Railway Infrastructure along the Trans-European and Major National Transport Axes:***
  - Electrification and Reconstruction of Svilengrad – Turkish Border Railway;
  - Rehabilitation of Railway Infrastructure of Sections of Plovdiv – Bourgas Railway – major project, AF was approved by EC in 2011;
  - Extension of Sofia Metropolitan: Stage II, Lot 1: Obelya– Nadezhda and Lot 2: Mladost I– Tsarigradsko Shosse – major project, AF was approved by EC in 2011;
  - Reconstruction and Electrification of Plovdiv – Svilengrad Railway along Corridors IV and IX Project, Phase 2: Purvomai – Svilengrad Section major project, AF was approved by EC in 2011;
  - Modernization of Septemvri-Plovdiv Railway Section, Part of Trans-European Railway Network – major project, AF was approved by EC in 2012;
  
- Under Priority Axis 2 ***Development of Road Infrastructure along the Trans-European and Major National Transport Axes***
  - Completion of MW Trakia, Lots 2, 3 and 4 – major project, AF was approved by EC in 2010;
  - Construction of Maritsa Motorway, Lot 1 and Lot 2 – major project, AF was approved by EC in 2012;
  - Road E-85 (I-5) Kurdjali - Podkova
  - Hemus Motorway, SRR – Yana Road Junction;
  - Struma Motorway, Lots 1, 2 and 4 – major project, AF was submitted to EC in December 2011;
  
- Under Priority Axis 3 ***Improvement of Intermodality for Passengers and Freight***
  - Extension of Sofia Metropolitan – Stage I: Nadezhda Road Junction – Cherni Vruh blvd. – major project, AF was approved by the EC in 2009;
  
- Under Priority Axis 4 ***Improvement of Maritime and Inland-Waterway Navigation***
  - Establishment of River Information System in the Bulgarian Part of the Danube River

Detailed information about the physical progress under the individual priority axes is presented under Section III **Implementation of Operational Programme on Transport by Priority Axes.**



**Table 1: OPT Core Indicators**

Indicator		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Projects in Transport Sector (Number)	Achievement	0	0	2	3	12					12
	Target									15	
	Baseline	0									
New roads (km)	Achievement	0	0	0	0	0					0
	Target				81.7					248.9	
	Baseline	0									
New TEN roads (km)	Achievement	0	0	0	0	0					0
	Target				81.7					248.9	
	Baseline	0									
Reconstructed roads (km)	Achievement	0	0	0	0	0					0
	Target				290					880	
	Baseline	0									
Value for time savings Euro (roads) (millions Euros per year)	Achievement	0	0	0	0	0					0
	Target							150			
	Baseline	0									
New railroads (km)	Achievement	0	0	0	2.3	16.3					16.3
	Target				11.9					36	
	Baseline	0									
TEN railroads (km)	Achievement	0	0	0	2.3	16.3					16.3
	Target				269.6					817	
	Baseline	0									
Reconstructed	Achievement	0	0	0	0	0					0



railroads (km)	Target				269.6					817	
	Baseline	0									
Saved euro (railway transport) (millions per year)	Achievement	0	0	0	0	0					0
	Target				0.79					2.39	
	Baseline	0									
Additional population served by improved urban transport (number)	Achievement	0	0	0	0	0					0
	Target				0			190,000			
	Baseline	0									

As of the reporting date – 31.12.2011 there is some achievements towards indicators initially set, because there is no completed infrastructure project under the programme. The specific of infrastructure projects is that any achievement of indicators could be made after the completion of the project. Taking into account the fact that most of the infrastructure projects will be completed in 2014-2015, only in that period could be registered serious achievement towards target values of indicators.

In relation to reporting on programme indicators, in 2011 was completed “Evaluation of the monitoring system” of OPT” One of the recommendations of the consultant who made the evaluation was to review baseline and target values of indicators, to update the time framework for achieving target values and to update the methodology for calculation of indicators.

In that relation in 2012 Managing Authority will assign to external consultant to update the system of programme indicators, both core and specific programme indicators on priority axis level. The aim is to achieve realistic reporting on programme indicators and respectively physical implementation by updating target values and the methodology for their reporting.





## 1.2 Financial Implementation of OPT by 31.12.2011

In 2011, significant progress under the Operational Programme on Transport was achieved in the financial implementation. As percentage, the increase of the amount of the grants awarded was from 30% at end-2010 to 87% as at the end of 2011 of the total budget of the programme. The amount of the funds paid to beneficiaries only for 2011 increased three times compared to the end of 2010 and at the end of 2011 is 22.67% of the programme budget was paid. As a result of the good financial implementation of OPT by the end of 2011, currently there is no risk of decommitment.

A total of 65 contracts/orders were concluded/issued under the Operational Programme on Transport (OPT) awarding grants to the amount of BGN 3 407 603 951.97 (EUR 1 742 280 234.97) or 87% of the total budget of the programme for the period from the beginning of the implementation of the programme to 31.12.2011. By the end of 2011, 51 projects were under implementation.

The total contracted amount for project implementation is BGN 2,309,092,659.46 (EUR 1,180,620,329.71) or 58.9% of the budget of the programme. Respectively, under priority axis 1 contracts, amounting to BGN 953,303,685.05 (EUR 487,416,434.48) or 76.1% of the budget of the axis are under implementation. Under priority axis 2, contracts for implementation is at the amount of BGN 940,538,285.03 (EUR 480 889 589.09) or 51.7% of the budget of the axis. Under priority axis 3, contracts for implementation to the amount of BGN 362,257,360.13 (EUR 185 219 247.14) or 87.7% of the budget of the axis. Under priority axis 4, contracts for implementation at the amount of BGN 11,492,366.35 (EUR 5 875 953.61) or 3.7% of the budget of axis were concluded. Under priority axis 5, contracts for implementation to the amount of BGN 41,500,962.89 (EUR 21,219,105.39) or 32.1% of the budget of the axis were concluded.

Under the programme, 11 grants awarding contracts for infrastructure projects were concluded, and at the amount of BGN 3 345 697 772.91 (EUR 1 710 628 108.23), and seven of the projects are major infrastructure projects (of over 50 million euro). A total of eight application forms for major infrastructure projects were approved by OPT MA and were submitted to EC, of which five were approved and three are under evaluation, as of 31.12.2011.

Only in 2011, 20 contracts/orders awarding grants were concluded/issued, and the total value of grants awarded stood at BGN 2,238,399,815.64 (EUR 1,144,475,652.61). During the year, contracts for eight infrastructure projects at a total value of BGN 2,225,567,675.64 (EUR 1,137,914,683.61) were concluded, five of which were major infrastructure projects.

By 31.12.2011, grants to the amount of BGN 888,320,262.08 (EUR 454,190,937.90), which represents 22.67 % of the budget of the programme, was paid to the beneficiaries. The financial implementation of OPT by sources of funding is as follows: The Cohesion Fund (CF) – BGN 466,946,221.54 (EUR 238,745,812.03) – 19.01% of the funding under the fund; the European Regional Development Fund (ERDF) – BGN 258,941,862.39 (EUR 132,394,871.94) – 35.90% of the funding under the fund; national co-financing – BGN 162,432,178.15 (EUR 83,050,253.93) – 21.91% of the funding from the state budget. The total amount of the verified expenditure under the programme by the end of 2011 was BGN 980,045,720.93 (EUR 501,089,420.31 euro). The certified expenditure to the EC amounted to BGN 895,101,030.48 (EUR 457,657,889.73), of which costs, co-funded by CF – BGN 538,884,578.89 (EUR



275,531,536.39) and costs, co-funded by ERDF – BGN 356,216,451.59 (EUR 182,133,373.35). By 31.12.2011, EC made interim payments under OPT to the amount of BGN 732,730,385 (EUR 374,639,097).

For the period 01.01-31.12.2011, grants to the amount of BGN 668,135,631.78 (EUR 341 612 324.07) – 17.05 % of the budget of the programme were awarded to the beneficiaries By sources as follows: CF – BGN 429,397,515.06 (EUR 219,547,463.26) – 17.48% of the financing under the fund; ERDF – BGN 111,680,427.26 (EUR 57,101,295.75) – 15.48% of the financing under the fund; national co-funding – BGN 127,057,689.46 (EUR 64,963,565.06) – 17.14% of the state budget. The total amount of the verified expenditure under the programme by the end of 2011 was BGN 795,466,825.52 (EUR 406,715,729.65). The certified expenditure to the EC in 2011 amounted to BGN 726 974 004.36 (EUR 457,657,889.73), of which expenditure, co-funded by CF – BGN 526,524,803.16 (EUR 269,211,986.48); costs, cofunded by ERDF – BGN 200,449,201.18 (EUR 102,489,621.22).



**Table 2: Breakdown of EU Assistance in Euro by Priority Axes**

Priority Axis – EU Fund	Community co-financing	National cofinancing	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 (Cohesion Fund)	512,000,000	128,000,000	128,000,000	0	640,000,000	80 %	0	0
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	743,669,892	185,917,473	185,917,473	0	929,587,365	80 %	0	0
Priority Axis III - Improvement of Intermodality for Passengers and Freight (European Reconstruction and Development Fund)	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 (European Reconstruction and Development Fund)	133,322,500	23,527,500	23,527,500	0	156,850,000	85 %	0	0



Priority Axis V – Technical Assistance - (European Reconstruction and Development Fund)	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: Financial information based on already declared and certified eligible expenditure**

Priority	Total funding of the OP (Union and national)	Basis for calculating Union contribution (Public or Total cost)	Total amount of certified eligible expenditure paid by beneficiaries (in EUR) <sup>1</sup>	Corresponding public contribution (in EUR) <sup>2</sup>	Implementation rate (in % )
	a	b	c	d	e=d/a for public expenditure
Priority axis I - Development of railway infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	640,000,000.00	Public Expenditure	155,407,009.98	155,407,009.98	24.28
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	929,587,365.00	Public Expenditure	120,124,526.41	120,124,526.41	12.92
Priority Axis III - Improvement of Intermodality for Passengers and Freight (European Regional Development Fund)	211,093,801.00	Public Expenditure	178,157,039.30	177,451,746.33	84.06
Priority axis IV - Improvement of the maritime and inland-waterway navigation (European Regional Development Fund)	156,850,000.00	Public Expenditure	0.00	0.00	0.00
Priority Axis V – Technical Assistance - (European Regional Development Fund)	65,950,000.00	Public Expenditure	3,976,334.05	3,976,334.05	6.03
<b>Total</b>	<b>2,003,481,166.00</b>	Public Expenditure	<b>457,664,909.74</b>	<b>456,959,616.77</b>	<b>22.81</b>

<sup>1</sup> Figures expressed in cumulative terms.

<sup>2</sup> Figures expressed in cumulative terms.



**Table 4: Financial Implementation of OPT by Priority Axes and Funds by 31.12.2011 (in Euro)**

Priority Axis	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding public Contribution	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority axis I - Development of railway infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	166 497 933.63	166 497 933.63	141 072 123.87	124 325 607.98
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	138 497 658.91	138 497 658.91	157 360 141.17	96 099 621.13
Priority Axis III - Improvement of Intermodality for Passengers and Freight (European Regional Development Fund)	152 094 218.96	152 094 218.96	142 941 186.10	150 833 984.38
Priority axis IV - Improvement of the maritime and inland-waterway navigation (European Regional Development Fund)	4 518 815.99	4 518 815.99	2 609 750.78	0.00
Priority Axis V – Technical Assistance - (European Regional Development Fund)	9 341 299.26	9 341 299.26	10 207 735.98	3 379 883.94
<b>Total</b>	<b>470 949 926.75</b>	<b>470 949 926.75</b>	<b>454 190 937.90</b>	<b>374 639 097.43</b>



### 1.3 Information on Breakdown of Financing from the Two Funds

Key in accordance with Annex 2, Part A of Regulation No. 1828/2006

Codes of 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 financing

01 –non-repayable aid (NRA)

Codes for type of territory

00 –Not applicable

01 –Urban

Codes for type of economic activity

00 –Not applicable

11 –Transport

Code for 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 OPT by category**

<b>Combination of Codes of Dimensions 1 – 5</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	312,000,000
21	01	00	11	BG	646,869,892
22	01	00	11	BG	96,800,000
26	01	01	11	BG411	357,414,731
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	44,557,500
86	01	00	00	BG	11,500,000
<b>Total</b>					<b>1,624,479,623</b>
* The categories should be coded for each dimension using their standard classification					
** Amount of the Community contribution for each combination of categories					





Table 6 provides information on contracted grants in the form of Community contribution, in Euro and by category, in accordance with Section C, Annex II of Regulation No. 1828/2006.

**Table 6: Allocated Community contribution by category as of 31 December 2011 (EUR) (Commercial contracts)**

<b>Combination of Codes of Dimensions 1 – 5</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	207,364,529.27
21	01	00	11	BG	368,954,959.76
22	01	00	11	BG	15,756,711.51
26	01	01	11	BG411	339,983,349.31
27	01	01	11	BG411	21,629.07
28	01	00	11	BG	4,994,560.57
32	01	00	11	BG	0.00
85	01	00	00	BG	14,983,330.41
86	01	00	00	BG	3,052,909.17
<b>Total</b>					<b>955,111,979.08</b>
* The categories should be coded for each dimension using their standard classification					
** Amount of the Community contribution for each combination of categories					



**Table 7: Community contribution paid by MA by category as at 31 December 2011 (EUR)**

<b>Combination of Codes of Dimensions 1 – 5***</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	112,838,597.24
21	01	00	11	BG	122,746,595.46
22	01	00	11	BG	3,141,517.48
26	01	01	11	BG411	121,497,480.97
27	01	01	11	BG411	21,629.08
28	01	00	11	BG	2,218,288.16
32	01	00	11	BG	0.00
85	01	00	00	BG	7,717,856.97
86	01	00	00	BG	433,021.62
<b>Total</b>					<b>370,614,986.98</b>
* The categories should be coded for each dimension using their 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).*

In January 2011, on the basis of Audit of Operations performed by AEUFD in 2010, for expressing confidence that the declared costs are true and that the transactions are legal and regular, MA of OPT performed analysis of the projects implemented by the beginning of 2011, containing similar activities, which were subject to the imposed financial corrections in 2010. As a result of the checks made by MA and on the basis of the recommendations of the Audit Authority, in February 2011 the Managing Authority found non-eligible costs to the amount of EUR 73,862.07 (BGN 144,459.43). The non-eligible costs established by MA were not covered by the period of the audit, made by AEUFD in 2010, and more specifically, for payments of remuneration of officers performing activities under the ISPA Programme. In connection with the Audit of Operations, made in 2010 by AEUFD, and the analysis made by MA, by February 2011, the total amount of the non-eligible costs under OPT stood at EUR 148,868.24 (BGN 291,156.51). This sum was deducted in 2011 by subsequent disbursements to the beneficiary.



On 11.10.2011 an irregularity was registered under a project, implemented under the OPT Technical Assistance priority axis, whose financial equivalent was BGN 3,990. In this regards, the Manager of OPT MA sent an invitation to the beneficiary to recover the amount due, which the beneficiary recovered into the account of MA on 07.11.2011. By 31.12.2011, BGN 295,146.51 (EUR 150, 906.01) were recovered under OPT.

## 1.6 Analysis of OPT Physical and Financial Progress, and for the Purposes of the Lisbon Earmarking in Particular

**Table 8: Indicative breakdown of funds allocated to Lisbon earmarking under OPT (EU only)**

<b>Convergence Objective</b>			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Community Funding Allocated to the Respective Category of Expenditure (in Euro)	Share of Category within the Total Allocation of Community Contribution (%)
	<b>Transport</b>	1,471,622,123	90.59
17	Railroads (TEN-T)	312,000,000	19.21
21	Motorways (TEN-T)	646,869,892	39.82
26	Multimodal transport	357,414,731	22.00
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 funds allocated to categories of Lisbon earmarking expenditure		1,471,622,123	90.59
Total allocations of EU contribution for the Convergence Objective		1,624,479,623	100



**Table 9: Allocated Community contribution for Lisbon earmarking under OPT (EU only) as of 31 December 2011 (Commercial contracts)**

<b>Convergence Objective</b>			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Community funding allocated to the respective category of expenditure (in euro)	Share of the category within the Community funding allocated to the respective category of expenditure (%)
	Transport		
17	Railroads (TEN-T)	207,364,529.27	66.46
21	Motorways (TEN-T)	368,954,959.76	57.04
26	Multimodal transport	339,983,349.31	95.12
27	Multimodal transport (TEN-T)	21,629.07	0.01
28	Intelligent transport systems	4,994,560.57	31.17
32	Inland waterways (TEN-T)	0.00	0.00
Total contracted funding to categories of expenditure for Lisbon earmarking (EU only) (commercial contracts)		921,319,027.98	56.71
Total funds by categories of expenditures allocated for Lisbon Earmarking (for EU only)		1,471,622,123	100



**Table 10: Payments for Lisbon earmarking as of 31 December 2011 (only the EU)**

Convergence Objective			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Disbursed Funds by the Community, Intended for the Respective Category of Expenditures (in Euro)	Share of Category of Cost within the Total Community Allocation in %%
	Transport		
17	Railroads (TEN-T)	112,838,597.24	36.17
21	Motorways (TEN-T)	122,746,595.46	18.98
26	Multimodal transport	121,497,480.97	33.99
27	Multimodal transport (TEN-T)	21,629.08	0.10
28	Intelligent transport systems	2,218,288.16	13.84
32	Inland waterways (TEN-T)	0.00	0.00
Total paid funds by categories for Lisbon earmarking (EU only)		359,322,590,91	24.42
Total funds by categories of expenditures allocated for Lisbon Earmarking (for EU only)		1,471,622,123	100

### 1.7. Analysis of the overall progress under OPT

***Under priority axis 1 Development of Railway Infrastructure along the Trans-European and Major National Transport Axes*** by 31.12.2011 six contracts for awarding grants to the amount of EUR 600 698 136.98 (BGN 1 174 863 437.25) were concluded, which represents 93.86 % for the budget of the axis. By the end of 2011, the paid grant under priority axis 1 was to the amount of EUR 141,072,123.87 (BGN 275,913,092.02) or 22.04 % of the budget of the axis. The total amount of the verified expenditure under the priority axis by the end of 2011 stood at EUR 188,108,201.62 (BGN 367,907,663.98).

Three railway projects with beneficiary NRIC are under implementation. The first infrastructure project of the beneficiary *Electrification and Reconstruction of Svilengrad – Turkish Border Railway* is still under implementation, and by the end of 2011 the overall physical progress reached 70%. During the year, the following additional contract and agreement were signed between NRIC and the Contractor OHL ZhS AD: *Additional Agreement No. 1*, by which the deadline for carrying out construction works was extended from 24 to 36 months; *Additional Contract for Raising the Nivelletee* to the amount of BGN 10.4 million, VAT excluded, which will be funded from the budget of the beneficiary completely. The project is expected to be commissioned before the end of 2012.

In 2011, between NRIC and MA of OPT were concluded grant awarding contracts for the following railway projects: *Rehabilitation of Railway Infrastructure of Sections of Plovdiv – Bourgas Railway* and *Modernization of Septemvri-Plovdiv Railway Section, Part of Trans-European Railway Network*. The company carried out the tender procedures for the election of contractors for the construction and erection works of the projects, as well as for performing



supervision. In 2011, for the Plovdiv – Bourgas project, the contracts with the elected contractors for the construction and supervision were signed and the preparatory and construction activities were launched. For the Septemvri – Plovdiv project, the contracts for construction and works were signed, however the procedure for supervision was appealed, due to which the consultant is expected to be elected in the beginning of 2012. At the end of 2011, EC approved the AF submitted by NRIC for the *Reconstruction and Electrification of Plovdiv – Svilengrad Railway along Corridors IV and IX Project, Phase 2: Purvomai – Svilengrad Section* project. On 29.12.2011 Council of Ministers' Decision No. 959 was adopted, by which the government agreed MA of OPT to sign a contract for extending grant to NRIC for funding the project. In 2011, the company carried out also the tender procedures for election of contractors for the construction and supervision of the project. NRIC is expected to sign the contracts with the elected contractors in January 2012, as well as to conclude with MA of OPT the grant awarding contract.

In 2011, under priority axis 1, grant awarding contract for the *Extension of Sofia Metropolitan Project, Stage II, Lot 1: Obelya– Nadezhda Road Junction and Lot 2: Mladost I– Mladost III– Tsarigradsko Shosse Blvd.* project was concluded between Metropolitan EAD and MA of OPT. By the end of the year, the physical progress under Lot I was 65 %, under Lot II – 95 %, respectively, and the lot is expected to be commissioned before the deadline in April 2012.

***Under priority axis 2 Development of Road Infrastructure along the Trans-European and Major National Transport Axes***, by 31.12.2011 six grant contracts were signed with grant awarded at the amount of EUR 907 600 241.40 (BGN 1 775 111 780.14), which represents 97.63 % of the budget of the axis. The grants paid by 31.12.2011 under priority axis 2 is to the amount of EUR 157,360,141.17 (BGN 307,769,684.90) or 16.93 % of the budget of the axis. The total amount of the verified expenditures by the end of 2011 is EUR 125,676,758.34 (BGN 245,802,374.27).

Five infrastructure projects are under implementation under the axis by the Road Infrastructure Agency as a beneficiary. The implementation of the *Completion of Trakia Motorway, Lots 2, 3 and 4* project continues, and by the end of the year the implementation of the three Lots is in compliance with the approved schedule. The physical progress under Lots 2 and 3 is over 70 %. Ahead of schedule, in the Autumn of 2011, the newly constructed Stara Zagora Road Junction was commissioned. In connection with the difficulties related to the too damp sections of Lot 4 in 2011, RIA organized public procurement for awarding a contract for stabilization of the ground base at the affected plots of the site, and it is expected the implementation of the contract to start in 2012. The events related to the stabilization of the ground base will not increase the period for the implementation of the project. Lots 2 and 3 as well as approximately 16 km of Lot 4 are planned to be launched in July 2012.

In 2011, a total of four grant contracts were signed between MA of OPT and RIA for grant awarding for the following infrastructure projects:

- *Construction of Maritsa Motorway, Lot 1 and Lot 2*
- *Road E-85 (I-5) Construction of Kurdjali – Podkova Section*
- *Hemus Motorway, SRR – Yana Road Junction Section*
- *Struma Motorway, Lot 1, Lot 2 and Lot 4*



As a result of the successfully concluded public procurement procedures during the year, by the end of 2011 RIA has signed contracts with the elected contractors for the construction and supervision for all listed projects, and in 2012 the contracts for Lot 4 and Lot 2 of MW Struma is forthcoming. The preparation activities for all approved in 2011 projects of RIA started also during the year.

***Under priority axis 3 Improvement of Intermodality for Passengers and Freight***, two grant contracts were signed by 31.12.2011. The grant awarded is at the amount of EUR 185,449,446.94 (BGN 362,707,591.81), which represents 87.9 % of the budget of the axis. By 31.12.2011 payments under priority axis 3 was to the amount of EUR 142,941,186.10 (BGN 279,568,660.01) or 67.71 % of the budget of the axis. At the end of 2011 the total amount of the verified expenditures stood at EUR 178,154,306.58 (BGN 348,439,537.44).

An infrastructural project *Extension of Sofia Metropolitan – Stage I: Nadezhda Road Junction – Central Railway Station - Sc. Nedelya Sq. - Cherni Vruh Blvd.* is under implementation. The total physical progress of the project by the end of 2011 was over 80%, and the sections are planned to be commissioned in August – September 2012.

In connection with the difficulties in the implementation of the projects for construction of the intermodal terminal in Sofia and taking into consideration the fact that the construction site has already lost its relevance, it was decided at the 11<sup>th</sup> meeting of the MC of OPT in 2011, the beneficiary NRIC to start the construction of an intermodal terminal in Plovdiv, while there will be additional studies for the implementation of Intermodal terminal in Sofia.

***Under priority axis 4 Improvement of Maritime and Inland-Waterway Navigation***, one grant contract was signed by the end of 2011. The awarded grant is at the amount of EUR 18 088 951.35 (BGN 35 378 913.72), which represents 11.53 % of the budget of the axis. By 31.12.2011, paid grants under the priority axis 4 was to the amount of EUR 2,609,750.78 (BGN 5,104,228.87) or 1.66 % of the budget of the axis. There were no verified expenditure by the end of 2011.

The *Establishment of River Information System in the Bulgarian Part of the Danube River* project is under implementation, and the grant contract was concluded in 2011 and the first phase of the project was opened. At the end of 2011 BPIC submitted also AF for approval by MA of OPT for the *Establishment of Vessel Traffic Management Information System (VTMIS) – Phase 3*”.

It was decided at the 11<sup>th</sup> meeting of the MA of OPT the implementation of the project for improvement of navigation along the Danube River in the Batin – Belene section to be postponed for the next programme period and the preparation for the project remain for the current period. EAMDR prepares also for funding under the programme another project – *Improvement of Navigation Systems and Topohydrographic Measurements along the Danube River*, and the AF is expected to be submitted to MA in 2012.

***Under priority axis 5 Technical Assistance***, by 31.12.2011, 48 contracts/orders were concluded/issued for grant awarding. The amount of awarded grant under OPT is EUR 30 443 458.30 (BGN 59 542 229.05), which represents 46.3 % of the budget of the axis. By the end of 2011, the paid grant amounted to EUR 10 207 735.99 (BGN 19,964,596.28) or 15.48%



of the budget of the axis. The total amount of the verified expenditure under the axis was EUR 9 150 153.77 (BGN 17 896 145.24).

## 2. Information about Compliance with Acquis Communautaire (Problems and Measures Taken to Deal with Them)

No problems related to non-compliance with Acquis Communautaire were identified as at 31.12.2011.

## 3. Significant Problems Encountered and Measures Taken to Overcome Them

In 2011, MA of OPT identified the following significant problems in the process of implementation of the programme:

- **Lack of decision for ensuring funds for all the projects envisaged for implementation under OPT.** After the two meetings of MC of OPT in 2011, and the decisions made for expanding the list of projects in the programme, there is a possibility for full commitment of the whole budget of the programme. Meanwhile, the total value of the proposed projects exceeds significantly the budget of the programme and this presumes that a respective decision should be made to guarantee the national co-funding, on one side, and the timely and quality implementation and completion of the projects, on the other side.

*Progress: A decision is needed to ensure additional national funds for the implementation of infrastructure projects, whose value exceeds the budget of the programme, as well as a decision whether to finance projects, whose implementation will start after mid-2012, due to a risk to complete them beyond the framework of this programme period.*

- The funds under priority axes 1 and 2 are not sufficient for funding the preparation of priority investment projects in the core and comprehensive TEN-T network.

*Progress: A decision for provision of funds for the preparation of the basic projects, for which funding from the CF and SF will be sought during the next programming period, is required.*

- The process of structuring the project management units with the two major beneficiaries, the Road Infrastructure Agency and the National Railway Infrastructure Company is not finished yet.

*Progress: In September 2011, NRIC started the implementation of a joint project with JASPERS on Technical Assistance for Strengthening of the Administrative Capacity of NRIC and Introduction of Efficient Models for Management of Railway Projects. The project envisages analysis and optimization of the current organization of the Strategic Development and Investment Projects Directorate, as well as supplementing the rules for management of infrastructure projects of NRIC with the development of concrete rules for the performance and structure of PIU/PMU for the railway projects under OPT. The rules are expected to be finalized in the first half of 2012, and it is planned*





*the consultants of JASPERS to continue their assistance in the practical implementation of the rules.*

*In regards to RIA, currently the agency has established PIU for all projects approved for funding under OPT. Methodologies for management of the individual projects are being developed.*

- Delay in the preparation and implementation of the projects planned under priority axis 4. By the end of 2011, only one project was launched under that axis.

**Solution:** *At the 11<sup>th</sup> MC meeting, MA proposed a transfer of funds from priority axis 4 to priority axis 3, which was approved. The proposal was made in connection with the decision the implementation of the project for improvement of navigation along the Danube River in the Batin – Belene section to be postponed for the next programming period and the preparation for the project remain for the current period.*

- **Repeal of CMD 194/2007.** By CMD 330 dated December 5, 2011, CMD 194/2007 on the management of the implementation of infrastructure projects, funded by EU, was repealed, by which the flexibility for the formation of remunerations of the project management units of the beneficiaries under OPT was limited.

**Solution:** *Each beneficiary develops individually methodologies for project management taking into consideration its own structure and the statutory framework in force.*

- Probability part of the projects not to be completed during the period of eligibility under the programme for the current programming period.

**Measures Taken:** *MA of OPT makes an analysis of risky projects and their possible financing, which is in compliance with the contracting process..*

#### **Major risks identified by MA in the process of implementation of OPT:**

- Finalization of AF for the rest projects in the road sector and their presentation to EC for approval before mid-2012, as well as the timely carrying out of public procurement procedures aiming at completing the projects until the end of 2014 – beginning of 2015.
- MA of OPT considers each application form submitted to EC after mid-2012 as very risky one in view of the possibility not to receive approval by the end of 2013;
- It is not clear whether the start of the implementation before the submission of application forms will be provided for financially.

#### **4. Changes in the Context of OPT Implementation in 2011**

##### **4.1 Amendment to CMD No. 70 Dated 14.04.2010 on Coordination of Management of EU Funds**

In 2011, amendments to CMD No. 70 dated 14.04.2010 were adopted, aiming at:



- detailing the functions and authorities of the minister in regards the management of the EU funds;
- changes in the staff and the functions of the Council on Coordination of EU Funds Management, which, pursuant to the amendments, is set up now with the Minister in charge with the EC Funds Management;
- optimization of the mechanism for coordination of programmes, funded by EC, and increasing the efficiency in their management and monitoring.

#### **4.2 Establishment of Strategic Infrastructure Projects National Company**

In 2011, amendments to the Road Act were adopted (Promulgated by Official Gazette, No. 55 dated July 19, 2011), under which the Strategic Infrastructure Project National Company was established with the status of a state-owned enterprise pursuant to Article 62, Paragraph 3 of the Commerce Act. The main field of activity of the new state enterprise is the design, construction, maintenance and repair of the Struma, Hemus and Chernomore Motorways. In this connection, the transfer of the rights and obligations for the preparation and the construction of the above motorways to the National Company is envisaged, aiming at speeding up the implementation of the strategic infrastructure projects. The company is planned to be included also as a beneficiary under priority axes 2 and 5 of OPT in 2012. The management of the state enterprise is carried out by the Minister of Regional Development and Public Works, by the executive director and the management board. In 2011, the executive director was elected and appointed. After including the company as beneficiary under OPT, a project under the Technical Assistance priority axis of the programme is planned to be started in order to provide for costs related to the institutionalization, structuring and starting of the operation of the state enterprise.

#### **5 Substantial Modification pursuant to Article 57 of Regulation No. 1083/2006**

Based on Regulation (EU) No. 539/2010 of the European Parliament and the Council of 16 June, 2010, amending Regulation (EC) No. 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards the simplification of certain requirements and as regards certain provisions relating to financial management, an amendment was made to Article 57 **Durability of operations** in Regulation (EC) No. 1083/2006. the modification is related to the general requirement for the durability of operation implementation, which stipulates that funds awarded as a grant under Regulation (EC) No. 1083/2006 shall not be repaid to the European Union budget. The modifications are as follows:

- Paragraph 1 has been replaced as follows:
  - “The Member State or managing authority shall ensure that an operation comprising investment in infrastructure or productive investment retains the contribution from the Funds only if it does not, within five years from its completion, undergo a substantial modification which is caused by a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which affects the nature or the implementation conditions of the operation or gives to a firm or a public body an undue advantage.



- Actions falling within the scope of assistance from the ESF shall be considered as not having retained the contribution only where they are subject to an obligation for maintenance of investment under the applicable rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and where they undergo a substantial modification as a result of the cessation of productive activity within the period laid down in those rules.

Member States may reduce the time limit set out in the first subparagraph to three years in cases concerning the maintenance of investments by small and medium-sized enterprises.

- A new paragraph 5 was added, which specifies that the provisions of Paragraphs 1 to 4 shall not apply to any operation which undergoes a substantial modification as a result of the cessation of the productive activity due to a non-fraudulent bankruptcy";

At the time of the submission of the report – 31.12 2011, no significant modifications pursuant to Article 57 of Regulation (EC) No. 1083/2006. had occurred.

## **6 Complementarity with Other Community Instruments**

### **6.1 Co-operation with JASPERS**

In 2011, in compliance with the approved Plan of Action for 2011, the assistance of the JASPERS upon the preparation of the application forms of 5 infrastructure projects: one for the railway infrastructure and four for the road infrastructure, as follows:

1. Modernization of Septemvri – Plovdiv Railway Section – Part of TransEuropean Railway Network
2. Construction of Struma Motorway, Lot 1, Lot 2 and Lot 4
3. Kurdjali - Podkova
4. Construction of a Road Connection between Hemus Motorway and Sofia Ring Road
5. Construction of Maritsa Motorway – Lots 1 and 2

The JASPERS assistance was directed mainly to discussing and reviewing of the results from the technical designs and review of the application forms and the related documents from feasibility studies, cost-benefit analyses and EIA.

In accordance with JASPERS Action plan, in 2011 the following projects were completed: “Septemvri – Plovdiv”, “Struma” MW, lots 1, 2 and 4, connection of “Hemus” MW with Sofia Ring Road.

As a result of the successful cooperation with the JASPERS experts and their timely response upon solving issues in the process of evaluation, all the five projects were approved by MA of OPT.

Three of these projects are major, and after the approval of MA of OPT they were submitted to EC for final evaluation. For two of them, Septemvri – Plovdiv Railway Section and MW Maritsa, the approval of EC was obtained in the beginning of 2012. The application form of the project of construction of MW Struma is in a process of evaluation by the EC services.



In 2011, NRIC jointly with JASPERS started the development of rules for the operation and the structure of PIU/PIMU for the railway projects under OPT, aiming at the practical establishment of new PIUs /PIMUs and improving the work of the already functioning ones. It is expected in the first half of 2012 the rules to be finalized and approved by NRIC and to start their practical application.

## **7 Monitoring and evaluation measures and OPT Audits carried out**

### **7.1 Monitoring Committee meetings held in 2011**

#### **7.1.1 Tenth meeting of OPT MC**

The tenth session of MC of OPT was carried out in the period of 07-08.06.2011, and the session was divided between the expert session (07.06.2011) and the official part (08.06.2011). During the expert session, the progress of the implementation of the different projects by priority axes was discussed, which included physical and financial progress, status of the application forms for the individual projects and cooperation with JASPERS, status of the tender procedures, carried out by the beneficiaries. Discussed were the process of disbursement to beneficiaries and the request for reimbursement of funds by EC, the preparation of projects for the next programming period. The two biggest beneficiaries, RIA and NRIC, proposed a list of projects for implementation in the 2014-2020 period, which exceeds significantly the expected resource of the future OP Transport. During the official part of the session, the Annual Report on OPT Implementation for 2010 was adopted. MA of OPT reported on the general financial implementation of the programme, the undertaken measures for monitoring and evaluation, the carried out activities on preliminary control, as well as on the implementation of measures for information and publicity.

#### **7.1.2 Eleventh meeting of OPT MC**

- The eleventh session of the MC of OPT was carried out in the period of 07-08.12.2011 and during the expert session (07.12.2011) the progress in the implementation of the individual projects by priority axes. The beneficiaries reported on the physical and financial implementation, the status of the application forms and the cooperation with JASPERS, the stage of carrying out the tender procedures. During the official part of the session (08.12.2011) criteria for evaluation and choice of projects for technical assistance for preparation of investment projects under OPT; discussed was the Indicative Annual Working Programme for 2012; the preparation of the future Operational Programme on Transport and its connection with the prepared Strategic Investment Plan for Transport. At the proposal of MA, MC adopted the main guidelines for amendment of OP Transport. They are related to:

- The transfer of 110 million euro from priority axis 4 Improvement of Maritime and Inland-Waterway Navigation to priority axis 3 Improvement of Intermodality for Passengers and Freight. As a result, priority axis 4 remains with budget to the amount of 47 million euro, and implemented will be the projects BULRIS, VTMIS Phase 3 and technical assistance for the preparation of the implementation of the project for improvement of the ship navigation along the Danube River in the next programming period, which drops off for implementation during this programme period.



- Under priority axis 3 will be implemented the projects for the extension of the Sofia Metropolitan, Tsarigradsko Shosse – Sofia Airport Section, and about 140 million euro are envisaged to be provided under OPT; project for rehabilitation of railway stations, and about 40 million euro are envisaged to be provided under OPT; project for construction of Intermodal Terminal in Plovdiv City, and about 8 million euro are envisaged to be provided under OPT; and a project for designing of Intermodal Terminal in Rousse City, and about 2.5 million euro are envisaged to be provided under OPT. It was decided the project for construction of Intermodal Terminal in Sofia to be dropped off due to the delayed preparation and the impossibility to be completed during the present programming period.

During the official part the representatives of EC presented the proposals for the EU Cohesion and Transport Policy for the 2014-2020 programming period. Presented were also the results from the performed three evaluations of OPT on themes *Study of Process of Implementation of Projects at Final Beneficiaries Level*, *Intermediate Evaluation of the Progress and Overall Implementation of the Programme* and *Evaluation of Monitoring System of Operational Programme on Transport 2007- 2013*, as well as the activities undertaken for the implementation of the Communication Plan.

## **7.2 Using UMIS Information System**

In 2011, MA of OPT and the beneficiaries under the programme used actively in their work the information system for management and monitoring of the structural instruments of EU (UMIS). The profiles of the officers having the right to work with the system were updated regularly, depending on the rights for the respective modules, taking into consideration the functions they perform.

Aiming at improving the work with the system and solving the emerged current problems, meetings of the set-up interdepartmental working group for development of UMIS were held periodically under the management of the Central Coordination Unit, including representatives of the Certifying Authority and the management authorities of the operational programmes.

In connection with the physical movement of UMIS from the Ministry of Finance to the administration of the Council of Ministers and the new Policy and Procedures for Information Security, additional measures were taken for the security of the system and the reliability of the information included in it. In execution of the new security measures, persons at management positions were appointed to perform control administrative functions in regards to the activities of the other users of UMIS on behalf of OPT and who are to send in electronic way the requests for unlocking of the users profiles of the users of the system.

## **7.3 Using LOTHAR Forecast and Monitoring System**

The established in the forecasts for 2011 approach for presentation of the expenses of the projects pursuant to part N.1 Breakdown of Expenditures of the Application Form on the basis of concluded contracts with contractors proves its efficiency, as it provides a good basis for monitoring and the timely identification of risks upon the implementation of each of the projects included in the LOTHAR system. The approach contributed to the efficient monitoring of the implementation of each project – under which of the activities planned under the project there are concluded contracts and what financial resource of the extended grants remains non-committed under the project. On this basis, activities for updating the contracts for grants and



the provision of the released financial resource for the implementation of other projects. As a result, a high efficiency in using the funds under the programme will be achieved.

In December 2011 the financial forecasts for the implementation of the projects under OPT in the system were frozen until the end of 2012. The forecasts were prepared on the basis of the current data, submitted by the beneficiaries of OPT.

In forecasting/“freezing” of the terms for certification of costs to EC, the approach of six months after verification of the respective costs was used again.

#### **7.4 On-the-spot Checks in 2011**

In 2011, a total of 13 on-the-spot checks were carried out for the projects under OPT, and 10 of them were in compliance with the Annual Plan for Conducting On-the-spot Checks by MA for 2011, approved by the Manager of MA of OPT, as well as Amendment No. 1 to it, the other three were extraordinary on-the-spot check in connection with the completion of projects under OPT.

##### **On-the-spot Checks of Projects Funded under Priority Axis 1 of OPT:**

##### ***1. On-the-spot check of project BG161PO004-1.0.01-0002 – Electrification and Reconstruction of Svilengrad – Turkish Border Railway, carried out in the period: 16.06.2011 – 17.06.2011***

The main goals of the on-the-spot check were connected with the performance of the required reviewing of the documentation of the project, the level of performance of the construction and erection works, as well as tracing the implementation of the recommendations from preceding on-the-spot checks.

The team that conducted the on-the-spot check carried out a detailed documentary check in the offices of the beneficiary in Sofia and of the offices on the site of the Contractor and of the Engineer at the Generalovo railway station aiming at tracing the implementation of the concluded contract, check of the existing building permits and of other statutory documents, as well as of the individual accounting documents under the project. The erected construction sites along the alignment in the region of Svilengrad and the site of construction the bridge over the Maritsa river.

As a result of the visits made, reviewed documents and carried out discussions, the team of MA of OPT found that the executed construction and erection works are of good quality, however a significant delay was accrued in their implementation compared to the planned schedule. Also, by the moment of the check, no design solution has been prepared for the region of the Bulgarian – Turkish border, where there should be mechanical and electrical separation of the contact line, a section post has to be constructed, and power supply of the contact line has to be provided as well – for which a technical solution is missing as well.

MA of OPT has already made recommendations to the beneficiary for the bigger part of the identified problems during the check. The only recommendation from the check was NRIC to finalize in shortest terms the signing of a contract with the present Contractor for carrying out additional activities, which are not envisaged under the original contract. On 03.09.2011 Additional Agreement No. 1 was signed to the main Contract with OHL ZhS AD.



**2. *On-the-spot check of project BG161PO004-1.0.01-0002 - Electrification and Reconstruction of Svilengrad – Turkish Border Railway, carried out in the period: 05.10.2011 – 06.10.2011***

The goals of the on-the-spot check were connected with following up the overall progress of the physical implementation of the project, as well as partial check of the works, included in the Replacement Tables No. 2 and 3 to the Contract with the Contractor.

During the check, meetings with the Engineer, Contractor and the beneficiary were carried out at the on-the-site offices at the Generalovo railway station aiming at discussing the progress of the construction and erection works and identifying of possible risks and problems of the project. A tour was made in the whole alignment of the railway line included in the range of the project, and particular attention was paid to part of the visible facilities, included in the Variation Orders. Check of the observance of the applicable statutory framework for the preparation of acts and protocols under Ordinance No. 3/2003, as a result of which the team of MA of OPT found that the acts were signed by the Project Director in compliance with the contract for consultancy and construction supervision rather than by the manager of the company holder of the license for construction supervision, pursuant to Article 167 of the SDA. In this connection, a recommendation was made to the beneficiary all acts under Ordinance No. 3 to be signed also by the manager of the company holder of the license – partner in the consortium exercising the construction supervision. Also, in order to avoid errors and to work on the approved projects, MA of OPT made a recommendation that at least one copy of the full set of approved designs of all parts of the project to be made available at the on-the-site offices of the Engineer and the Contractor.

**3. *On-the-spot check of project BG161PO004-1.0.01-0002 - Electrification and Reconstruction of Svilengrad – Turkish Border Railway, carried out in the period: 12.12.2011 – 13.12.2011***

The main goal of the check was to follow up the overall progress of the physical implementation of the project and to identify the risks and the problems.

In the process of the check meetings with the beneficiary, Engineer and the Contractor were conducted at the on-the-site offices at the Generalovo railway station and a round of the whole alignment of the railway line, included in the range of the project, was made in order to check the implementation of the construction and erection works.

As a result of the visits made, reviewed documents and carried out discussions, it was found out that the main risk for the completion of the project is the construction of the connection to the contact line in the territory of Turkey and the need of further coordination with the Turkish railways for finalization of the undertaken activities. Also, by the moment of the check, the Contractor had not submitted a revised working programme pursuant to the signed Additional Agreement, by which the Contract with OHL ZhS AD was extended until 30.06.2012 yet. In this connection, MA of OPT required from NRIC to submit the working programme on time, after is updating by the Contractor.



**4. On-the-spot check of project BG161PO004-1.0.01-0006 – Project for Extension the Sofia Metropolitan: Stage II Lot 1 Obelya – Nadezhda and Lot 2 Mladost 1 – Tsarigradsko Shosse, carried out in the period: 21.03.2011 – 07.07.2011**

The goal of the check was to make a thorough review of the physical performance of the project, as the same was included for funding under OPT after a quite advanced stage of construction (about 50% implementation of the contracted activities). The check was conducted by MA and a team of consultants – specialists of construction of tunnels and construction supervision - within the following range:

- check of the available documentation related to the execution of the construction and consultancy
- evaluation of the achieved financial progress and comparison of the schedules for implementation;
- check whether the statutory framework was observed during the execution of construction and erection works.

All construction sites were visited and documental checks in the offices of Metropolitan EAD and the Contractors were made. It was found out that there are no construction works that are carried out without the required approved documents. In the beginning of the construction, some construction works, related to shifting some engineering networks and infrastructure, had been carried out parallel to the design, i.e. before the approval of the designs, delay in issuing some building permits was allowed as well, which caused a delay in the implementation of activities under Lot 2. The construction documents drawn up during the construction are of the required volume and completeness. The construction schedules for the individual lots are observed.

As a result of the findings, MA made the following recommendations:

- Not to allow construction works without approved designs.
- All temporary construction sites have to be brought in compliance with the requirements of SPA and in accordance with the approved situation plans (Plans for Health and Safety at Work). To restrict the access of vehicles and persons that are not engaged with the construction.
- The coordinators of health and safety at work of all construction sites should exercise active and efficient control on site regarding the observance of health and safety at work and to follow up the implementation of the approved plans for the respective stage.
- The consultant of Lot 1 should draw up on time all acts for acceptance of the executed construction and erection works.

**5. On-the-spot check of project BG161PO004-1.0.01-0006 – Project for Extension the Sofia Metropolitan: Stage II Lot 1 Obelya – Nadezhda and Lot 2 Mladost 1 – Tsarigradsko Shosse, carried out in the period: 15.11.2011 г. – 14.12.2011 г.**

The goal of the check was to make a detailed review of the physical progress under the project as well as to follow up the execution of the recommendation from the preceding on-the-spot check.





Meetings in the office of the beneficiary were carried out within the frames of the check, where the physical implementation of the projects was discussed, as well as the measures undertaken by the beneficiary for the implementation of the recommendations made by MA. Part of the available documentation was reviewed in the office of the beneficiary and in the on-the-site offices of the Contractors of Lots 1 and 2 (MS 4 and adjoining plots; MS 3 and adjoining plots). The team of MA of OPT visited the construction sites of both lots and part of the constructed tunnels of the metro and found out that the physical progress under the project is in compliance with the approved schedules and that Lot 2 is expected to be ready before schedule.

During the check it was found out, that during the recovery of Lomsko Shosse blvd. the information plates were removed from the construction sites and, because of the significant progress of the construction and erection works, variants for their relocation to other suitable places or the placement of permanent explanatory plated on the ready metro stations were discussed.

**6. On-the-spot check of project BG161PO004-1.0.01-0007 – Rehabilitation of Railway Infrastructure of Sections of Plovdiv – Bourgas Railway, carried out in the period: 31.10.2011 – 02.11.2011**

The main goals of the check were as follows: To establish the legal start of the site in compliance with SDA – availability of the construction documents and of documentation required pursuant to the contracts for construction works under lot 1, lot 2 and lot 3; to follow up the overall progress of the physical implementation mainly for lot 1 of the project – Mihailovo – Kaloyanovets section; to identify the problems and the risks under the individual construction contracts; to establish whether the publicity measures are followed; to make a check of the documentation, related to the case regarding the license of the Italian Consortium DZZD ETAKONS – Vito Prato, the performer of the construction supervision and approval of the Bulgarian subcontractor Rubikon Engineering OOD.

In the process of check meetings with the beneficiary NRIC were carried out; the documents related to the construction supervision and with the plan for quality management, for environment protection, submitted by the constructor, as well as other documents regarding lot 1 of the project, were reviewed. The representatives of MA visited Kermen railway station and Kalitinovo railway station, where the supplies of rails were made, visited the office of the Engineer in Stara Zagora and the on-the-site offices at the Kaloyanovets railway station.

A tour of the alignment of lot 1, which is of an approximate length of 21 km (total for the two tracks), was made.

As a result of findings of the on-the-spot check, MA of OPT made the following recommendations:

- The date of the approval by the Engineer has to be put on all documents prepared so far and to be prepared in future, as required by the construction contracts for lot 1, lot 2 and lot 3.
- For the remaining 7 months for implementation of construction works for lot 1, to organize a suitable mobilization by the Constructor and to submit a realistic schedule for the completion of the works until 15.06.2012, which is to be observed. The Engineer and the Contracting Authority, NRIC, to render full assistance to the Constructor. .



- The beneficiary should request officially the contract between the Italian consortium DZZD Etakons-Vito Prato and the Bulgarian subcontractor Rubikon Engineering OOD and to submit it to MA.
- To mount the information plate at the Mihailovo railway station on its own bearing structure and to make it double-sided, so that a good visibility to be insured for the two flows of passengers.

***7. On-the-spot check of project BG161PO004-1.0.01-0004 – Consultant Service for Assessment of the Correspondence of the Investment Project with Substantial Requirements To Construction under the Project Technical Assistance for Rehabilitation of Railway Infrastructure in Sections of Railroad Plovdiv – Bourgas, carried out on 15.06.2011 г.***

The extraordinary on-the-spot check was made in connection with the submitted final report and the final payment request for the project. The scope of the check was to trace the implemented activities and the achievement of formulated scopes under the project, as well as the observation, by the beneficiary, of the safe-keeping/archiving of the project documentation and the conduct of accounting activity, in accordance with OPT requirements.

The team of MA of OPT found out that all planned activities were completed, for which the respective documents are available.

***On-the-Spot Checks of Projects Funded under Priority Axis 2 of OPT:***

***8. On-the-spot check of project BG161PO004-2.0.01-0004 – Finalization of Trakia motorway, Lots 2, 3, 4”, carried out in the period: 09.06.2011 - 01.07.2011***

The goal of the check was to follow up the physical progress under the project.

During the on-the-spot check it was found out that the implementation of all three lots is progressing in compliance with the approved schedule. A problem was found in connection with issuing of declarations of conformity of the materials used for the construction of the embankments, as well as a certain delay in the decision-making on behalf of the beneficiary.

MA made recommendation to the beneficiary to conclude as soon as possible a contract for the implementation of a project for updated plan for drainage and new design solutions for strengthening the weak soils of Lot 4, and the Consultants to increase the incoming control over materials.

***9. On-the-spot check of project BG161PO004-2.0.01-0004 – Finalization of Trakia motorway, Lots 2, 3, 4”, carried out in the period: 24.10.2011 - 01.11.2011***

The goal of the check was to follow up the execution of the recommendations from preceding on-the-spot-checks and check of the physical progress under the project.

During the on-the-spot check, the team of MA of OPT found out that the problem for the three lots, established by the Regional Directorate of National Construction Supervision and related to the issuance of declarations of conformity of the materials used for the construction of the



embankments, for which a statement against the consultant of the site was drawn.

During the review of the concluded contract for designer supervision of Lot 4 it was found out, that there is non-compliance in the scope of the contracts for construction and for designer supervision, due to which, for a stretch of a total length of 780 m, designer supervision has not been ensured. In this respect, MA made a recommendation the beneficiary to find as soon as possible a solution of the problem with the non-compliance of the scope of the contracts for construction and the designer supervision of Lot 4, and designer supervision for the whole route of the Lot has to be ensured.

### **On-the-Spot Checks of Projects Funded under Priority Axis 3 of OPT:**

#### ***10. On-the-spot check of project BG161PO004-3.0.01-0001 - Project Sofia Metro Extension, I Stage – II Metro-Diameter: Section Nadezhda Road Junction (MS 5- II) – Cherni Vruh Blvd. (MS 11- II), carried out in the period: 15.09.2011 – 20.10.2011***

The scopes of the on-the-spot check were to trace the implementation of recommendations made upon previous on-the-spot checks and to make a review of the physical progress of the project.

Working meetings were carried out in the office of the beneficiary, Metroliten EAD, during which the progress of the project, the problems that had emerged, the measures envisaged for their removal and solving were discussed and the respective documents of the project were reviewed. The MA team visited all construction sites of the two lots, including the sites at MS 8 and MS 11, which were not funded under OPT, and found out that the carried out activities correspond actually to the progress reported by the beneficiary. During the visits it was found out that the physical progress of the project is in compliance with the approved time programme and its conclusion is expected to be according to schedule. The beneficiary has undertaken the required measures and has performed a significant part of the recommendations made by MA during previous on-the-spot checks.

As a result of the on-the-spot check made, MA of OPT made only one recommendation to the beneficiary regarding the implementation of the measures for information and publicity, as follows: after changing the temporary organization of the traffic and recovering the street pavement, the contractors have to move the information plates (billboards) at a visible place until the conclusion of the projects in compliance with the approved communication plans and the requirements of Regulation 1828/2006.

### **On-the-Spot Checks of Projects Funded under Priority Axis 4 of OPT:**

#### ***11. On-the-spot check of project BG161PO004-4.0.01-0003 - Establishment of River Information System in the Bulgarian Part of the Danube River - BULRIS, carried out in the period: 22.11.2011 – 30.12.2011***



In 2011, the first on-the-spot check of project after the conclusion of the contract for extending grants under OPT (ДОПТ-14/04.10.2011) with the beneficiary – Bulgarian Port Infrastructure Company (BPIC) was carried out.

The main goals of the on-the-spot check were as follows:

- Check of the system for organization of the storage / archiving of the documentation of the project.
- Detailed check of the project dossier, including the signed contracts under the project, the submitted developments under it (all versions) and their adoption; the correspondence with the contractors.
- Review of the physical progress of the sites, where construction and erection works are carried out or have been completed.
- Check of the existing machines and equipment, delivered under the project.
- Follow up of the implementation of the recommendations of previous on-the-spot checks made.

As a result of the conducted meetings with the beneficiary and the check of the individual sites of the project, the team of MA of OPT gave a recommendation the complete documentation under the project to be requested from the territorial units, to be assembled in complete set and kept at a suitable place in the central office of NPIC in Sofia.

#### **On-the-Spot Checks of Projects Funded under Priority Axis 5 of OPT:**

##### ***12. On-the-spot check of project BG161PO004-5.0.01-0024 – Supporting NRIC with Technical Expertise in Carrying Out Monitoring and Control of the Implementation of Contract under the Project Design and Implementation of Geographic Information System (GIS) for the Needs of the National Railway Infrastructure Company, carried out on 15.06.2011***

The extraordinary on-the-spot-check was carried out in connection with the submitted final report and the final request for payment. The goal of the on-the-spot check was to follow the performed activities and the achievement of the planned objectives of the project, as well as the observation by the beneficiary the rules for storage / archiving of the project documentation and the bookkeeping for accounting purposes in compliance with the requirements for projects under OPT. It was found out that all planned activities had been completed, for which the respective documents exist. The main recommendations to the beneficiary NRIC were in the context of the observation of the conditions and the terms planned in the concluded contracts.

##### ***13. On-the-spot check of project BG161PO004-5.0.01-0015 - Design and Implementation of Geographic Information System (GIS) for the Needs of the National Railway Infrastructure Company, carried out in the period: 13.09.2011 – 17.09.2011***

The extraordinary on-the-spot-check was carried out in connection with the finalization of the project and the submission by the beneficiary of the final request for payment. The goal of the on-the-spot check was to follow the performed activities and the achievement of the planned objectives of the project, as well as the observation by the beneficiary the rules for storage /



archiving of the project documentation and the bookkeeping for accounting purposes in compliance with the requirements for projects under OPT.

It was found out during the on-the-spot check that the activities under the project have been completed in regards to the term and scope pursuant to the concluded contracts and the project was completed within the time frame of the Additional Agreement to the Grant Contract between MA of OPT and NRIC signed on 25.05.2011. Despite the complexity and specifics of the project, the beneficiary did its best to cope with the emerged technical and financial problems and to complete it successfully. As a result, NRIC disposes of a developed, built, provided for technically and functioning Geographic Information System and employees trained to work with it. On 15.02.2011, a GIS unit was established within the frames of the Strategic Development and Investment Projects of NRIC – Central Department with the main goal of maintenance and work with the system.

MA of OPT made the following recommendation to the beneficiary – the acquired intangible long-term asset to be booked as such and NRIC to submit to MA print-outs from its accounting system to prove the implementation of the recommendation.

### **7.5 Periodic Meetings with Beneficiaries**

In implementation of Article 6 Monitoring and Reporting, point 7 of the Operational Agreements, concluded between OPT MA and beneficiaries under the programme, OPT MA organizes and holds periodic meetings for assessment of the progress on projects. The periodic meetings are held aiming at conducting current monitoring of the preparation and implementation of the projects and of the programme as a whole. The meetings are organized separately with every beneficiary, with participation of representatives of their management. At the meetings, general issues coming up, as well as current problems of projects under OPT executed by them are discussed, and concrete commitments are taken by the management of the corresponding beneficiary. Representatives of the Central Coordinating Unit, of the Ministry of Regional Development and Public Works, as principal of the Road Infrastructure Agency, as well as of the Audit and Certification Authorities. In 2011, OPT MA carried out 6 periodic meetings with beneficiaries for assessing the progress of the programme.

### **7.6 Evaluations of OP “Transport”**

In 2011, the first evaluations of OP Transport were carried out in compliance with the Indicative Plan for Evaluation of the Programme. On 27.06.2011, contracts were signed with three different contractors for carrying out the four planned evaluations of the programme and the elected contractors were: Eco-Vico Consortium, WIG and Partners Consortium and ECORYS Association. Three of the evaluations of the programme were carried out in the period of July-September 2011 and presented the status of OPT by June 2011. The prepared evaluation reports aimed at improvement of the quality, efficiency, impact, sustainability and the compliance of the assistance provided from the Cohesion Fund, the European Regional Development Fund and the national budget.

At the end of 2011 and the beginning of 2012, OPT MA approved the three evaluation reports prepared in 2011. At the beginning of 2012, concluding debriefing meetings were held with the contractors for the different evaluations, and the recommendation made by them were



discussed during these meetings. In the course of the meetings it was found out that a significant part of the recommendations in the three evaluation reports have already been implemented or are in the process of being implemented by MA and the OPT beneficiaries.

In the end of 2011 started the fourth evaluation of OPT of the theme Assessment of Integration of Horizontal Principles in Management, Monitoring and Implementation of OPT, whose contractor is ECORYS.

The topics of the evaluations of OPT made in 2011 are as follows:

### **1. Examination of Project Implementation Process at Final Beneficiary Level**

The evaluation was made in the July – September 2011 period by Eco-Vico Consortium. At the end of 2011, the contractor presented the final version of the evaluation report, which after the performance of the recommendations of the Contracting Authority and the OPT beneficiaries, was approved by the MA at the beginning of 2012.

All six beneficiaries under OPT were studied within the frames of the evaluation. The main areas of the report included evaluation during the implementation of the projects; presentation of good practices and analysis of the possibilities for their exchange between the beneficiaries. The main criteria, on the basis of which the contractor carried out the independent evaluation were relevancy, effectiveness, efficiency and consistency.

### **Main Findings of the Evaluation:**

One of the main conclusions in the report of the evaluator was that all OPT beneficiaries have built internal structures, which provide a good degree of the processes related to the preparation, performance, management, monitoring and control of the projects under the programme.

The summarized results of the evaluation under the thematic area about the effectiveness in the performance of the procedures by the OPT beneficiaries show that as whole, the division of the functions and responsibilities between MA of OPT and the beneficiaries is suitable. The analysis of the consultant shows that in the performance of the procedures for preparation of projects, MA of OPT has the highest level of effectiveness, followed by RIA and NRIC. The lack of design readiness and unsuccessful tender procedures are pointed out as the major reasons for reducing the effectiveness of the procedures and the delay of the OPT projects.

Regarding the problems in the implementation of projects under OPT, the evaluation showed that all beneficiaries encountered difficulties in carrying out the tender procedures, related mainly to the correct determining of the minimum requirements to the candidates and the development of methods for evaluation of offers. With some of the beneficiaries problems are identified with the capacity for the preparation of big infrastructure projects, including the preparation of application forms.

Within the frames of the performed evaluation, as an example of good practice is identified the project for extension of the Sofia metro, implemented by Metropolitan EAD. The success of the project is due to the established good organization by the beneficiary for the assessment of risk, the developed double system for monitoring and control, as well as the commitment of all participants in the processes of implementation and management of the project.



### **Main Recommendations of the Evaluation:**

- MA of OPT to propose the establishment of a buffer mechanism by using funds from EIB, state loan or reserve for turnover means for timely performance of intermediary payments before deadlines and completely – value and VAT due.
- MA and the beneficiaries of OPT to take measures against the loss of qualified experts, as well as to envisage stimuli for their retention and professional development, including taking measures for provision of better payment to the employees working under OPT and to prepare plans for training the experts and their realization.
- To establish work groups, which to analyze the problems in the implementation of major infrastructure projects, which are results of the requirements of PPA, SPA and other statutory acts. To propose changes, which to support the implementation of major infrastructure projects.
- MA of OPT to assist for the establishment of a joint Bulgarian-Romanian coordination structure, which is to organize and monitor the progress of the research and the process of preparation of the envisaged activities under the Batin – Belene project at sufficiently high level, so that the issues to be solved outside the competences of EA EMDR.

## **2. Interim evaluation of progress and programme performance**

The evaluation was carried out in the July-September 2011 period by the WIG and Partners Consortium. At the end of 2011, the contractor submitted the final version of the evaluation report, which after the performance of the recommendations of the Contracting Authority and the OPT beneficiaries, was approved by MA at the beginning of 2012.

Within the frames of the evaluation, the contractor has studied the following themes: general financial and physical progress in the implementation of the programme; identification of obstacles and problems in the absorption of the funds under OPT; analysis of the development of external for the programme environment; progress in regards to the meeting the objectives of OPT and the wider impact of the programme.

### **Main Findings of the Evaluation:**

One of the main findings in the report of the evaluator is that after the relatively slow start of the programme by the end of June 2011, the implementation of OPT is gaining speed and if this trend is preserved, the implementation should run without loss of funds.

The report of the evaluation points out that even better financial performance is expected under the programme in connection with the including for implementation under Priority Axis 1 of the project for the construction of Stage II of the Sofia Metro, as well as the launch of the major infrastructure projects with beneficiary Road Infrastructure Agency – MW Maritsa and ME Struma.

Aiming at preserving the good rate of implementation of funds under the programme, the evaluator has underlined the need of provision of good preparation of the projects planned for



funding both in the current and in the subsequent programme period, recommending the investment of more funds in this direction.

The consultant has identified as problem the uneven implementation within the frames of the individual priority axes under OPT. No progress has been reported in regards to the multimodal transport of freight under Priority Axis 3 and the water transport under Priority Axis 4.

The major problems, which the beneficiaries meet in the implementation of the projects under OPT are related to the land acquisitions, obtaining building and environmental permits, as well as difficulties related to the provision and funding of projects. In this respect, the evaluator has recommended actions to be undertaken for the discussion of some important changes in regards to the legal and institutional environment for implementation of OPT, such as statutory amendments envisaging speeded-up administration of projects, funded by EU, by the licensing authorities and the courts.

### **Main Recommendations of the Evaluation:**

- MA of OPT should continue the implementation of the measures for strengthening of its administrative capacity and the administrative capacity of the beneficiaries through carrying out training, introduction of a system for provision of the required material stimulation of the employees, as well as hiring external experts for the projects.
- MA of OPT jointly with the beneficiaries to identify new projects for implementation in the field of the water transport and the multimodal transport of freight aiming at achievement of the expected economic and social impact of the programme.
- MA jointly with the beneficiaries to determine the funds necessary for the preparation of projects to be funded both in the current and in the next programming period.
- Actions to be undertaken for the discussion of some important changes regards to the legal and institutional environment of implementation of OPT, such as statutory changes, which have to envisage speeded up administration of projects, funded by EU in on behalf of the licensing authorities and the courts – the goal is shortening of the terms and alleviation of the procedures, related to the land acquisitions, the building permits, EIA, archaeological studies, PPA.
- In order to prevent delays of the projects in the process of implementation with deadlines at the end of 2014 – 2015, MA of OPT should support the beneficiaries in their implementation through regular consultations, support in negotiations for provision of additional funds for financing and carrying out regular on-the-spot checks of these projects.

### **3. Evaluation of the OPT Monitoring System**

The evaluation was completed in the period of July – September 2011 by ECORYS Association. In November 2011, the contractor submitted the final version of the evaluation report, which was approved at the end of 2011.

The evaluation of the system for monitoring of OPT comprised the following major themes: analysis of the effectiveness of the monitoring system, analysis of the quality of the indicators for mentoring, analysis of the organization, capacity and effectiveness of the departments of the Managing Authority, responsible for the implementation of monitoring of the operational programme.





### **Main Recommendations of the Evaluation:**

One of the main conclusions of the report of the evaluator is that the system for monitoring of the projects under OPT has achieved high efficiency.

According to the report, the monitoring system has clearly established structure, participants, rules and responsibilities, which, as a whole, meet the requirements of the regulations of the European Commission for management of the Structural Funds and the Cohesion Fund and of the national statutory documents. According to the consultants, the monitoring system is dynamic and changes in order to meet better the needs and in order to increase the efficiency of work of all units.

The assessment report emphasized that MA of OPT has clear procedure rules for risk assessment and established methodology, which allows the identification of the risk factors, analysis and preparation of preventive measures, as well as taking into consideration the effect of risk management. On-the spot checks are carried out in regards to the planned requirements and correspond to its main goals. As a whole, they are considered an effective mechanism for monitoring, both from the Managing Authority and the beneficiaries.

The report found out insufficient number of experts and specialists in the departments, which carry out monitoring activities at programme level. Recommendations for updating the system of indicators and development of detailed programme for training of experts, engaged in the management of projects. The consultant has found improvement of the reporting quality, but also existence of weaknesses in regards to the efficient work with the information.

### **Main Recommendations of the Evaluation:**

- Complete division of the responsibilities for monitoring at project level and at operational programme level in order to eliminate the possibilities for duplication of work and better effectiveness, better clarity of responsibilities and better control in the performance of the obligations.
- Optimization of the format of the monthly reports for better usage of UMIS. Carrying out training both for the Managing Authority and for the beneficiaries for the presentation of the main functional possibilities of the system. Discussion with the Central Coordination Unit of possibilities for its improvement from the point of view of facilitating the work with it and its better use for monitoring.
- More active role of the Central Coordination Unit in the process of monitoring, and the unit should take the initiative for coordination and discussing of horizontal issues and problems and should comment more thoroughly the quality of the information submitted to it by the Managing Authority.
- Support to beneficiaries from the Managing Authority to improve the risk management at project level. For formalization of the process, the complete management of the risk should be planned as a procedure in the procedural manuals of the beneficiaries.
- Appointment of a sufficient number of employees with the respective competences and separation of the activities related to communication and publicity in sector or department. It is recommended to plan the assessment of the implementation of the Communication Plan under the Operational Programme on Transport.



- Updating of the methodology for calculation of the indicators of the programme; reviewing of the baseline and target values of the indicators; updating of the time framework of the indicators.
- The evaluator recommends also hiring of a consultant for the development of justified programme for training of the employees of MA and time plan for its implementation and carrying out the training in the subsequent 1-2 years, in compliance with the individual and group needs.

## **7.7 Audits carried out in OPT MA in 2011**

### **7.7.1 Audits Conducted by Unit for Internal Audits in MTITC**

In 2011 at MA of OPT 19 final audit reports were received from audits made by Unit for Internal Audit Directorate with MTITC.

Recommendations and findings are submitted to MA and to the audited beneficiaries, and copies of the audit reports and findings are submitted to MA and the audited beneficiaries and copies of the audit reports are sent to the Certification Body. Audits refer mostly to the implementation of single projects, check of conducted public procurement procedures under the OPT, check of eligibility of expenses and spending of funds under OPT. Where it had been necessary, action plans were prepared for the implementation of the recommendations. Some of the recommendations were performed and the open ones are either being performed or are to be performed.

### **7.7.2 Audits carried out by Audit Authority**

- *Audit of Management and Control Systems of OP Transport*

The audit was performed in the period 11.10.2010 – 10.12.2010 by AEUFEA and refers to the systems for management and control of OPT. It was performed on the grounds of Art. 13, Para 1 and Para 3 of Ordinance No H-2/ 24.03.2009 on the terms and conditions for performing, coordination and harmonization of specific audit activities related to funds and programmes of the European Union and Art. 62, Item 1 of Regulation No 1083/ 2006 of the European Commission. Preliminary audit report was submitted to MA on 18.05.2011. The final report was received at MA on 30.06.2011.

Addressed recommendations refer to:

- Amendment of the Procedure Manual for Management and Implementation of Operational Programme Transport in order to improve the work of MA
- Compliance with the time periods for reporting the project implementation and the performance of payments
- Better documenting of performed activities with traceability and audit trail
- Completing projects' dossiers
- Improvement of the control procedures
- Observing the procedures for public procurement award
- Improving the work of the evaluation committees



MA of OPT has fulfilled the main part of the addresses recommendations. Updated is the Procedure Manual for management and implementation of Operational Programme Transport and it was approved on 15.11.2011. Action plan No 14-00-32600/ 12.12.2011 was worked out and it is in the process of implementation.

- *System audit under Key Requirement 7 of the General guidelines of EC for general methodology for evaluation of the systems for management and control in the member-states – Required Preventive and Corrective Actions in case of identified systematic errors of audits* was organized in the period 1 of September – 21 of October 2011 in the Management Body of Operational Programme Transport 2007-2013.

The general objective of the audit is to acquire reasonable certainty about the effective functioning of the management and control systems with MA of OPT in compliance with the requirements of Regulation (EC) No1083/2006 and Regulation (EC) No 1828/2006.

The specific objective of the audit is to obtain reasonable assurance and to assess whether implemented procedures ensure:

- Adequate review and tracing the results from all audits performed by the respective auditing institutions in accordance with Art.62 of Regulation No 1083/2006, including the adequate documenting of these reviews;
- Implementation of preventive and correcting actions in case of systematic errors.

The final audit report was received at MA of OPT in February 2012 without addressed recommendations and evaluation 1 Functions Well. Insignificant improvements are required.

- *Audit of the IT systems used for the Structural Funds and the Cohesion Fund*

In the month of February 2011 MA sent a standpoint regarding the preliminary audit report with letter registration number 07-00-46/08.02.2011. On 13.05.2011 the final audit report was received at MA and MA worked out action plan for the implementation of the addressed recommendations.

Addressed recommendations refer to:

- required timely notification of CCU in case of specifically established inconsistencies of the work with UMIS
- Improvement of the work for the purpose of maintaining updated information

In the period 20 of October – 30 of November 2011 the Audit Body performed a system audit for tracing the implementation of the recommendations of the audit (System audit under Key requirement 6 reliable Systems for Accounting Reporting, monitoring and financial reporting in computerized format). In the month of April 2012 MA of OPT received the final report, the recommendations referring to MA of OPT being implemented.

- *Audit of Operations under Operational Programme Transport*



This is the second audit of operations under OPT performed by the Audit Authority. The objective of the audit is to express assurance that the expenditures announced before the European Commission in the period 01.01.2010 г. – 31.12.2010 under OPT are right and the transactions related to them are lawful and correct. Checked are 99 % of the expenditure under OPT, namely BGN 112, 723, 596.85 (of total BGN 113, 641, 761.21). Checked expenditure was made after 15 requests for payment under 7 projects.

As a result of the checks made, the Audit Authority has specified as illegible expenditures made to the amount of BGN 434, 574.54 or 0, 39 % of audited certified expenditure of 4 projects.

The specific errors resulting in financial corrections are in connection with:

- Non-eligible expenditure for remunerations paid out to employees whose functions are not related to the preparation, the management, monitoring and evaluation, the information and the control of OPT and those paid to auditors from the Internal Audit Unit without evidences available for contribution, under project BG161PO004-5.0.01-0029 – Provision of monthly additional remuneration of employees performing functions of management and control of the funds under OPT 2007-2013.
- Financial correction of the public procurement award procedure in connection with defining the time period for submission of tenders, restrictive conditions for the applicants contrary to the requirements of PPA, ambiguity in the requirements of the Contracting Party under Project BG161PO004-5.0.01-0015 Design and Introduction of Geographic Information System (GIS) for the needs of NRIC
- Non-eligible expenditure for cars and business trips under projectBG161PO004-1.0.01-0002 Electrification and Reconstruction of Svilengrad-Turkish border Railway Line
- Non-eligible expenditure for verification made under OPT in violation of the principles of sharing of responsibilities and good financial management under projectBG161PO004-5.0.01-0022 (external verification)

In addition the Audit Authority has made findings in connection with improvement of the audit trail. As a result of the final audit report, MA worked out a plan for the implementation of the recommendations which was approved on 15.12.2011 by the Minister of Transport, information technologies and communications. In the month of April 2012 MA of OPT submitted to the Audit Authority evidences for the implementation of the recommendations in accordance with the approved action plan part of which are in the process of implementation.

### 7.7.3 Audits carried out by National Audit Office

At the end of 2010 at MA the National Audit Office performed an audit of the theme *Audit of Operational Programme Transport in the Part of Priority Axis 1 Development of the Railway Infrastructure Across the Trans-European and Main National Transport Axes for the period 01.01.2007 – 30.06.2010*. The objective of the audit was to make a check of the implementation of Priority Axis 1 until the middle of 2010. In the month of February 2011 MA submitted its comments on the preliminary version of the audit report.

Here is what is recommended in the **final version of the audit report**, received at MA on 16.05.2011:



- NRIC Procedure manual to be submitted for approval by the Head of the Managing Authority of OPT.
- The persons responsible for accounting entries at NRIC and MA to be assigned the placement of signatures before the assumption of financial liabilities
- To make an analysis of the administrative capacity of the officials with CPPD directorate of MTITC.
- To appoint an official at NRIC who shall exercise preliminary control for lawfulness

With letter No 16-00-167 dated 15.08.2011 MA of OPT has reported to the National Audit Office the status of implementation of the addressed recommendation. At the beginning of 2012 the National Audit Office performed post- action control for the implementation of the recommendations to the audit report which recommendations are of status “implemented” as at March 2012.

*Audit of OPT under Priority Axis II Development of the Road Infrastructure Across the Trans-European and Main National Transport Axes for the period 01.01.2007 until 30.06.2010. – audit was performed at Road Infrastructure Agency. The audit report was received on 08.08.2011 and addressed recommendations refer to:*

- Strengthening the administrative capacity of RIA.
- Organization of archived dossiers of conducted and awarded public procurement contracts
- Specifying persons to be responsible for the implementation of the requirements about measures for information and publicity to coordinate the communication plans of the projects and to coordinate the implementation of the publicity measures
- To regulate the preparation of the plans for the activities performed in connection with preparation and implementation of project under OPT.
- To undertake measures for preparation of application forms for applying for the reserve projects.

In the month of February 2012 RIA has reported to the National Audit Office the implementation of the recommendations given in the report, some of them are implemented and the rest are in the process of implementation.

## **7.8 Changes in the Procedure Manual of Managing Authority of OPT**

In order to optimize the processes of management and the addressed audit recommendations the Procedure Manual for management and implementation of OPT (PMMIOPT) was updated. The main changes in PMMIOPT refer to:

- Changes in the structure of the Managing Authority (Directorate Coordination of Programmes and Projects);
- Updating functions and responsibilities by departments;
- Updating projects' eligibility and projects' activities under OPT on the basis of changes in the applicable regulatory base;
- Updating the list of beneficiaries by priority axes of OPT in accordance with the Changes of OPT, approved at the Ninth Sitting of the Monitoring Committee of the Programme from 9-10 of December 2010;
- Updating the processes and instructions for preparation of projects in accordance with the updated Requirements for applying under OPT;



- Optimization of the procedures for selection and approval of projects in accordance with recommendations of the Audit Authority and the Certification Body;
- In part, Item 13 Financial Management changes are made and texts and procedures are updated as a result of a audit of the systems under OPT and audits of the operations of AEUFEA, change of the statutory framework and specific recommendations for improvement of the control environment on behalf of the Certification body and the experience of the Managing Authority in the implementation of the procedures for financial management of OPT. The changes were made in order to optimize the procedures as a result from the gained experience at MA from their application and are in connection with the instructions of the Minister of Finance from 2010 with respect to the terms and conditions of payments of the financial grant under the Structural and Cohesion fund of the European Union and the corresponding national co-financing (ДНФ No. 4/26.07.2010), certification of expenditure under the operational programmes co-financed by the Structural and Cohesion Funds (ДНФ No. 5/21.10.2010) and the organization of the accounting process in the Managing Authorities/Intermediate bodies managing the funds under the SCF of EU and the corresponding national co-financing (ДНФ No. 6/13.12.2010);
- Considering the instructions of the Minister of Finances in accordance with ДНФ No 7/22.12.2010 for writing off and recovery of wrongly paid or overpaid amounts, as well as of illegally received or illegally absorbed funds under projects co-financed by SCF of EU;
- Optimization and reduction of the checks in the checklists through avoiding doubling of checks and concentration of MA control on the issues of highest risk;
- Removal of the weaknesses detected so far and of the inefficiencies in the manual and the annexes to it and improvement of the procedures as a result of the experience gained from their application, establishing better transparency and adaptation to the conditions of implementation;

## **8. National Performance Reserve**

Non-applicable.

## **9. Progress made in financing and implementing financial engineering instruments as defined in Article 44 of Regulation 1083/2006**

Non-applicable.

## **10. Horizontal Issues**

### **10.1 Ex-ante control performed by MA in connection with the public procurement procedures for OPT projects**

In 2011 the beneficiaries of the Programme performed public procurement award procedures under the ex-ante control of MA in connection with the implementation of the following projects.

- **Reconstruction and Electrification of Railway line Plovdiv-Svilengrad Project;**
- **Modernization of the Railway line Sofia-Plovdiv, Section Septemvri – Plovdiv Project;**
- **Modernization of the Railway line Sofia-Plovdiv, Section Elin Pelin - Septemvri Project;**
- **Project Rehabilitation of sections along the railway Plovdiv - Bourgas;**



- **Project for extension of Sofia Metropolitan Stage II, LOT 1 Obelya- Nadezhda-**
- **Project for extension of Sofia Metropolitan Stage II, LOT 2 Mladost I – Tsasigradsko Shose;**
- **Completion of MW Trakia, Lots 2, 3 and 4 Project;**
- **Construction of Maritsa Motorway Project;**
- **Road E-85 (I-5) Kurdzhali - Podkova;**
- **Construction of Struma Motorway – LOTS 1, 2 and 4 Project ;**
- **Hemus Motorway SSR – Yana Road Junction Project;**
- **Road II-18 Sofia Ring Road”;**
- **Vessel Traffic Management and Information System – phase 3 LOT 1 – GMDSS A2, A1, NAVTEX Project;**
- **Execution of activities in the implementation of the Communication plan of Operational Programme Transport 2007-2013 Project;**
- **Independent Evaluation of Operational Programme Transport 2007-2013 in 2010 and 2011 Project;**
- **Design and Introduction of Geographic Information System (GIS) for the needs of NRIC Project;**
- **Design and Introduction of Geographic Information System (GIS) for the needs of Port Infrastructure State Enterprise Project;**
- **Projects for strengthening the administrative capacity – exercised is ex-ante control on tender documentation with regards to the implementation of three projects under OPT with beneficiaries BPIC, NRIC and MA.**

In 2011 ex-ante control was also exercised on the submitted documents of conducted tender procedures for selection of Contractors of project Extension of Sofia Metropolitan - stage II: LOT 1 Obelya – Nadezhda and LOT 2 Mladost I – Tsarigradsko Shosse of subject Delivery of Diesel manoeuvre locomotive with parameters in accordance with approved Terms of Reference of the Contracting and Reconstruction of TPS 17 (MS-1) in connection with the commissioning of the second diameter of the metropolitan”

## **10.2 Changes in Legislation for Awarding Public Procurement Contracts in 2011**

The latest amendments of PPA dated July 2010 are applicable in 2011 as well as the Ordinance for Exercising Ex-ante Control on Public Procurement Procedures Funded Fully or Partially by the European Funds

The Act for Amendments and Supplement of PPA was approved in November 2011 (promulgated OG, issue 73/ 2011 and issue. 93/ 2011), in effect from 26.02.2012. Amendments aim at simplifying the legislation in the sector, relieving the process of awarding public procurement contracts and improvement of the ex-ante control on the public procurement award procedures funded by the European funds. All kinds of regimes and procedures for awarding of public procurement contracts are regulated in the Act thus simplifying the structure of the legislation in effect and reduce the number of the sub-legislative normative acts. Repealed is the Ordinance on Awarding Small Public Procurement Contracts and for awarding public procurement contracts of values under the Ordinance the procedures envisaged in PPA shall be applied but with certain relief. Specified are new threshold values of public procurement contracts. More flexible are the terms and conditions for the changes in the procedure. Envisaged is the possibility Contracting Authorities to change announced conditions once within 14 day period from the opening of a procedure for selection of a Contractor and



this could be useful for detection of errors and omissions including the cases in which they shall be established in the process of the ex-ante control performed by the Public Procurement Agency (PPA). In this way promptness regarding the procedures is ensured without infringing the minimal time periods set out in the law and without affecting the rights of the interested parties.

Approved amendments and supplements of the law changes the scope of the ex-ante control exercised by PPA and the mechanism for its implementation. Subject of ex-ante control on behalf of the Agency is envisaged to be tender procedures funded by European funds whose values are considerably lower compared to the terms and conditions effective so far. Control on the observation of the Public Procurement Act shall be exercised only by the Agency and shall comprise the announcements for opening the procedures and the methodology for evaluation of the tenders and for some types of procedures (by negotiating with announcement or competitive dialogue) and the decision for opening of the procedures. The amendments introduce mechanism for the provision of feedback to trace the implementation of the recommendations addressed by PPA thus increasing the lawfulness of the checked procedures.

Amendments envisage the avoidance of the publication of the preliminary announcement if the Official Gazette but the publication in the Register of Public Procurements remain mandatory and when applicable – in the Official Journal of the European Union

Introduced is publicity in the award of public procurement contracts of low value through the requirement for Contracting Authorities to publish invitation on the Public Procurement Portal and on the Internet page – „Profile of the Buyer”. Access to the invitation should be ensured for all interested parties for a period not shorter than 7 days.

Rules for the work of the Commission are supplemented and its relationship with the Contracting Authority is regulated and a possibility for return of the protocols to be corrected on behalf of the Contracting Authority because of errors or omissions is envisaged.

The requirement for mandatory inclusion in the panels of Commissions of external experts is no longer in effect but the possibility for this is still available after the assessment of the Contracting Authority depending on its needs.





### 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 Targets and Analysis of Progress

**Table 11: Physical Progress under Priority Axis 1 - Development of Railway Infrastructure along the Trans-European and Major National Transport Axes by Quantifiable Indicators as of 31.12 2011**

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 hours per year) Railway	Achievement	0	0	0	0	0					0
	Target				0,76					2,3	
	Baseline	0									
Savings (million euro per year) Railway	Achievement	0	0	0	0	0					0
	Target				0,79					2,39	
	Baseline	0									
Time savings (thousand hours per day) metro	Achievement	0	0	0	0	0					0
	Target							13,42			
	Baseline	0									
Savings (million euro per year) metro	Achievement	0	0	0	0	0					0
	Target							20,186			
	Baseline	0									
Passengers using the metro	Achievement	0	0	0	0	0					0
	Target							92 460			
	Baseline										
Average speed	Achievement	102.9	102.9	102.9	102.9	102,9					102.9



(km/h)	Target				106,6					114,2	
	Baseline	102,9									
Traffic Capacity (trains per day)	Achievement	0	0	0	0	0					0
	Target				2393,7					2645	
	Baseline	2270									
Built rail tracks (km)	Achievement	0	0	0	2.3	16,3					16,3
	Target				3659,9					3684	
	Baseline	3648									
Rehabilitated railroads (km)	Achievement	0	0	0	0	0					0
	Target				707,7					1231	
	Baseline	450									
Electrified railroads (km)	Achievement	0	0	0	0	0					0
	Target				3296,9					3321	
	Baseline	3285									
Built metro lines (km)	Achievement	0	0	0	0	1.6					1.6
	Target							6,7			
	Baseline	9,9									
Built metro stations	Achievement	0	0	0	0	5					5
	Target							6			
	Baseline	8									

The target values of the indicators: Time savings (thousand hours per day) metro, Savings (million euro per year) metro, Passengers using the metro, Built metro lines (km) and Built metro stations do not include the baselines of the indicators from Working Document 7 – Indicative Guidelines on Evaluation Methods: Reporting on Core Indicators for ERDF and CF.



As at 31.12.2011 under Priority Axis 1 were concluded six grant contracts with total amount of EURO 600 698 136.98 which is 93,9 % of the axis budget.

As at 31.12.2011 under Priority Axis 1 is paid grant to the amount of BGN 275, 913, 092.02 (EUR 141, 072, 123.87) – 22.04 % of the budget of the axis which by sources of financing is as follows: CF – BGN 220, 730, 473.62 (EUR 112, 857, 699.10); national co-financing – BGN 55, 182, 618.40 (EUR 28, 214, 424.77). Total amount of verified expenditure under the Priority Axis as at the end of 2011 is BGN 367, 907, 663.98 (EUR 188, 108, 201.62 ).

Under implementation are four infrastructure projects. Grant contracts for three of the major projects under the Axis were concluded in 2011 as follows:

- Project for rehabilitation of railway infrastructure in section of the railway line Plovdiv - Bourgas;
- Project for extension of Sofia Metropolitan Stage II LOT 1 Obelya – Nadezhda and LOT 2 – Mladost I -Tsarigradsko Shosse;
- Project Modernization of railway section Septemvri- Plovdiv – part of Trans-European railway line.

In 2011 continues the implementation of project Electrification and Reconstruction of Railway line Svilengrad – Turkish border which is expected to be completed by the end of 2012.

In 2011 Tender procedures were conducted for selection of Contractors of the three lots within the framework of project Electrification and Reconstruction of Railway line Dimitrovgrad – Svilengrad and contract with selected Contractors shall be concluded at the beginning of 2012. The application form of the project is approved by EC at the end of 2011 and the contract for the provision of the grant under OPT is expected to be concluded in the first quarter of 2012.

Great improvement in the financial and physical implementation is registered in 2011 as well as physical implementation. Construction activities started under all major projects approved in 2011.

### **Project *Design of Railway line Vidin – Sofia construction***

In 2011, NRIC worked out documentation for public procurement award for “Selection of Consultant for Coordination of design and Supporting Activities and Evaluation of compliance with the main requirements to constructions of project Modernization of Railway line Vidin-Sofia”.

Because of the high indicative value of the project for construction and in view of the planned OPT budget for the next programming period, MA of OPT has proposed review of the project scope and assigning to the consultant for coordination to optimize its investment value. Review of the documentation for Project Coordinator as well as of AF of scope the railway sections Vidin-Medkovets and Medkovets – Ruska Biyala is forthcoming.

The beneficiary submitted the latest revised version of AF to MA of OPT for the phase of technical design and preparation of the infrastructure project.



## Project **Modernization of the Railway line Sofia - Plovdiv**

In 2011 with decision of the Head of MA of OPT dated 25.05.2011 a project *Modernization of railway section Septemvri – Plovdiv - part of the Trans European railway network*. The application form was submitted to EC for evaluation on 06.06.2011.

Grant contract between MA of OPT and NRIC was concluded on 05.08.2011 to the amount of EUR 102 258 376.24. It is expected the AF of the project to be approved by the EC.

The following more important stages from the project implementation may be registered for 2011:

- After a conducted open procedure for public procurement award for three LOTS on 05.07.2011, NRIC signed the contracts for design and construction with the selected Contractors as follows:
  - LOT 1 (Septemvri-Pazardjik, 17.61 km). Contractor is Svitelski-RVPKoehne Consortium and the value of the signed contract is BGN 57, 083, 580.24 VAT excluded.
  - LOT2 (Pazardzhik-Stamboliiski, 19.31 km). Contractor is Partnership under the Obligations and Contracts Act IGA and the value of the contract is BGN 49,842,820.26 VAT excluded
  - LOT 3 (Stamboliiski - Plovdiv, 15,81 km). Contractor is Porr Bau GmbH and the value of the signed contract is BGN 50, 934, 435.25; VAT excluded.
- A Contract to the value of BGN 47 034 30, VAT excluded was signed on 16.11.2011 of Subject matter *terrain studies for search of archaeological sites along the route of the railway line Septemvri-Plovdiv for project Modernization of railway section Septemvri-Plovdiv-part of the trans-European railway network*. As at the end of 2011 total implementation of the activities under the contract is 80 %.
- In August 2011 Consultant for the performance of *Evaluation of the compliance and construction supervision for the project Modernization of railway section Septemvri – Plovdiv – part of the trans-European railway network*. The decision of the Contracting Authority was appealed before the Commission on Protection of Competition (CPC) which in November 2011 passed judgment for the procedure to be returned to the stage of new review, evaluation and ranking of the technical proposals of the participants. Forthcoming is the passing of judgment by CPC..

**Table 12: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Modernization of Septemvri-Plovdiv Railway Section, Part of Trans-European Railway Network***

Activities	Start date	Completion date
1. Feasibility studies	25.01.2008	01.11.2010
2. Cost – benefit analysis (including financial analysis)	01.09.2009	02.11.2010
3. Environmental impact assessment	Not required	Not required



4. Design studies	01.04.2010	01.11.2010
5. Preparation of tender documentation		
5.1. Tender documentation for works in three lots	02.08.2010	01.11.2010
5.2 Tender documentation for interoperability compliance check	11.10.2011	08.02.2012
5.3 Tender documentation for preservation of cultural monuments supervision	04.07.2011	04.10.2011
6. Expected launch of tender procedures		
6.1. Tender procedures for works in three lots	02.11.2010	11.07.2011
6.2. Tender procedures for signalling	30.06.2011	29.11.2011
6.3 Tender procedures for construction overpasses	04.06.2011	06.09.2011
6.4 Tender procedures for interoperability compliance check	09.02.2012	08.08.2012
6.7 Tender procedures for preservation of cultural monuments supervision	04.07.2011	03.02.2012
7. Land acquisition (overpasses)	02.02.2012	03.08.2012
8. Construction phase / contract		
8.1 Works (in three lots)	12.03.2012	10.01.2014
8.2 Signalling	31.10.2012	13.11.2012
8.3 Construction overpasses	04.12.2012	03.10.2013
8.4 Supervision	07.09.2011	14.09.2015
8.5 Interoperability compliance check	09.08.2012	10.01.2014
9. Operational phase	11.01.2014	11.01.2044



**Table 13: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Modernization of Septemvri-Plovdiv Railway Section, Part of Trans-European Railway Network***

Source of total investment costs (in Euro)					Of which (For information)
Total investment cost	Community Assistance	National Public (or equivalent)	National Private	Other Sources	EIB/EIF Loans
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
322 434 086	202 215 017	120 219 069	0.00	0.00	0.00

For preparation of the project *Modernization of railway section Sofia – Septemvri – part of the trans-European railway transport network* in 2011 NRIC performed the following activities:

- Procedure for selection of Contractor for Preparation of a Report for Environment Impact Assessment for the investment proposal Modernization of the railway line Sofia-Plovdiv in the section Elin Pelin -Septemvri is started.
- Preparation of tender documentation for coordination of design and supporting activities and evaluation of the compliance with the main requirements for constructions of Project Modernization of railway section Sofia – Septemvri has started – *part of the trans-European railway network*

#### Project *Electrification and Reconstruction of Railway line Svilengrad – Turkish border*

The project is approved with decision of the Head of MA of dated 21.05.2009. The Grant contract to the amount of EUR 29 795 134.62 (BGN 58 274 218.15) was concluded on 22.05.2009.

A Contract with the Czeck OHL ZS AD contractor was concluded on 25 May 2009 for the implementation of a project to the value of BGN 69 999 666 (VAT excluded) and its implementation started on 01.07.2009. With regards to the necessity that occurred during the construction of supporting works, not planned in the contract and the Work Programme of the Contractor, on 24.10.2011 a contract between NRIC and the Contractor of the main contract to the amount of BGN 10.4 million, VAT excluded, was signed for raising the trace elevation of the rail line and supporting work at the railway line Svilengrad- Turkish border. The date for start of the Contract is 04.11.2011 with a time period for implementation of 8 months.

In 2011 the following more important events related to the project implementation may be noted:

- Total implementation of construction work under the contract as at the end of 2011 is 70 %.
- Placed is 14 km railway line, still to be finished 1.9 km.



- With big facilities completed are 13 railway bridges and are repaired the existing 5 railway bridges;
- In case of small facilities (culverts) completed are total of 27 pieces.
- Completed construction works on the bridge of Maritsa river are 68 %.
- Completed construction works at New Overhead Crossing Generalovo are 65 %.
- Mounted are 80% of the contact system poles and new Motorway cable of total length 5 065 m is placed.
- On 03.09.2011 Additional Agreements No 1 to the contract with the Contractor was signed, according which the time period for implementation of the construction works is extended from 24 months to 36 months, i.e. it is expected the contraction works of the project to be completed until 30.06.2012.

### Project *Rehabilitation of the Railway Infrastructure in Sections of the Railway line Plovdiv – Bourgas*

The project was approved with a decision of the Head of MA of dated 02.02.2011 and the grant Contract to the amount of EUR 218,611,929 was concluded on 07.02.2011. On 01.07.2011 the project was approved by the EC too.

Contracts with Contractors are concluded as follows:

- For supervision of the Project with Partnership under the Obligations and Contracts Act (PUOCA) ETAKONS VITO PRATO, the value of the contract of BGN 9,893, 505.60, VAT excluded.
- The project for rehabilitation of the railway infrastructure of sections along the railway line Plovdiv - Bourgas is divided into 3 LOTS:
  - LOT 1 – Rehabilitation of section Mihailovo – Kaloyanovets of approximate unfolded length of the railway line of 21 km; value of BGN 29,652,343 , VAT excluded; time period for implementation - 15 months;
  - LOT 2 – Rehabilitation of railway sections Stara Zagora –Yambol and Zavoi – Zimnitsa, of approximate unfolded length of the railway line 120 km; value: BGN 151,536,000 VAT excluded; time period for completion - 38 months;
  - LOT 3 - Rehabilitation of railway section Tserkovski–Karnobat, of approximate unfolded length of the railway line of 122 km; value: BGN 135,780, 506; VAT excluded; time period for completion - 31months;
- Contracts with Consortium GCF - CK 13 – Trace Rail Infra of total value BGN 318 million were signed on 08.02.2011 for the implementation of the 3 LOTS. The performance of the three concluded contracts started on 15.03.2012 and comprises the following main stages:
  - Preparation of a detailed design with included all activities related to rehabilitation/renovation of the railway infrastructure;
  - Construction and erection works of: the railway line, the systems of the contact line and the section posts; the systems for signalling and telecommunication, described in the Technical specifications to each of the contracts;
  - Testing and commissioning into regular operation
- The following activities were performed regarding the single LOTS in 2011:
  - LOT 1. Construction and Erection Works started on 14.09.2011. Approved is a detailed design for the section. As at the end of 2011 the physical implementation is of 26 %.



- LOT 2. Construction and Erection Works started in the middle of December 2011. As at the end of 2011 the physical implementation is of 8 %.
- LOT 3. On 21.11.2011 started the performance of the preparatory works for the Construction and Erection Works. Ensured are “train windows” on behalf of the Contracting Authority for the purpose of effective run of the work process at the site. Approved is a detailed design for the section. As at the end of 2011 the physical implementation is of 13 % .

In 2012 is forthcoming the start of tender procedures for selection of Contractors of the following activities:

- Design and construction of systems for signalling and telecommunication at railway junction Bourgas ;
- Rehabilitation, repair and modernization of five traction substations.

**Table 14: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Rehabilitation of Railway Infrastructure of Sections of Plovdiv – Bourgas Railway***

Activities	Start date	Completion date
1. Feasibility studies	01.12.2007	17.05.2008
2. Cost - benefit analysis (including financial analysis)	01.12.2009	30.04.2010
3. Environmental impact assessment	Not required	Not required
4. Design studies	18.05.2008	10.12.2008
5. Preparation of tender documentation	13.02.2010	03.01.2011
6. Launch of Tender Procedures	17.09.2010	14.03.2011
7. Land acquisition	Not required	Not required
8. Construction phase		
8.1 lot 1 Mihailovo - Kaloyanovets	14.03.2011	04.10.2012
8.2 lot 2 Stara Zagora – Yambol and Zavoi – Zimnitsa	14.03.2011	24.09.2014
8.3 lot 3 Tserkovski – Karnobat and Karnobat и Bourgas	14.03.2011	27.04.2014
8.4 Lot 4 Resignalling Drouzhba - Bourgas	30.05.2011	14.05.2014
8.5 Supervision of construction works	19.01.2011	24.12.2015
9. Operational phase	28.09.2014	28.09.2043





**Table 15: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Rehabilitation of Railway Infrastructure of Sections of Plovdiv – Bourgas Railway***

Source of total investment costs (in Euro)					Of which (For information)
Total investment cost	Community Assistance	National public	National private	Other sources	EIB/EIF
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
304 300 075	174 889 543	129 410 532	0	0	0

**Project *Reconstruction and Electrification of the railroad line Plovdiv – Svilengrad along corridors IV and IX, Phase 2: section Purvomai -Svilengrad***

The project application form for financing under OPT was approved by the EC on 22.12.2011. Forthcoming is the signing of a grant contract between MA of OPT and NRIC.

Tender procedure for public procurement contract award was conducted in 2011 including three LOTS. At the beginning of 2012 is forthcoming the signing of the contracts with the selected contractors as follows:

- LOT 1 – Reconstruction and electrification of railway line section – Dimitrovgrad-Harmanli – Contractor TERNA AD.
- LOT 2 - Reconstruction and electrification of railway line section Harmanli – Svilengrad and rehabilitation and electrification of the railway line Svilengrad – border with the Republic of Greece – Contractor Zelezoputna Infrastructura 2011 Partnership
- LOT 3 – Construction of new traction substations in Simeonovgrad and Svilengrad and extension of the existing traction substation in Dimitrovgrad – Contractor – Start – Engineering AD

**Table 16: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Reconstruction and Electrification of Plovdiv – Svilengrad Railway along Corridors IV and IX Project, Phase 2:Purvomai – Svilengrad Section***

Activities	Start Date	Completion date
1.Feasibility studies	1994	2000
2.Cost-benefit analysis (including financial analysis)	2000 July 2010	2001 October 2010
3.Environmental impact assessment:	2000	2001
4.Design studies	2000	2001



5. Preparation of tender documentation	2000	2010
6. Expected launch of Tender Procedures		
6.1 Phase 2, Dimitrovgrad – Svilengrad (OPT)	December 2010	May 2011
6.2 Additional works (OPT)	January - June 2011	July 2011 – January 2012
7. Land acquisition	2001	December 2010
8. Construction phase/contract		
8.1 Phase 1, Krumovo –Purvomai (ISPA)	25.05.2006	June 2011
8.2 Phase 2, Purvomai – Dimitrovgrad (ISPA)	02.10.2007	July 2011
8.3 Systems	16.10.2007	December 2013
8.4 Supervision	25.04.2006	June 2015
8.5 Long term technical assistance	26.09.2005	June 2015
8.6 Phase 2, Dimitrovgrad – Svilengrad (OPT)	May 2011	December 2013
Additional works (OPT)	July 2011	December 2012
	January 2012	December 2013
9.Operational phase	July 2011	July 2041
	January 2014	January 2044

**Table 17: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Reconstruction and Electrification of Plovdiv – Svilengrad Railway along Corridors IV and IX Project, Phase 2:Purvomai – Svilengrad Section***

Source of total investment costs (in Euro)					Of which (For information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans:
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
283 381 139	142 965 536	140 415 603	0.00	0.00	70 000 000



### Project *Modernization of the Railway Line Sofia – Dragoman*

At the end of 2011 NRIC started tender procedure for selection of Contractor for preparation of Application form for financing the technical design. On 28.12. 2011 started tender procedure for selection of Contractor for preparation of the report for EIA for project Modernization of the railway line Sofia – Dragoman.

### Project *Extension of Sofia Metropolitan, stage II, LOT 1 Obelya” – Nadezhda road junction and LOT 2 Mladost I – Mladost III – Tsarigradsko Shosse blvd.*

The project is approved with decision of MA of OPT on 18.02.2011 and on 01.07.2011 the AF was approved by the EC. The grant contract to the amount of EUR 250,000,000 was concluded on 22.02.2011.

In the period 2008 - 2009 the beneficiary Metropolitan EAD concluded contract for construction and construction supervision. In 2011 contracts for supply of rolling stock were concluded too – 18 pieces metro trains and contract for construction of railway junction and expansion of the depot in Obelya which is a necessary condition for commissioning and normal functioning of the line of stage I. Total value of concluded contracts with Contractors under the project is to the amount of EUR 284,041,169.17.

The physical implementation of the project as at the end of 2011 is as follows:

- LOT I - Line 2 (II metro diameter) – section Obelya – Nadezhda – Nadezhda Road Junction of length 4,2 km and 4 metro stations – implemented are 65 % of the contracted activities. Reconstruction of underground and overground communications and facilities. Rehabilitated and renovated is Lomsko Shosse blvd. Issued is permit for Use dated 07.11.2011. Constructed is 3.650 km two way tunnel. Main part of the metro stations constructions, metro tunnels, the trestle and the section facilities are complete. The tunnel connection with start shaft of Stage I. Completed are 75 % of the overground trestle section and the adjacent MS 1. The construction of two of the metro stations (MS 3 and MS 4) are of 95% completion and some architectural and finishing works are going there. The construction of MS 2 is almost finalised
- LOT II - Line1 (I metro diameter) – section Mladost 1 (MS 13) –Tsarigradsko Shosse blvd. (MS19) of length 2,5 km, 2 metro stations and buffer underground parking lot – completed are about 90 % of contracted activities. The constructions (internal and external) of the metro stations, the buffer parking lot at MS 19 of Tsarigradsko Shosse blvd and the metro tunnels are completed. Restored is traffic on Tsarigradsko Shosse blvd. In the tunnel section of MS 18 to MS 19 and at metro stations is mounted and cemented single rail line of length 2.865 km. Work is in proves along the rail line between MS 13 and MS 18. Works on the internal architecture and the interior of MS 19 continue. More than 95 % of the necessary equipment is delivered and supply of rail lines and tunnel ventilation is 100 % finalized. Finalization of the section before the final time period is expected in April 2012.



**Table 18: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Extension of Sofia Metropolitan Project, Stage II, Lot 1: Obelya-Nadezhda Road Junction and Lot 2: Mladost I– Mladost III – Tsarigradsko Shosse Blvd.***

Activities	Start Date	Completion date
1. Feasibility studies	01.01.2006	15.10.2009
2. Cost-benefit analysis (including financial analysis)	01.05.2010	15.10.2010
3. Environmental impact assessment:	22.03.2007	26.02.2009
4. Design studies	01.01.2009	15.06.2010
5. Preparation of tender documentation	01.03.2008	15.11.2010
6. Expected launch of Tender Procedures		
6.1 Lot 2 – construction, design and implementation	19.06.2008	06.12.2008
6.2 Lot 2 – Engineer - consultant	25.10.2008	18.02.2009
6.3 Lot 1 – Section “Beli Dunav – Road Junction Nadezhda”, construction, part: structures and architecture	19.06.2009	19.12.2009
6.4 Lot 1 – Section “MS Obelya – Beli Dunav”, construction, part: structures and architecture	17.12.2009	06.05.2010
6.5 Lot 1 – independent construction supervision	06.11.2009	20.01.2012
6.6 Supply of rolling stock for Lot 1 and Lot 2	20.10.2010	31.12.2010
6.7 Lot 1 tender procedures of awarding with contract of parts: electromechanical part and supply of TPS equipment	01.11.2010	31.03.2011
6.8 Lot 1 tender procedures – week-current systems, dispatch control and transport automation; rail road, third rail and covering	01.11.2010	31.03.2011
6.9 Lot 1 – design and construction, building of railway connection and extension of Obelya Depot	30.11.2010	31.12.2010
7. Land acquisition	01.01.2009	31.11.2010
8. Construction phase/contract		
8.1 Lot 1	05.02.2010	31.12.2012
8.2 Lot 2	01.03.2009	01.07.2012



9.Operational phase	01.01.2013	01.01.2043
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**Table 19: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Extension of Sofia Metropolitan Project, Stage II, Lot 1: Obelya– Nadezhda Road Junction and Lot 2: Mladost I– Mladost III– Tsarigradsko Shosse Blvd., including MS 8 and MS 11***

Source of total investment costs (in Euro)					Of which (For information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans:
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
385 897 073	200 000 000	185 897 073	0.00	0.00	105 000 000

### 1.2 Significant Problems encountered in the Preparation and Implementation of Projects under Priority Axis and Measures taken

The main problems which the beneficiary NRIC faces in the preparation and implementation of projects under the axis are related to:

- Shortage of funds under the Priority Axis for financing of all NRIC projects. At the end of 2011 the indicative budget of prepared by NRIC projects to be funded under Priority Axis 1 significantly exceeds its budget. MA has accepted the approach after finalization of the tender procedures for each project in the railway sector, where it is possible to reduce the amount of the grant to the amount of the concluded contracts for implementation. Free financial resource shall be used for the remaining projects in the railway sector. It is accepted the approach each project for which the financial resource is not sufficient to be reviewed individually and jointly with the Ministry of Finance to look for ways for its funding.
- The Regime of Licensing for Contractors of foreign companies with regards to the recognition of the right of foreign natural persons and legal entities from the EU member states or of another country under the Agreement for the European Economic Area to exercise activities as consultant within the meaning of Art. 166 Para 1 of Spatial development Act (SDA) on the territory of the Republic of Bulgaria. In connection with this the Beneficiary NRIC organized a number of meetings with the responsible institutions and submitted proposals for amendments in the SDA.
- The process of structuring the units for project management with the National Railway Infrastructure Company is not completed yet. In this connection the beneficiary uses expert assistance from JASPERS.

The main problem which Metropolitan EAD faces as a beneficiary under OPT is related to the completion of the two projects for construction of Sofia Metro in 2012. (under Priority Axis 1 and Priority Axis 3) and the provision of the last 10% final payments to the Contractors.



Because of the existing normative framework in Bulgaria, grant payments are made by MA up to achieving 80 % of the awarded grant and up to 10 % of the advance payment. The remaining 10 % final payment shall be paid to the beneficiary after the commissioning of the site. In this case the Beneficiary Metropolitan does not have sufficient funds for final payment of all obligations under concluded contracts with project Contractors. The problem is submitted to the Ministry of Finance and the resolving of it is a joint task.



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

### 2.1 Achievement of Targets and Analysis of Progress

**Table 20: Physical Progress of Priority Axis II – Development of Road Infrastructure along the Trans-European and Major National Transport Axes by Quantifiable Indicators as of 31.12.2011**

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	0					0
	Target				440,8					1336,4	
	Baseline	0									
Savings (million euro per day)	Achievement	0	0	0	0	0					0
	Target				0,4					1,23	
	Baseline	0									
Saved operating costs/ 1000 km (VOC) • For light vehicles • For heavy vehicles	Achievement	0	0	0	0	0					0
	Target	0	0	0	0	0					0
	Baseline	0									
		254,99									
Reduction of fatalities on road (number)	Achievement	1006	1061	901	775	657					657
	Target				1171					585	
	Baseline	1171									
Average speed on class I network	Achievement	50	50	50	50	50					50
		40	40	40	40	40					40



(km/h) <ul style="list-style-type: none"> <li>• For light vehicles</li> <li>• For heavy vehicles</li> </ul>	Target				60					80	
					50					70	
	Baseline	50 40	50 40								
Built motorways (km)	Achievement	0	0	0	0	0					0
	Target				399					537,7	
	Baseline	331,2									
Built bypasses (km)	Achievement	0	0	0	0	0					0
	Target				13,9					42,3	
	Baseline	0									
Rehabilitated class I roads (km)	Achievement	0	0	0	0	0					0
	Target				290					880	
	Baseline	0									





As at 31.12.2011 under priority axis 2, six contracts were concluded for the provision of grant the total value of grant in the amount of BGN 1 775 111 780.14 (EUR (907 600 241.40), which is 97.63. % of budget of the axis.

As at 31.12.2011 under priority axis 2 paid grant is of the amount BGN 307,769,684.90 (EUR157, 360,141.17) – 16.93 % of the Axis budget. By sources the paid grant is as follows: CF – BGN 246,215,747.92 (EUR 125,888,112.93); national co-financing – BGN 61,553,936.98 (EUR 31,472,028.24). Total amount of verified expenditure as at the end of 2011 is BGN 245,802,374.27 (EUR 125,676,758.34).

Five infrastructure projects under the Axis are under implementation and grant contracts for four of them were concluded in 2011 as follows:

- Project Construction of Maritsa motorway, LOT 1 and LOT 2;
- Project Road E-85 (I-5) construction of section Kurdzhali - Podkova;
- Project Hemus motorway, section SRR-Yana road junction;
- Project Struma motorway LOT 1, LOT 2 and LOT 4;
- Continues the implementation of Project Completion of Trakia motorway, LOT 2, 3 and 4, and the commissioning of LOT 2 and 3 is expected in July 2012 and also the commissioning of about 16 km of LOT 4.

In 2011, in preparation are four infrastructure projects that are expected to start in mid-2012

In 2011, under Priority Axis 2 significant progress was made in financial and physical implementation of projects under the axes.

For all projects of RIA were carried out tender procedures for construction and supervision, and preparation and construction works gradually started.

#### **Project *Modernization of Section of Road I-1 (E-79) Vratsa - Botevgrad***

- With decision No 325/ 19 May 2011 of the CM, the site is announced to be national.
- In 2011 it was decided by the Board of RIA the site to be split into 2 lots: Lot 1 – from the end of the bypass of the village Lyutidol to Botevgrad and LOT 2 – from Mezdra town to the end of the bypass Lyutidol village.
- Updating of available from 2009 technical Project and Detailed Spatial Development Plan - PP is initiated and it is expected that the whole Project to be submitted at RIA in the early 2012.
- Due to the availability of two bypasses in the Project - of Lyutidol and Novachene village, a supplement to EIA was required and after the receipt of positive standpoint from MOEW, in September 2011 a new decision on EIA was issued.
- Preliminary archaeological research was made in 2011.
- At the end of 2011 the application form for funding the Project under OPT was submitted to JASPERS. The preparation of tender documents for selection of contractor and consultant, as well as for execution of engineering of LOT 2 has also started. Construction under the Project is expected to start in July - August 2012.



#### Project **Road E-79 Vidin – Montana**

- With Decision No 325/19 may 2011 of the CM, the site is announced to be national.
- Construction of the site is planned to be performed in the next programme period.
- In the current program period its preparation shall be almost finalized and its designing shall be performed under priority axis 2 of OPT

#### Project **Kurdzhali – Podkova**

On 30.09.2011 grant contract for Project Road E-85 (I-5) Kurdjali-Podkova to the amount of BGN 45,400,748.02 (EUR 23,213,033.86) was concluded. A contract for construction was concluded on 30 August 2011 between RIA and “Kurdjali – Podkova” Contractor to the value of BGN 31,989,546, VAT excluded. On 30 August 2011 a contract for supervision was concluded between “Magistrali Patishta” Contractor to the value of BGN 189,000, VAT excluded. RIA has concluded 2 contracts to total value of BGN 108,000, VAT excluded for the exercise of author’s control on the section of new construction and the rehabilitation section.

As at the end of 2011 under the Project is paid grant to the amount of BGN 3,846,305.52 (EUR 1,966,584.78 – 8.47 % of the approved grant for the Project). Verified expenditure amount BGN 3,838,745.52, (EUR 1,962,719.42).

In 2011 the following more important events related to the Project implementation may be noted:

- On 01.09.2011 started the construction works under the Project. Time period for their implementation is 25 months. Total length of the section is 34,1 km, of which 26,6 km is new construction and 7,5 km rehabilitation of existing Road 1-5.
- Implemented is stage II of the construction of total XVIII stages. In 2011 at the site earth works are performed for stages III to VI, which mainly include: removal of humus layer and performance of excavation of suitable for embankment earth soil. As at the end of 2011 the physical progress of the Project is assessed to 2, 6 %.

#### Project **Connection of Hemus Motorway with Sofia Ring Road**

On the grounds of Decision No 647 of the Council of Ministers of the Republic of Bulgaria dated 30.08.2011, the grant contract for Project Hemus Motorway, section Sofia ring road-Yana road junction was signed on 14.10.2011.

The grant amounts BGN 47,856,420.81 (EUR 24,468,599.42).

Contract for construction between RIA and the Contractor “Hemus A2” was concluded on 21.09.2011 to a total amount of BGN 31,950,309.45; VAT excluded. Contract for supervision was concluded on 21.09.2011 with Transconsult – BG OOD to the value of BGN 151,200 VAT excluded. In December 2011 a contract for author supervision was concluded with PatProekt EOOD of the value of BGN 93 000 VAT excluded.

In 2011 the following more important events related to the Project implementation may be noted:

- Initial date of construction activities is 21.10.2011. There are 8 stage of construction and the time period for their implementation is 22 months.



- As at the end of December 2011 activities related to the additional design and organization of the construction process is performed. Until the end of 2011 paid out grant amounts to BGN 3,834,037.14 (EUR 1,960,312.06) – 8.01 % of the approved grant for the Project and as at 31.12.2011 there are no verified expenditure under the Project.

#### Project *Struma Motorway LOT 1, LOT 2 and LOT 4*

The Project is approved with a decision of the Head of MA of OPT dated 28.11.2011. The Grant contract was signed on 01.12.2011 and the grant amounts to BGN 581,787,858.70 (EUR 297,463,408.73). The application form is sent to the EC for approval on 19.12.2011.

As at 31.12.2011 the grant paid for the Project amounts to BGN 7,024,080.00 (EURO 3,591,355.08 – 1.21 % of the approved grant for the Project). Verified expenditure amount to BGN 7,024,080.00 (EUR 3,591,355.08).

On 30.09.2011 RIA concluded construction contract for LOT 1 Dolna Dikania – Dupnitsa with Consortium Struma-1 of the value BGN 70,240,800 VAT included. On 30.09.2011 construction supervision contract was concluded with Partnership under the Obligations and Contracts Act Infrastructura-Magistralni patishta to the value of BGN 323,280 VAT included. In 2007 the Agency concluded contract for author's supervision with NEW IT and Engineering OOD to the value of BGN 657,918, VAT included which includes Design and Author supervision during construction.

In 2011 the following activities under the Project were performed:

- Performance of Works for LOT 1 started on 01.10.2011. Contract for construction includes 18 stages with time period for completion of 23 months.
- On 28.11.2011 is approved the Construction – Technological programme, submitted by the Contractor. As at 31.12.2011 completed are Stage II and III of the Construction – Technological programme and total physical progress is 7,50 %. Parallel to this, work is performed at the other stages of the contract with the Contractor - IV, V, VI and VII, which are planned for finalization by the end of March 2012 according to the schedule.
- For LOT 4 tender procedures are not finalized yet and Works contracts and supervision contracts with selected Contractors are expected to be concluded in the first quarter of 2012.
- One of the main problems with the Project is that as at the end of 2011 the route was partially freed for Works because of an archaeological site at Dren village. After drilling archaeological structures were registered which should be further studied. – these archaeological activities are expected to be performed by the end of June 2012.
- In December 2011, the regional History Museum of Kyustendil has informed RIA for newly discovered archaeological sites from kilometre 319+200 up to kilometre 319+220 and from kilometre 320+841 up to kilometre 321+100. In connection with this RIA plan the individual museums to submit until the end of January 2012 new planned accounts and requirements on the basis of which contracts to be signed for the execution of complete archaeological studies.
- Along the highway there are still forests, due to pending expropriation procedures. From RIA plan by mid-February 2012 to complete the procedure for selecting the woodcutter, and then proceed to the absorption of the wood material and complete release of the route



for construction in these sections. This will complete the expropriation procedures of the forest lands.

### Project *Construction of Maritsa Motorway , LOT 1 and LOT 2*

The project was approved by Decision of Head of MA of OPT dated 04.08.2011. Grant contract was concluded on 09.08.2011 between MA of OPT and RIA. for grant of the amount of BGN 398,618,465.29 (EUR 203,810,385.00). On 09.08.2011 the AF is sent to the EC for approval.

As at 31.12.2011 the grant paid under the Project amounts to BGN 43,770,348.82 (EURO 22,379,423.99) – 10.98 % of the approved grant for the Project. Verified expenditure amount to BGN 30,632,001.36 (EUR 15,661,893.60).

Project physical implementation in 2011 is as follows:

- *LOT 1 Orizovo - Dimitrovgrad* from kilometre 5+000 up to kilometre 36+400. On 01.08.2011 with Cooperativa Muratori Cimentisti-CMC di Ravenna a contract to the value of BGN 159,755,613.60 with included VAT was concluded for the assignment of additional design and construction. The Contract includes the implementation of 18 stages for a time period of 25 months after the start of the construction works. On 01.08.2011 a contract for construction supervision was concluded with Partnership under the Obligations and Contracts Act T7/SNIK to the value of BGN 678,600.00 – VAT included. Construction works started on 20.10.2011 and activities related to Stage I and II of the contract are performed which activities include removal of humus and unsuitable soil to be deposited at locations specified for this. As at the end of 2011 their physical execution is about 3%.
- *LOT 2 Dimitrovgrad – Harmanli* from kilometre 36+400 up to 70+620. On 25.07.2011 Partnership Maritsa Highway is concluded a contract for assignment of the additional design and construction to the value of BGN 146,564,400 – VAT included. The Contract includes the implementation of stage 10 for a time period of 25 months after the start of the construction works. On 25.07.2011 with Partnership under the Obligations and Contracts Act Rutex – ETE is concluded a contract for construction supervision of the value of BGN 799,200 – VAT included. Construction activities started on 26.07.2011. Performed are Works for stages II, III and IV. Work is in progress for stages V, VI, VII and VII. Works are performed in connection with clearing of the construction site, removal of humus and its depositing at locations intended for that. As at the end of 2011 the physical progress is assessed at 7.21 %.
- *A contract for construction supervision is concluded with Putproekt EOOD.*



**Table 21: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Construction of MW Maritsa, Lot 1 and Lot 2***

Activities	Start Date	Completion date
1. Feasibility studies	14.11.1975	30.09.2010
2. Cost-benefit analysis (including financial analysis)	01.03.2011	30.06.2011
3. Environmental impact assessment:	06.12.2007	04.07.2011
4. Design studies	23.09.2008	30.09.2010
5. Preparation of tender documentation	01.11.2010	19.12.2010
6. Expected launch of Tender Procedures		
6.1 Lot 1 – Supervision	20.12.2010	11.05.2011
6.2 Lot 1 – Construction	01.12.2010	20.04.2011
6.3 Lot 2 – Supervision	05.01.2011	02.06.2011
6.4 Lot 2 – Construction	21.12.2010	06.06.2011
7. Land acquisition	02.06.2009	14.07.2011 conclusion of the Land acquisition of the main route  28.02.2012 г. conclusion of the Land acquisition of the adjoining infrastructure
8. Construction phase / contract		
8.1 Lot 1	01.08.2011	31.08.2013
8.2 Lot 2	01.08.2011	31.08.2013
9. Operational phase		
9.1 Lot 1	01.09.2013	01.09.2043
9.2 Lot 2	01.09.2013	01.09.2043



**Table 22: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Construction of MW Maritsa, Project, Lot 1 and Lot 2***

Source of total investment costs					Of which (For information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans:
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
203 810 385	163 048 308	40 762 077	0.00	0.00	0.00

### Project *Completion of Trakia Motorway LOT 2,3,4*

The Project is approved with a decision of the Head of MA of OPT dated 23.04.2010. On 21.12.2010 AF was approved by the EC too. The Grant contract was signed on 23.04.2010, and it amounts to BGN 699,648,287.32 (EUR 357,724,489.00)

As at the end of 2011 paid grant under the Project amounts to BGN 249,294,913.42 (EURO 127,462,465.26) – 35.63 % of the approved grant for the Project. Verified expenditure amount to 204,307,547.39 (EUR 104,460,790.25).

The performance of the main activities for the single LOT of the Project in 2011 is as follows:

- The newly constructed road junction Stara Zagora was commissioned on 14.10.2011.
- **LOT 2 „Stara Zagora- Nova Zagora** – completed are about 73% of the Works and finalized are 13 of total 16 stages of construction. There is delay with stages 14 and 15 because of the huge volume of asphalt work which cannot be performed at the end of 2011 due to weather conditions. Work is for stages 14, 15 and 16. Construction is expected to be finalised at the beginning of July 2012.
- **LOT 3 Nova Zagora-Yambol** – performed are about 72% of the Works and finalized are 14 of total 18 stage of the construction. Work is for stages 15 and 16. Construction is expected to be finalized in July 2012.
- **LOT 4 Yambol - Karnobat** – currently about 40 % of the Works is completed and 6 of total 9 stages are finalized. All finished stages are paid, including stage 6. Stages 7 and 8 are under work. Estimated date of completion of construction – for the first section of 15 km – until July 2012 and for the remaining part of the LOT (about 35 km) – January 2013.

The implementation of the three LOT is in accordance with the approved schedule. Works are performed throughout the whole route of the highway and the only place that is not under work are the overdamp sections of Lot 4 - in this connection RIA has taken steps to carry out measures for stabilization of the terrain basis under the road embankment which was not envisaged in the basic Project. In 2011 public procurement award procedure was conducted of subject matter Determination of Contractor for the stabilization of earth base under road embankment at site MW Trakia from km 276 +200 to km 325 +280 in sections of total length of 12,505 m. of Ranked first is Partnership Aksiona Bulgaria. Contract conclusion is forthcoming. The indicative value of the public procurement is BGN15,000,000.00, VAT excluded.



**Table 23: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Completion of MW Trakia Project, Lots 2, 3 and 4***

Activities	Start Date	Completion date
1. Feasibility studies	29.07.1977	05.1987
2. Cost-benefit analysis	06.10.2009	23.12.2009
3. Environmental impact assessment:	05.06.2009	25.12.2009
4. Design studies		
- Lot 2	14.03.2001	01.2004
- Lot 3	14.03.2001	04.2004
- Lot 4	14.03.2001	04.2004
5. Preparation of tender documentation		
5.1 Tender documentation for construction		
- Lot 2	07.04.2009	10.11.2009
- Lot 3	08.12.2009	25.02.2010
- Lot 4	01.02.2010	06.04.2010
5.2 Tender documentation for supervision		
- Lot 2	01.12.2009	19.01.2010
- Lot 3	18.01.2010	22.04.2010
- Lot 4	22.02.2010	07.05.2010
6. Launch of Tender Procedures		
6.1 Tender documentation for construction		
- Lot 2	12.11.2009	25.02.2010
- Lot 3	26.02.2010	25.06.2010
- Lot 4	07.04.2010	05.08.2010



6.2 Tender documentation for supervision		
- Lot 2	22.01.2010	15.04.2010
- Lot 3	23.04.2010	09.07.2010
- Lot 4	10.05.2010	30.07.2010
7. Land acquisition		
- Lot 2	17.08.2009	10.06.2010
- Lot 3	17.08.2009	25.05.2010
- Lot 4	17.08.2009	25.05.2010
8. Construction phase		
- Lot 2	03.05.2010	08.06.2012
- Lot 3	02.08.2010	04.09.2012
- Lot 4	01.09.2010	10.01.2013
9. Operational phase		
- Lot 2	2012	2039
- Lot 3	2012	2039
- Lot 4	2013	2039

**Table 24: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Completion of MW Trakia Project, Lots 2, 3 and 4***

Source of total investment cost (in Euro)					Of wwhich (For information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans:
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
362 591 215	286 179 591	76 411 624	0.00	0.00	0.00

## 2.2 Significant Problems encountered in the Preparation and Implementation of Projects under the Priority Axis and Measures taken





The main problem, which was identified in the preparation and implementation of projects under the axis is related to the finalization of AP for the other projects in the road sector and their submission to EC for approval before the middle of 2012, as well as the timely awarding of the public procurements aiming at the completion of the projects by the end of 2014 – the beginning of 2015.



### 3. Priority Axis III – Improvement of Inter-Modality for Passengers and Freight

#### 3.1 Achievement of Targets and Analysis of Progress

**Table 25: Physical Progress of Priority Axis III – Improvement of Inter-Modality for Passengers and Freight by Quantifiable Indicators as of 31.12.2011**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority Axis III – Improvement of Inter-Modality for Passengers and Freight</b>											
Time savings (thousands of hours per day)	Achievement	0	0	0	23.4	23,4					23.4
	Target				19,3					60,5	
	Baseline	0									
Savings (million euro per year)	Achievement	0	0	0	4.92	4,92					4.92
	Target				4,2					12,8	
	Baseline	0									
Passengers using the metro (number)	Achievement	0	0	0	156000	156000					156000
	Target				204000					260000	
	Baseline	78400									
Number cargo handled (TEU/week)	Achievement	0	0	0	0	0					0
	Target				1000					1000	
	Baseline	100									
Average speed of public transport for central itineraries (km/h)	Achievement	14	14	14	14	20.5					20.5
	Target				22,5					40	
	Baseline	14									
Capacity of metro system (number of wagons)	Achievement	0	0	0	0	0					0
	Target				65				72 (120)		
	Baseline	48									
Capacity of handling	Achievement	0	0	0	0	0					0



of inter-modal terminal (TEU/per week)	Target				1500					1500	
	Baseline	500									
Metro lines built (km)	Achievement	0	0	0	0	5.39					5.39
	Target					0				6.5	
	Baseline	9,9 (17.7)									
Metro stations built (number)	Achievement	0	0	0	0	4					4
	Target					0				7	
	Baseline	8(14)									
Modernized inter-modal terminal (number)	Achievement	0	0	0	0	0					0
	Target					1				1	
	Baseline	0									
Length of railway tracks of combined transport terminals (km)	Achievement	0	0	0	0	0					0
	Target					3				3	
	Baseline	0									
Areas prepared for freight villages (sq m)	Achievement	0	0	0	0	0					0
	Target					132000				400000	
	Baseline	0									



As at 31.12.2011 two grant contracts were concluded under the priority Axis. The amount of grant awarded is BGN 362,707,591.81 (EUR 185,449,446.94) which is 87,9 % of the Axis budget.

As at 31.12.2011 under Priority Axis 3 paid grant is BGN 279,568,660.01 (EUR 142,941,186.10) – 67.71 % of the axis budget. It is allocated by sources as follows: ERDF – BGN 237,633,361.00 (EUR 121,500,008.19); national co-financing –BGN 41,935,299.01 (EUR 21,441,177.91). Total amount of verified expenditure under the Priority axis as at 31.12.2011 is BGN 348,439,537.44 (EUR 178,154,306.58).

**Project *Extension of Sofia Metropolitan, Stage I Road Junction Nadezhda – Central Station – St. Nedelia sq – Cherni Vruh blvd.***

Provisioned grant is to the amount of BGN 362,207,591.81 (EUR 185,193,801.00). The Project is approved by EC on 22.09.2009.

As at the end of 2011 the grant that is paid out amounts to BGN 279,518,892.01 (EUR 142,915,740.13) – 77.17 % of the approved grant for the Project. Verified expenditure amount to BGN 348,419,369.44 (EUR 178,143,994.85).

The physical implementation of the Project as at the end of 2011 is as follows:

- **Section Road Junction Nadezhda – Central Railway Station – ST. Nedelia sq. – Patriarh Evtimii blvd** – physical implementation 82 %.  
The work of the tunnel boring machine finished in 2011 (respectively the production of reinforced concrete segments) which resulted in the finalization of a two-way tunnel of total length 3160 m and internal diameter 8,5 m. In the section between Start shaft in Nadezhda and MS 7 the railway is placed and concrete is laid. Major part of the metro stations are finalized. Bigger part of the architecture –finishing works of MS 5 and MS 6 are completed. Planned is the finalization of the finishing works of MS 7 and MS 8 in April 2012.
- **Section Patriarh Evtimii blvd. – NHC – Cherni Vrah blvd** – physical implementation of 79 %. As at the end of 2011 completely is ready the two way tunnel of length of 738 m and opening of 8,5 m (between MS 10 and MS11). The railway line in the section between MS 9 and MS 10 is laid and cemented. The main constructions of the metro stations are ready. The finishing works and the interior appearance of MS 9 and MS 10 are completed. The necessary equipment and systems are being mounted. The plan is the architectural and finishing works of MS 11 to be finalized in April 2012.

The plan is the Project to be commissioned in the second half of 2012.



**Table 26: Progress in the implementation of the various stages of implementation of major projects in accordance with point D1 of Annex XXI and XXII of Regulation 1828/2006 for the project *Extension of Sofia Metropolitan Project, Stage I: Nadezhda Road Junction – Central Railway Station – St. Nedelya Square – Cherni Vruh Blvd.***

Activities	Start Date	Completion date
1. Feasibility studies	01.06.2006	01.06.2008
2. Cost-benefit analysis (incl. Financial Analysis)	01.06.2006	01.07.2008
3. Environmental impact assessment:	01.05.2006	31.03.2007
4. Design studies	01.03.2006	01.03.2007
5. Preparation of tender documentation	01.01.2007	15.05.2007
6. Launch of Tender Procedures	01.07.2007	01.04.2008
7. Land acquisition	none	none
8. Construction phase	01.12.2008	01.10.2012
9. Operational phase	02.01.2013	

**Table 27: Financial implementation of major project in accordance with point H 2.2 of Annex XXI and XXII of Regulation 1828/2006 for the project *Extension of Sofia Metropolitan Project, Stage I: Nadezhda Road Junction – Central Railway Station – St. Nedelya Square – Cherni Vruh Blvd.***

Source of total investment costs (in Euro)					Of which (for information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources (specify)	EIB/EIF loans:
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
379 115 649	157 414 731	221 700 918	0	0	0

**Project *Building of Intermodal terminal in Sofia – Phase 1***

At the 11<sup>th</sup> sitting of the Monitoring Committee of OPT in December 2011 it was decided that the implementation of the Project for construction of Intermodal terminal in Sofia shall not happen in the current program period. In view of the implementation of the policies for the development of intermodal-container transport, and not to infringe the fundamental objectives of Priority Axis 3 of OPT, NRIC undertook actions related to the construction of IMT Plovdiv in the current programming period.



### **3.2 Significant Problems encountered in the Preparation and the Implementation of Projects under the Priority Axis and Measures taken**

The main problem which Metropolitan EAD faces as a beneficiary under OPT is related to the completion of the two projects for construction of Sofia Metro in 2012. (under Priority Axis 1 and Priority Axis 3) and the provision of the last 10% final payments to the Contractors. Because of the existing normative framework in Bulgaria, grant payments are made by MA up to achieving 80 % of the awarded grant and up to 10 % of the advance payment. The remaining 10 % final payment shall be paid to the beneficiary after the commissioning of the site. In this case the Beneficiary Metropolitan does not have sufficient funds for final payment of all obligations under concluded contracts with project Contractors. The problem is submitted to the Ministry of Finance and the resolving of it is a joint task. Regarding the construction of intermodal terminal in Sofia, at the 11<sup>th</sup> meeting of the Monitoring Committee of OPT in December 2011, the status of project was discussed. Given that the location of the terminal has lost its relevance, it was decided to proceed with construction of an intermodal terminal in Plovdiv.



## Priority Axis IV Improvement of the Maritime and Inland-Waterway Navigation

### 4.1 Achievement of Targets and Analysis of Progress

**Table 28: Physical Progress of Priority Axis IV Improvement of the Maritime and Inland- Waterway Navigation by Quantifiable Indicators as of 31.12.2011**

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 waterways covered by safety system (%)	Achievement	10.3	18	18	18	18					18
	Target				39,9					100	
	Baseline	10,3									
Part of river waterways along the Danube covered by safety system (%)	Achievement	0	0	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	0					0
	Target				0,01					0,03	
	Baseline	0									
Supervised coast length (nautical miles)	Achievement	24,7	35	35	35	35					35
	Target				95					238,4	
	Baseline	24,7									
Supervised river length (km)	Achievement	14	60	60	60	60					60
	Target				126,6					407,7	
	Baseline	24									
Navigable period in the year	Achievement	0	0	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)	1 (limited capacity)					1 (limited capacity)
	Target									1 (improved capacity – new equipment and software)	
	Baseline	1 (limited capacity)									
River information system (number)	Achievement	0	0	0	0	0					0
	Target									1	
	Baseline	0									
Length of the sections to be corrected (km)	Achievement	0	0	0	0	0					0
	Target				17,4					0	
	Baseline	26									





As at the end of 2011 under the Priority Axis is concluded 1 grant contract Total value of grant awarded amounts to BGN 35 378 913.72 (EUR 18 088 951.35) which is 11,53 % of the budget of the Axis.

As at 31.12.2011 under Priority Axis 4 grant is paid to the amount of BGN 5,104,228.87 (EUR 2,609,750.78) – 1.66 % of the budget of the axis, which by sources is as follows: ERDF – BGN 4,338,594.54 (EUR 2,218,288.16); national co-financing – BGN 765,634.33 (EUR 391,462.62). As at the end of 2011 there are no verified expenditure under the Axis.

**Project *Improvement of the navigation on the Danube in joint Bulgarian - Romanian parts: from rkm 530 to rkm 520 – Bathin from rkm 576 to rkm 560 - Belene***

Because of the serious delay in the preparation of the Project under the Romanian ISPA programme, at the 11<sup>th</sup> Monitoring Committee of OPT in December 2011 it was proposed the Project to be prepared in the current programming period and its implementation to be realized in the next programming period. The proposed indicative budget for project preparation is 10 million EURO.

**Project *Establishment of River Information System in the Bulgarian Part of the Danube River***

The grant contract was signed on 04.10.2011 and provisioned grant is to the amount of BGN 35,378,913.72 (EUR 18,088,951.35). The Project is in the process of implementation. On 15.05.2010 is signed a contract with Association BULRIS 2009 for Phase 1 of the Project to the value of 6,9 million euro. On 18.10.2011 the first phase of the Project was started. Grant to the amount of BGN 5,104,228.87 (EUR 2,609,750.78 ) is paid under the Project – 14.43 % of the approved grant for the Project) and as at the end of 2011 there are no verified expenditure. The physical implementation of the Project is as follows:

Built and equipped are two new towers in the village of Florentin and Oryahovo, equipped three towers owned by BTC-VIVACOM and National Management Radio and Television stations in the town of Silistra, Tutrakan and Russe. Fully furnished and equipped is a temporary operating center RIC Ruse, Reserving RIC Varna and site located on the roof of Bulgarian River Shipping Ruse. Fully completed and integrated in 2011 are 4 main subsystems of the RIC, namely ERI - electronic reporting system, NtS - notices to capitains, AIS - Automatic Identification System and Data Gateway - a system for data exchange with all countries that have built RIC system. The implementation of Phase 1 of the project is expected to be completed in mid 2012

**Project *Vessel Traffic Management Information System (VTMIS) – Phase 3***

In 2011 the following important moments from the preparation of the Project may be noted:

- AF of the Project is submitted for approval by the MA of OPT at the end of 2011.
- Submitted is a notification for the investment proposal to MOEW. There are decisions of RIEW Varna and Bourgas issued in accordance with which the sites under the Project are not subject of procedures for Environment Impact Assessment.
- In 2011 Bulgarian Ports Infrastructure Company has concluded the following contracts for performance of the Project preparation:



- Development of a detailed structural plan for property No 2652 after the plan of 29 micro region Varna of intended use – construction of a building for management of the maritime traffic – traffic tower;
- Preparation of an application for confirmation of subsidy under Articles 39 - 41 of Regulation (EC) No 1083/2006 and Cost-benefit Analysis in part financial analysis, analysis of the sensitivity and risk assessment.;
- Consultancy services for the preparation of Technical specification for engineering and methodology for assessment for construction of towers for management of the ship traffic in Varna and Bourgas for Project Vessel Traffic Management Information System – Phase 3.

Project *Improvement of the Navigation Systems and the Topo-Hydrographic measurements along the Danube river.*

In 2011 are prepared the technical specifications after the individual components of the Project. An application form is prepared for the grant to be provisioned under Priority Axis 5 technical Assistance for the financing of consultancy services for the preparation of the investment Project.

#### **4.2 Significant Problems encountered in the Preparation and Implementation of Projects under The Priority Axis and Measures taken**

The main problem in the implementation of the projects under the axis is the accumulated delay in their preparation and implementation. As a result the project for the improve ment of the navigation on the Danube river in the sections Batin – Belene will be implemented in the next programming period. In this respect, the Bulgarian and Romanian side have signed a joint declaration committing to implement the project in the next programming period. During the current period it will be prepared with an indicative budget of around 10 million EURO.

For the successful implementation of the objectives of the Priority Axis, the successful implementation of the Projects for BULRIS and VTMISS is required as well as the Project of EAMDR for improvement of the systems for navigation and topohydrographic measurements along the Danube river.



## 5. Priority Axis V – Technical Assistance

### 5.1 Achievement of Targets and Analysis of Progress

**Table 29: Physical Progress of Priority Axis V – Technical Assistance by Quantifiable Indicators as of 31.12.2011**

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	1	1					1
	Target				1						1
	Baseline	0									
Strategic business plan for development of railway transport (number)	Achievement	0	0	0	0	0					0
	Target				1						1
	Baseline	0									
Implementation of OPT communication plan (number)	Achievement	0	1 <sup>3</sup>	1	1	1					1
	Target				1						1
	Baseline	0									
General environmental monitoring plan and its implementation (number)	Achievement	0	0	0	0	0					0
	Target				1						1
	Baseline	0									
Trained people according to training programmes (%)	Achievement	0	4.2	8.2	8.6	57					57
	Target				100 %					100 %	
	Baseline	0									
Information and publicity measures at	Achievement	4	11	16	19	24					24
	Target				9					24	

<sup>3</sup> Approved – in process of implementation.



national level (number)	Baseline	0										
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As at 31.12.2011 under the Priority Axis are concluded/issued 48 contracts/orders for grant awarding. Awarded grant under OPT is to the amount of BGN 59 542 229.05 (EUR 30 443 458.30), which is. 45 % of the axis budget.

Paid out grant as at the end of 2011 is of the amount of BGN 19 964 596.28 (EUR 10,207,735.99) which is 15.48 % of the axis budget. From ERDF are paid out BGN 16,969,906.84 (EUR 8 676 575.59); national co-financing – BGN 2 994 689.44 (EUR 1,531,160.40). Total amount of verified expenses under the axis is BGN 17 896 145.24 (EUR 9 150 153.77).

***Project Technical Assistance for Preparation of Investment Project for Third Metro Diameter of Sofia Metropolitan Knyazevo– CCP – Botevgradsko Shosse blvd. For realization as type „light metro”***

Grant is awarded to the amount of BGN 3,270,000 (EUR 1,671,924.45)

As at the end of 2011 the Contractor finished the work for Stage I – Feasibility study and pre investment studies. Selected is a variant for the route of Third Metro Diameter based on variant 4A worked out by the contractor with small changes. Currently the conceptual Project is developed all specialties with basic characters and indicators of the individual parts. The Project is implemented in accordance with the planned schedule.

***Project Design and Introduction of Geographic Information System for the Needs of NRIC***  
Provisioned grant is to the amount of EUR 5 112 918,81.

In 2011 all activities under the Project were performed within the time periods and scope according the concluded contracts. The Official opening and presentation of GIS to NRIC (presentation and press conference) was made on 05.04.2011. As at the end of 2011, NRIC has developed, built, technically provisioned and functioning Geographic Information System and trained employees to work with it. Within the framework of Directorate Strategic development and Investment Projects of NRIC – head Office is established unit GIS for work with the system.

***Project Technical Assistance for Support of the Strategic Development of the Railway Sector in the Republic of Bulgaria***

In 2011 the Project was finalized. Total amount of funds paid under it amounts to BGN 1,028,400 or about 83,6 % of the planned budget of the Project. As a result of its implementation the following documents were prepared:

- *Project of Strategy for Introduction of Technical Specification for introduction of Technical Specifications for Operational Compatibility of the Conventional Railway System in the Republic of Bulgaria /2010-2030/;*
- *Project for Long-term Plan for Implementation of Technical Specifications for Interoperability of the conventional railway system in the Republic of Bulgaria (2010-2030);*
- *Project of Strategy for Introduction of European Railway System for Traffic Management (ERTMS) in the Republic of Bulgaria.;*



- *Project of national Plan of the Republic of Bulgaria for Introduction of ERTMS.*

The establishment of a working group is planned in 2012 with representatives of the competent administrations in the area of the railway transport like the Executive Agency Railway Administration and National Transport Policy Directorate with MTITC. The work group shall have as a task to bring prepared Projects in the form of national strategic documents for the development of the railway transport and to facilitate their acceptance and approval at national level.

## **5.2 Significant Problems encountered in the preparation and implementation of projects under the priority axis and Measures taken**

By the end of 2011 there are no identified significant problems related to the implementation of Priority Axis 5.

## **6. Use of Technical Assistance**

The projects, which are implemented under priority axis Technical Assistance, could be classified in several categories with the following amount of grants for each of the categories:

1. Strengthening the administrative capacity of the beneficiaries and provision of expertise for improving the process of their work – EUR 18,223,236.01.
2. Preparation and carrying out of sessions of the Monitoring Committees of OPT – EUR 169,634.41
3. Activities, related to information and publicity – EUR 5,062,896.16
4. Elaboration of strategic documents – EUR 4,264,787.85
5. Evaluation of the implementation of OPT – EUR 613,550.26
6. Technical assistance for preparation of investment projects – EUR 2,192,248.30

The main challenge in 2011 in regards to the use of technical assistance under the programme was the clarification of the possibilities for the use of funds to finance consulting services from the international financial institutions. In this respect, MA of OPT has participated in the process of preparation of the conditions for provision of similar assistance. These are projects for technical assistance envisaged for implementation under the context of the interaction of the Republic of Bulgaria with the World Bank for reforms in the railway sector and the project for development of a master plan for monitoring of the environment.

Technical assistance funds are also envisaged to finance the preparation of the operational programme for the next programming period, such as preparation of different analysis and studies.

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

### **7.1 Information and publicity events under the Operational programme on Transport**

As part of the Communication Plan and for carrying out the measures for information and publicity, in 2011 MA of OPT conducted the following major activities:



**Table 30: Information and Publicity Events Held under OPT in 2011**

No	Date	Place	Event	Target Group
1.	08.02. 2011	Sofia	Official signing of the contract for rehabilitation of Plovdiv – Bourgas Railway	Media Wide public Local authorities
2.	01.04. 2011	Sofia	Inspection by Prime Minister Boiko Borissov of the project for extension of the Sofia Metro	Media Wide public Local authorities
3.	13-15.05. 2011	Sofia	Europe for Us Exhibition with the participation of OPT	Media Wide public Local authorities
4.	21.06. 2011	TSUM	Official completion of the breakthrough of the tunnel of the Sofia metro at TSUM	Media Wide public Local authorities
5.	27.06. 2011	Sofia	Official opening of the reconstructed section of Lomsko Shosse blvd.	The population in the region of construction, Media Wide public Local authorities
6.	26.07. 2011	Haskovo – Dimitrovgrad Main Road	Official ceremony of breaking ground of the construction of Lot 2 of MW Maritsa	Media, Wide public, Local authorities
7.	02.08. 2011	The exist of MW Trakia	Official ceremony of breaking ground of the construction of Lot 1 of MW Maritsa	The population in the region of construction, Media, Wide public, Local authorities
8.	15.08. 2011	The Historical Museum in Chirpan	Exhibition of archaeological findings found along the route of MW Maritsa	Media, Wide public, Local authorities
9.	01.09. 2011		Official ceremony of breaking ground of the construction of the Kurdjali – Podkova road	Media, Wide public, Local authorities
10.	08.09. 2011	Sofia	Discussion forum for the implementation of OP on Transport 2007-2013 .	Media, Wide public, Local authorities
11.	09-11.09. 2011	Golden Sands resort	Workshop for journalists	Managing authority of OPT, Media
12.	26.09. 2011		Official ceremony of breaking ground of the construction of the connection between MW Hemus and Sofia Ring Road	Media, Wide public, Local authorities



13.	28.09. 2011	Sofia	Visit of Prime Minister of Republic of Korea of the construction site of the metro	Media, Wide public, Local authorities
14.	01.10. 2011	at km 305+220 of MW Struma before Dolna Dikanya from Sofia	Official ceremony of breaking ground of the construction of Lot 1 of MW Struma	Media, Wide public, Local authorities
15.	13.10. 2011	Sofia	Visit of EC President Jose Manuel Barroso of the construction site of the second metro diameter	Media, Wide public, Local authorities
16.	14.10. 2011		Official opening of Stara Zagora Road Junction	Media, Wide public, Local authorities
17.	18.10. 2011	Rousse	Official opening of the BULRIS project	Media, Wide public, Local authorities
18.	20- 22.10. 2011	Bansko	Workshop on behaviour before media	Managing authority of OPT, Beneficiaries
19.	15.12. 2011	Sofia	Annual forum for presentation of the progress in the implementation of OP on Transport	Media, Wide public, NGO, Beneficiaries

## 7.2 Projects, financed under the OPT Communication plan

In implementation of the Communication plan of the Operational Programme on Transport, there are four active projects at the moment:

### ***Project BG161PO004-5.0.01-0011 Creation and maintenance of an Internet page of the Operational Programme on Transport 2007-2013***

The project is active until 16.07.2011. The Internet page corresponds to all the requirements of Regulation 1828/2006. Through the publications on the site, the requirement of the Executive regulations for the publicizing of the list of the beneficiaries under the programme, and of the financed projects, is heeded. The page is regularly updated with news and materials, related to OP Transport. The site is free and accessible for the public. A version for persons without sight





has been elaborated. An opportunity for free subscription for the News column is created. There is a special column Shortcomings, where the public can forward information through electronic means, too.

In the scope of improvement of the transparency of the procedures of commissioning public procurement on projects, foreseen for financing under OP Transport, updated information about the launching of the tenders, the candidates taking part in them, as well as the selection of a contractor for the particular procedure, is published in the News column.

***Project BG16IPO004-5.0.01-0032 Conducting of activities in implementation of the Communication plan on Operational Programme on Transport 2007-2013***

Decision OPR – 48/26.08.2009 of the Head of OPT MA for the awarding of grant.

Total budget of the project – BGN 3,600,000 (without VAT)

Duration of the project – 24.11.2008 – 1.09.2012

The execution of the planned communication activities, in implementation of the Communication plan on Operational Programme on Transport 2007-2013 (OPT) will give an opportunity to the OPT Managing authority to fulfil the requirements of EC with regard to the measures for information and publicity of the ES Structural Instruments, and will contribute for the implementation of the measures and the achievement of the scopes of the OPT Communication plan. The project covers types of activities, connected with the popularization of the scopes and priorities of OPT, the informing about emblematic public events, as well as for the elaboration of a Manual for the implementation of measures for information and publicity.

***Project BG16IPO004-5.0.01-0051 Popularization of the Operational programme on Transport 2007-2013 among the general public through cooperation with the electronic media (television and radio stations)***

In order to popularize OP on Transport, the following contracts were signed:

Contracts with television operators of national broadcasting:

- for a period of 1 year TV SEDEM EAD for popularization of the Operational Programme on Transport 2007-2013 – value: BGN 200,064.00, concluded on 15.02.2011 for a period of 1 year
- Provision of programme time in the national programme of BNT 1 and BNT World for popularization of the Operational Programme on Transport 2007-2013 – value: BGN 300,192.00, concluded on 03.05.2011 for a period of 1 year
- Provision of programme time in the national programme of Nova Television for broadcasting of 6 films on major themes in the field of implementation of the Operational Programme on Transport 2007-2013 – value: BGN 419,707.36, concluded on 29.12.2011 for a period of 1 year

In implementation of the contracts, the broadcasts according to the contracts signed with televisions for national broadcasting are a total of 307 in general for 2011.

Contracts with radio operators for national broadcast:



- Provision of programme time in the national programme of Darik Radio for popularization of the Operational Programme on Transport 2007-2013 – value: BGN 312,000, date of signing: 12.01.2011 for a period of 1 year
- Provision of programme time in the national programme of BNP for popularization of the Operational Programme on Transport 2007-2013 – value: BGN216,174.72, concluded on 08.02.2011 for a period of 1 year

In 2011, the broadcasts pursuant to the concluded contracts with radios for national broadcasting are 1,161.

### 7.3 Major activities performed

- Published news on the Internet site of OP Transport – 110;
- Publishing of the projects, approved for financing, updating on a monthly basis;
- Approved Communication Plans of investment projects;
- Participation in regular meetings with experts on information and publicity of the operational programmes, organized by the Central Information Office.

The major activities in the sphere of information and publicity in 2011 were focused on the improvement of the transparency of the announced tender procedures. The goal is, by the provision of timely and up-to-date information on tenders, the contracts for which are foreseen, to be financed under the Operational Programme on Transport, on the one hand – to raise the awareness of the general public with regard to the procedures that are carried out, and on the other – to increase the civic control.

#### ***Project BG161PO004-5.0.01-0056 Popularization of OP Transport 2007-2013 through Cooperation with Printed Media and Internet Publications and Organization and Carrying Out Work Visits the Member States of the European Union for the Bulgarian Representatives of the Mass Media***

A procedure on Publication of Materials in Printed Publications in Connection with the implementation and Popularization of the Operational Programme on Transport 2007-2013.

### 7.4 Web traffic statistics of the OP “Transport” website [www.optransport.bg](http://www.optransport.bg)

- Total number of visitors for the year – 22,365 persons;
- Unique visits (number of visits of different users within one day 00 – 24 o'clock) – 19,855 persons;
- Page views (number of loads of a page) - 77,591;
- Maximum number (peak) of on-line users per day – 27 persons.