

Operational Programme on Transport 2007 – 2013
ANNUAL REPORT 2007



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REPUBLIC OF BULGARIA
MINISTRY OF TRANSPORT
COORDINATION OF PROGRAMMES AND PROJECTS
DIRECTORATE –
MANAGING AUTHORITY

OPERATIONAL PROGRAMME TRANSPORT 2007-2013

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2007



По-близо, по-близки...

SUMMARY

Pursuant to Article 67 of Regulation (EC) No 1083/2006 for the first time in 2008 and by 30 June each year, the Managing Authority should send the Commission an annual report on the implementation of Operational Programme Transport 2007-2013. In order to ensure a clear view of the implementation of the programme the report includes information about the progress made in implementing projects at priority axes level; the financial implementation of the programme and the steps taken by the Managing Authority to ensure the quality and effectiveness of OP Transport implementation, in particular monitoring and evaluation measures, and the communication plan and publicity measures. Taking into account the fact that OP Transport was only signed at the end of 2007 the report reflects the actual progress in implementation in 2007.

As part of the National Strategic Reference Framework (NSRF) Operational Programme Transport defines the strategic development of the transport sector for the period 2007 – 2013 with the aim to achieve the EU “Convergence” objective co-financed by the Cohesion Fund and the European Regional Development Fund.

Operational Programme Transport has been elaborated in pursuance of:

- Council of Ministers Decree №171/02.08.2002, amended by the Council of Ministers Decree №12/19.01.2004 concerning the establishment of Coordination Council on the National Development Plan/NSRF and the process of preparation of the programming documents concerning the participation of the Republic of Bulgaria in the European Union Structural Funds and the Cohesion Fund
- Council Regulation (EC) № 1083/2006
- Chapter 21 “Regional policy and coordination of structural instruments”

The objective of Operational Programme Transport 2007 – 2013 is development of the railway, road and waterborne infrastructure as well as fostering of the development of combined transport in conformity with the transport policy of the European Union and the established requirements for development of the trans-European transport network in order to achieve sustainability of the Bulgarian transport system.

The priorities of the programme are to contribute to achieving the priorities of the EU Sustainable Development Strategy in order to ensure better quality of human life, now and for generations to come, to foster the balanced and equitable economic development, to protect the environment and social justice. They are in line with the Draft National Transport Strategy and the National Strategy for Integrated Development of the Infrastructure in Bulgaria as well as with the Action Plan for the period 2006-2015.

The programme focuses on a number of strategic goals and priorities that will be achieved through a series of operations, which will contribute to the integration of the national transport system into the EU transport network.

The strategic goals of the transport policy are: development of sustainable transport; integration of the national transport network into the EU transport network; balance among the various transport modes. The achievement of these goals is a precondition for the sustainable and balanced long-term economic growth.

In this connection the implementation of OP Transport complies with the Community Strategic Guidelines, in particular with Guideline 1.1.: Making Europe and its regions more attractive places to invest and work 1.1.1. Expand and improve transport infrastructures, of Council Decision 2006/702/EC on Community strategic guidelines on cohesion.

The implementation of OP Transport also contributes directly to attaining two of the specific medium-term objectives of the National Strategic Reference Framework for the period 2007-2013, namely:

- Strengthening of the competitiveness of the economy to achieve high and sustainable growth;
- Development of human capital in order to ensure higher employment, income and social integration and to achieve NSRF strategic priorities.

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Abbreviations

BTC – Bulgarian Telecommunication Company

BULRIS – Bulgarian river information services system

CEE countries – Central and Eastern European countries

CM – Council of Ministers

CMC – Council of Ministers' Decree

CF – Cohesion Fund

Commission – European Commission

CP – Communication Plan

CPP – Coordination of Programmes and Projects

DG – Directorate General

DP – Detailed plan

EA – Executive Agency

EC – European Communities

EIA – Environmental Impact Assessment

EIB – European Investment Bank

EIF – European Investment Fund

EPL – Environmental Protection Law

ERDF – European Regional Development Fund

EU – European Union

IFIs – International Financial Institutions

JASPERS – a joint initiative of the Commission, EIB and EBRD for provision of technical assistance in the preparation of major infrastructure projects

MA – Managing Authority

MATRA – a programme funded by the Dutch Ministry of Foreign Affairs, aiming to support the process of social transformation in CEE countries

MC – Monitoring Committee

MOEW – Ministry of Environment and Water

MF – Ministry of Finance

MRDPW – Ministry of Regional Development and Public Works

MS – Metro station

MT – Ministry of Transport

MW – motorway

NIMC – National Institute for Monuments of Culture

NF – National Fund

NRIC – National Railway Infrastructure Company

NRIF – National Road Infrastructure Fund

NSRF – National Strategic Reference Framework

OP – Operational Programme

OPT – Operational Programme Transport

PHARE – a programme, key financial pre-accession instrument of the European Union for cooperation with Central and Eastern European countries

PIU – Project Implementation Unit

RIEW – Regional Inspectorate of Environment and Water

RORIS – Romanian river information services system

SMC – Sofia Municipal Council

SDL – Spatial Development Law

TEB – Technical expert board

TEN-T – Trans-European transport network

UMIS – Unified Management Information System of the EU Structural Funds and the Cohesion Fund

UN – United Nations

VTMIS – Vessel Traffic Management Information System

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I. IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned: Convergence
	Eligible area concerned: Bulgaria
	Programming period: 2007-2013
	Programme number (CCI №): 2007BG161PO004
	Programme title: Operational Programme on Transport
ANNUAL IMPLEMENTATION REPORT	Reporting year: 2007
	Date of approval of the annual report by the Monitoring Committee: 16 June 2008

II. Overview of the implementation of OP Transport**1. Analysis of the progress and the achievements****1.1. Physical progress of Operational Programme on Transport**

Table 1 presents summary information on core indicators relevant for the implementation of OP Transport as a whole.

Table 1: List of core indicators relevant for OP Transport as a whole

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Built rail track (km)	Achievement										0
	Target				3659,9					3684	
	Baseline	3648									
Rehabilitated rail track (km)	Achievement										0
	Target				707,7					1231	
	Baseline	450									
Electrified rail track (km)	Achievement										0
	Target				3296,9					3321	
	Baseline	3285									
Built motorways (km)	Achievement										0
	Target				399					537,7	
	Baseline	331,2									
Built bypasses	Achievement										0
	Target				13,9					42,3	

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(km)	Baseline	0									
Rehabilitated Ist class roads (km)	Achievement										0
	Target				290					880	
	Baseline	0									
Length of built metro lines (km)	Achievement										0
	Target				20					24,8	
	Baseline	9,9									
Built metro stations (number)	Achievement										0
	Target				17					25	
	Baseline	8									
Modernized intermodal terminals (number)	Achievement										0
	Target				1					1	
	Baseline	0									
Part of sea travel along Bulgarian coast covered by a safety system (%)	Achievement										0
	Target				39,9					100	
	Baseline	10,3									
Part of river travel along the Danube River covered by a safety system (%)	Achievement										0
	Target				36,4					100	
	Baseline	5,10									

In 2007 various progress has been made in the preparation for implementation of projects under all priority axes. Taking into account the relatively short period after the official approval of the programme the activities performed under the individual projects mainly include start-up of alienation procedures, preparation of tender documentation, elaboration of terms of reference and technical specifications, preparation of EIA reports, conduct of archaeological surveys. In 2007 also started the preparation of a communication plan and performance of publicity measures. In order to make the Bulgarian legislation in the area of transport policy compliant with the Community one relevant amendments have been made to the national legislation.

Table 2 presents data on the physical progress of OP Transport by quantifiable indicators for programming period 2007 – 2013.

Priority axis II „Development of road infrastructure along the Trans-European and major national transport axes”										
Time savings (thousand of hours per day)	Achievement	0								0
	Target									1336,4
Savings (million of euros per day)	Baseline	0								
	Achievement	0								0
	Target									1,23
	Baseline	0								
Operating cost savings/ 1000 km (VOC) • for light vehicles • for heavy vehicles	Achievement	0								0
	Target									
	Baseline	0								
	Achievement	254,99								
Reduction of accidents on road (number)	Achievement	0								0
	Target									
	Baseline	1171								
	Achievement	0								0
Average speed on class I road network (km/h) • for light vehicles • for heavy vehicles	Target									
	Baseline	0								0
	Achievement									
	Target									80
Baseline		50								
		40								70

Built motorways (km)	Achievement	0																	0
	Target								399										537,7
Built bypasses (km)	Baseline	331,2																	
	Achievement	0																	0
Rehabilitated class I roads (km)	Target								13,9										42,3
	Baseline	0																	
	Achievement	0																	0
	Target								290										880
	Baseline	0																	

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Priority axis III - „Improvement of intermodality for passengers and freight”											
Time savings (thousand of hours per day)	Achievement	0									0
	Target				19,9					60,5	
Savings (million of euros per day)	Baseline	0									
	Achievement	0									0
People using the metro (number)	Target				4,2					12,8	
	Baseline	0									
Number cargo handled (TEU/per week)	Achievement	0									0
	Target				132700					260000	
	Baseline	70000									
	Achievement	0									0
	Target				1000					1000	
	Baseline	100									
Average travel speed for urban transport on central itineraries (km/h)	Achievement	0									0
	Target				22,5					40	
Capacity of metro system (number of wagons)	Baseline	14									
	Achievement	0									0
Capacity of handling of intermodal terminals (TEU/per week)	Target				65					102	
	Baseline	48									
Length of built metro lines (km)	Achievement	0									0
	Target				1500					1500	
	Baseline	500									
	Achievement	0									0
	Target				20					24,8	
	Baseline	9,9									

Built metro stations (number)	Achievement	0																			0	
	Target						17															25
	Baseline	8																				
Modernized intermodal terminals (number)	Achievement	0																				0
	Target						1															1
	Baseline	0																				
Length of rail track for combined transport terminals (km)	Achievement	0																				0
	Target						3															3
	Baseline	0																				
Areas prepared for freight villages (in sq.m.)	Achievement	0																				0
	Target						132000															400000
	Baseline	0																				

Indicators	Priority axis IV - „Improvement of the maritime and inland-waterway navigation”										Total	
	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Part of sea travel along Bulgarian coast covered by safety system (%)	Achievement	0										0
	Target				39,9							100
Part of river travel along the Danube River covered by safety system (%)	Achievement	0										0
	Target				36,4							100
Cost saving for modal shift from rail to IWT per km (euro)	Achievement	0										0
	Target				0,01							0,03
Supervised coast length (nautical miles)	Achievement	0										0
	Target				95							238,4
Supervised river length (km)	Achievement	0										0
	Target				126,6							407,7
Navigability period in the year (%)	Achievement	0										0
	Target				70							83
VTMIS implementation (number)	Achievement	0										0
	Target											1 with improved capacity – new equipment and software
Baseline	Achievement	1 with limited capacity										
	Target											

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BULRIS (number)	Achievement	0																		0	
	Target							1												1	
Length of sections to correct (km)	Baseline	0																			
	Achievement	0																			0
	Target												17,4								0
	Baseline	26																			

Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total	
											Priority axis V - "Technical assistance"
General transport master plan (number)	Achievement	0									0
	Target			1						1	
Strategic business plan for development of the railway transport (number)	Baseline	0									
	Achievement	0									0
	Target				1					1	
	Baseline	0									
Communication plan implementation (number)	Achievement	0									0
	Target				1					1	
	Baseline	0									
General plan for monitoring of the environment and its implementation (number)	Achievement	0									0
	Target				1					1	
	Baseline	0									
Trained people according to training programmes (%)	Achievement	0									0
	Target				100					100	
	Baseline	0									
Information and publicity actions at national level (number)	Achievement	0									0
	Target				9					24	
	Baseline	0									

1.2. Financial implementation of OP Transport in 2007

During programming period 2007-2013 the implementation of OP Transport will be financed from the Cohesion Fund, ERDF, national co-financing, TEN-T budget and bank loans. In order to address the need for simplification and decentralization, programming and financial management will be carried out at priorities level.

Table 3 shows the breakdown of EU assistance in Euro by priority axis.

The financial plan of the OP Transport is based on the financial plan of the National Strategic Reference Framework (NSRF) of Republic of Bulgaria for 2007-2013 and the estimations have been made in order to respond to the priority needs for development of the national transport infrastructure.

Table 3: Breakdown in EUR of the EU assistance by priority axis

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

According to the existing Regulations the contribution from the Funds for each priority can be subject to the following ceilings:

- Up to 80 % of the public expenditure co-financed by the Cohesion Fund
- Up to 85 % of the public expenditure co-financed by the European Regional Development Fund.

The assistance from EU funds as set in the financial plan of OP Transport for 2007 is as follows:

Table 4: Financial plan in EUR of EU assistance from Structural and Cohesion funds under OP Transport for 2007

Year	ERDF	Cohesion Fund	Total
	(1)	(2)	(3) = (1) + (2)
2007			
In regions without transitional support	26 821 961	94 301 144	121 123 105
In regions with transitional support	0	0	0
Total for 2007	26 821 961	94 301 144	121 123 105

TEN-T budget, Cohesion Fund and ERDF play an important role in supporting TEN-T projects through direct grants (Tables 4 and 5). The EIB and the EIF may participate, in accordance with the modalities laid down in their statutes, in the programming of assistance from the Funds.

Table 5: Payments in EUR foreseen for 2007 and 2008 from the Cohesion Fund and the ERDF to Operational Programme Transport

Expenditures in EUR as planned for 2007 and 2008				
Source of the funds	Period			
	01.01.2007 – 31.07.2007	01.08.2007 – 31.12.2007	01.01.2008 – 31.07.2008	01.08.2008 – 31.12.2008
Cohesion Fund	0	19 360 000	50 351 900	36 368 200
European Regional Development Fund	0	1 750 000	28 298 500	23 777 510
Total	0	21 110 000	78 650 400	60 145 710

Table 6: Indicative breakdown in EUR of EU allocations by Fund and priority axis

EU Funds		National co-financing	EU Funds and national co-financing	% of total OPT budget
CF	ERDF			
1	2	3	4=1+2+3	5
Development of railway infrastructure along the Trans-European and major national transport axes				
	X	116 000 000, 00	580 000 000, 00	~28.95%
80%	X	20%	100%	
Development of road infrastructure along the Trans-European and major national transport axes				
	X	197 917 473,00	989 587 365, 00	~49.39%
80%	X	20%	100%	
Improvement of intermodality for passengers and freight				
X	179 429 731, 00	31 664 070,18	211 093 801,18	~10.54%
X	85%	15%	100%	
Improvement of the maritime and inland-waterway navigation				
X	133 322 500,00	23 527 500, 00	156 850 000, 00	~7.83%
X	85%	15%	100	
Technical assistance				
X	56 057 500, 00	9 892 500, 00	65 950 000, 00	~3.29%
X	85%	15%	100%	
Total:				
	1 255 669 892, 00	379 001 543, 18	2003 481 166, 18	100%

Taking into account the fact that no application forms were approved in 2007, during this reporting period there were no payments for OP Transport (Table 7 „Financial implementation of OP Transport for 2007 by priority axis and source of funding” and Table 8 “Breakdown of allocations of the Community contribution to OP Transport by category”).

Table 7: Financial implementation in EUR of OP Transport for 2007 by priority axis and source of funding

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure (1)	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
Priority axis I „Development of railway infrastructure along the Trans-European and major national transport axes”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0
Priority axis II „Development of road infrastructure along the Trans-European and major national transport axes”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0
Priority axis III „Improvement of intermodality for passengers and freight”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0
Priority axis IV „Improvement of the maritime and inland-waterway navigation”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure ⁽¹⁾	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority axis V "Technical assistance"					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0
Grand total	0	0	0	0	0
Total in transitional regions in the grand total					NA
Total in non-transitional regions in the grand total					NA
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF ⁽²⁾					NA
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF					NA
⁽¹⁾ Only applicable for operational programmes expressed in total cost					
⁽²⁾ This field shall be completed where the operational programme is co-financed by the ERDF or the ESF where use is made of the option under Article 34 (2) of Regulation (EC) No 1083/2006					

Table 8: Breakdown of allocations of the Community contribution to OP Transport by category

Combination of codes of dimensions 1 to 5 ***					
Code * Dimension 1 Priority theme	Code * Dimension 2 Form of finance	Code * Dimension 3 Territory	Code * Dimension 4 Economic activity	Code * Dimension 5 Location	Amount in EUR **
17	01	00	00	BG	0
21	01	00	00	BG	0
22	01	00	00	BG	0
26	01	01	00	BG	0
27	01	01	00	BG	0
28	01	00	00	BG	0
32	01	00	00	BG	0
85	01	00	00	BG	0
Total					0
* The categories should be coded for each dimension using the standard classification					
** Allocated amount of the Community contribution for each combination of categories					
*** The information presents the parameters envisaged under the started schemes					

1.3. Assistance by target groups

Operational Programme on Transport is co-financed by ERDF and CF.

The information will be followed up by target groups, sectors or regions (where relevant).

1.4. 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) No 1083/2006.

No event has occurred so far leading to the use of assistance repaid or re-used.

1.5. Significant problems encountered and corrective measures undertaken

No significant problems have been identified so far.

1.6. Substantial modification under Article 57 of Regulation (EC) No 1083/2006 (if relevant)

No substantial modifications within the meaning of Article 57 of Regulation (EC) No 1083/2006 have occurred so far.

2. Implementation of OP Transport by priority axis in 2007

2.1. Priority axis I - Development of railway infrastructure along the Trans-European and major national transport axes

The investment envisaged to finance projects under the first priority axis of OP Transport is to the amount of EUR 580 million. The operations are co-financed by the EU Cohesion Fund. The main projects to be funded under priority axis I are as follows:

- „Modernization of Vidin-Sofia railway line”;
- „Electrification and Reconstruction of Svilengrad–Turkish border railway line”;
- „Modernisation of Sofia-Plovdiv railway line”;
- „Modernization of Sofia-Pernik-Radomir railway line”.

The objective of this priority axis is the establishment and development the main railway infrastructure of national, cross-border and EU importance in the TEN-T priority axis 22 and in the remaining sections of the TEN-T network and to improve the interoperability on major rail routes.

Priority axis “Development of railway infrastructure along the Trans-European and major national transport axes” comprises a group of operations which are closely related and have the following specific measurable goals:

- Modernization, rehabilitation and electrification of railway sections along the trans-European transport axes of nation-wide and EU importance.
- Modernization, rehabilitation and electrification of railway sections connecting the main railway network of Republic of Bulgaria with the main railway networks of the neighbouring countries.

The implementation of the planned projects would also contribute to enhancing the main domestic railway network in order to fully integrate internal transport capacity to regional transport capacity and would enable the freight operators to provide services within the planned scope.

Operation 1: Construction, rehabilitation, modernization and electrification of railway lines and sections along the Trans- European transport axes and their adjoining infrastructure of nation-wide, cross-border and EU importance.

The railway infrastructure improvement is focused on achievement of the EU quality standards and ensuring interaction through the planned investments, in particular:

- increasing of the infrastructure productivity
- reduction of the costs (reduction of the infrastructure charges respectively)
- reduction of the time needed for border crossings
- improvements in the railway stations attractiveness

- introduction of appropriate infrastructure and conditions for development of inter-modal transport in terms of freights
- keeping high quality standard related to the railway network safety.

Beneficiary of this priority axis is the National Railway Infrastructure Company.

Table 9 shows the physical progress of priority axis I „Development of railway infrastructure along the Trans-European and major national transport axes” in 2007.

Progress

In 2007 under this priority axis started the preparation of project “Electrification and Reconstruction of Svilengrad–Turkish border railway line”:

- The project was included in the action plan for 2007 and 2008 of JASPERS under № 2007 183 BG, with a request for technical assistance for the preparation of a cost-benefit analysis and an application form to apply for funding.
- Approval was granted to the cost-benefit analysis submitted to the Ministry of Transport – 04.12.2007. The application form is being prepared.
- The land acquisition procedures started at the beginning of 2007.

No expenditures have been paid out by the beneficiaries and no payment claims have been sent to the Managing Authority during the reporting period (Table 10).

Table 10: Financial implementation in EUR of priority axis I „Development of railway infrastructure along the Trans-European and major national transport axes” in 2007

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure ⁽¹⁾	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure	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”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

2.2. Priority Axis II - Development of road infrastructure along the Trans-European and major national transport axes

The investment envisaged to finance projects under the second priority axis of OP Transport is to the amount of EUR 990 million. The operations are co-financed by the EU Cohesion Fund. The main projects to be funded under priority axis II are as follows:

- „Vidin-Montana”
- „Kardjali-Podkova”
- „Vratsa-Botevgrad”
- „Struma Motorway”
- „Connection of the Hemus Motorway to the Sofia Ring Road”
- „Maritsa Motorway from km 5 to km 72”

This priority axis has the following specific, measurable goals:

- Construction of new and rehabilitation and modernization of the existing motorways of nation-wide and EU importance along the TEN-T network with a major priority to the operations located in the TEN-T priority axis 7
- Modernization and rehabilitation of the existing I and II class roads which are part of the network of national, cross-border and EU importance and improvement of the interoperability on major road routes.
- Construction of new and modernization and rehabilitation of road sections connecting the main road network of Bulgaria with the main road networks of the neighbouring countries.

Operation 1: Construction and development of the main road infrastructure of nation-wide and EU importance

Operation 2: Construction and development of the main road infrastructure connecting the main road network of Bulgaria with the main road networks of the neighbouring countries

Beneficiary of this priority axis is the National Road Infrastructure Fund.

Table 11 shows the physical progress of priority axis II „Development of road infrastructure along the Trans-European and major national transport axes” in 2007.

Progress

During the reporting period the following progress has been made in the preparation of the main projects:

“Construction of Struma Motorway” - Lot 1: Dolna Dikanya – Dupnitsa (22 km.); Lot 2: Dupnitsa – Simitly (37 km); Lot 3: Simitly – Kresna (30 km); Lot 4: Kresna – Kulata (49 km)

- Consultations have been held with environmental NGOs, MOEW, DG REGIO, DG Environment, JASPERS and National Road Infrastructure Fund on the EIA report regarding the Kresna Gorge which is included in Natura 2000. The preparation of the EIA report was concluded in December 2007.
- Technical projects have been approved and tenders are ready to be launched in 2008 for Lot 1 and Lot 4.

”Connection of the Hemus Motorway to the Sofia Ring Road”

- A compliance report – roads – June 2007 and a compliance report – derivation – August 2007 were prepared
- Protocol by the Expert Technical-Economic Board - 13.06.2007
- MOEW issued a Decision on the update of the EIA report for the project – 19.11.2007
- The Council of Ministers issued a Decision on the alienation procedures – 22.11.2007
- The tender documentation for selection of contractor and supervisor for site “Further construction of Hemus Motorway, section „Sofia ring road – Yana road junction” from km 0+000 to km 8+460 was reviewed and agreed in October 2007. Tender procedures for selection of contractor and supervisor have been carried out. Start of the tender evaluation procedure – November 2007.
- Joint work with JASPERS experts has been started for review of the application form and the cost-benefit analysis

“Construction of Maritsa Motorway from km 5 to km 72”

- A Contract was concluded for archaeological survey from km 28+580 to km 28+820 – April 2007, at site Danya Bunar II – May 2007; at km 30+700 – July 2007.
- A Contract for building alternative water sources along the route of the project was concluded – April 2007.

- A Contract for “Preparation of a feasibility study and completion of an application form for project “Construction of Maritsa Motorway from km 5 to km 72” was concluded – August 2007.
- The update of the technical design, whereby four Lots have been differentiated, was completed - August -September 2007:
Lot I- from km 5 to km 36.600; L=31.600;
Lot II – from km 36.600 to km 48.600; L= 12 km;
Lot III – from km 48.600 to km 60.300; L= 11.700 km;
Lot IV – from km 60.300 to km 72.000; L=11.700 km;
- A parcel plan was submitted to MRDPW for review – October 2007.
- The Council of Ministers issued a Decision on land acquisition procedures – 22.11.2007. The respective procedures are ongoing.
- MOEW issued a Decision on the update of the EIA report for the project – 06.12.2007.
- A tender documentation for selection of contractor and supervisor was submitted to MT for review and approval – 15.12.2007.
- Joint work with JASPERS experts has been started for review of the application form and the cost-benefit analysis

“Kardjali – Podkova”

- A Contract was signed for archaeological surveys – June 2007. The archaeological surveys were completed in October 2007.
- A compliance report was prepared – August 2007.
- An estimate of the estates was made according to the parcel plan – September 2007.
- The detailed plan was submitted to MRDPW for expert opinion – September 2007.
- The Council of Ministers issued a Decision on the land acquisition procedures – 22.11.2007.
- The tender documentation for selection of contractor and supervisor was reviewed and approved in October 2007. The evaluation procedure started in December 2007.
- MOEW approved the update of the EIA report originally prepared in 2000 - 06.12.2007.
- The tender documentation for selection of contractor and supervisor for “Road E-85 /I-5/ „Kardjali – Makaza”, Lots: Road I-5 „Kardjali–road fork Djebel – rehabilitation and reconstruction from km 342+639,41 to km 350+858,31, and Road I-5 „Kardjali – Makaza” – new construction works from km 343+200 to km 367 + 427 was reviewed and approved in October 2007. Tender procedures for selection of contractor and supervisor were carried out at the end of the reporting period.

- Joint work with JASPERS experts has been started for review of the application form and the cost-benefit analysis

In 2007 no expenditures have been paid out by the beneficiaries and no payment claims have been sent to the Managing Authority (Table 12).

Table 12: Financial implementation in EUR of priority axis II „Development of road infrastructure along the Trans-European and major national transport axes” in 2007

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure (1)	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
Priority axis II „Development of road infrastructure along the Trans-European and major national transport axes”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

2.3. Priority Axis III – Improvement of intermodality for passengers and freight

The investment envisaged to finance projects under this priority axis of OP Transport is to the amount of EUR 211 million. The operations are co-financed by the European Regional Development Fund.

Two main projects are to be financed under this priority axis:

- „Extension of the metro from the Hemus Hotel to Central Railway Station and Central Bus Station, and from Droujba RD to the new terminal at the Sofia Airport” with indicative budget of EUR 185,19 million.
- „Construction of intermodal terminal in Sofia” with indicative budget of EUR 25,90 million.

The main objective of this priority axis is to facilitate and improve the conditions for transfers of passengers and freights from one transport mode to another, as well as to direct the transfer of passengers and freights to more environment friendly transport modes. The improvement of intermodality is crucial as the better conditions for transfers of passengers and freights from one transport mode to another would create more favourable environment for development of business and attracting of investors. Directing the transfer of passengers and freights to more environment friendly transport modes would contribute to improving the overall state of environment in the country.

Priority axis “Improvement of intermodality for passengers and freight” comprises a group of operations which are related and have the following specific goals:

- Improvement of the network of combined transport terminals and development of the areas prepared for freight villages
- Development of multimodal mobility for passengers.

Activity 1: Development of intermodal freight transport by means of improving the network of combined transport terminals and developing the areas prepared for freight villages

This activity will be conducive to:

- Construction of new intermodal terminals
- Improvement of the technical, technological and operational parameters of the existing terminals.

After the construction or modernization of the intermodal terminals, depending on the traffic flow of each terminal, the freight villages nearby will be developed. The latter are to be financed from the following sources – private funding, public-private partnerships and EU grant schemes.

Activity 2: Development of multimodal mobility for passengers in Sofia

The activity corresponding to the second objective “Development of multimodal mobility for passengers in Sofia” will be related to the development of public railway transport for passengers in the capital by the extension of the metropolitan network, enabling new railway connections with key transport centres of national importance - airports, central railway stations, central bus stations, ports, etc., and other public transport modes.

The planned stations in the main extension projects and their function as multimodal nodes and as railways service stations of first importance are:

For the section „Mladost” RD – „Droujba” RD – Sofia Airport – (Figure 1)

- First metro-station situated between the “Mladost 1 A” RD and the „Mladost 3” RD (MS 18).
- Metro-station at the „Tsarigradsko Chaussée” blvd. (MS 19);
- Metro-station at the „Tsv. Lazarov” blvd. (MS 20);
- Metro-station at the „Iskarsko Chaussée” blvd. (MS 21);
- Metro-station in the industrial zone Iskar (MS 22);
- Sofia Airport metro-station (MS 23)

Beneficiaries of this priority axis are:

- Sofia Municipality
- National Railway Infrastructure Company

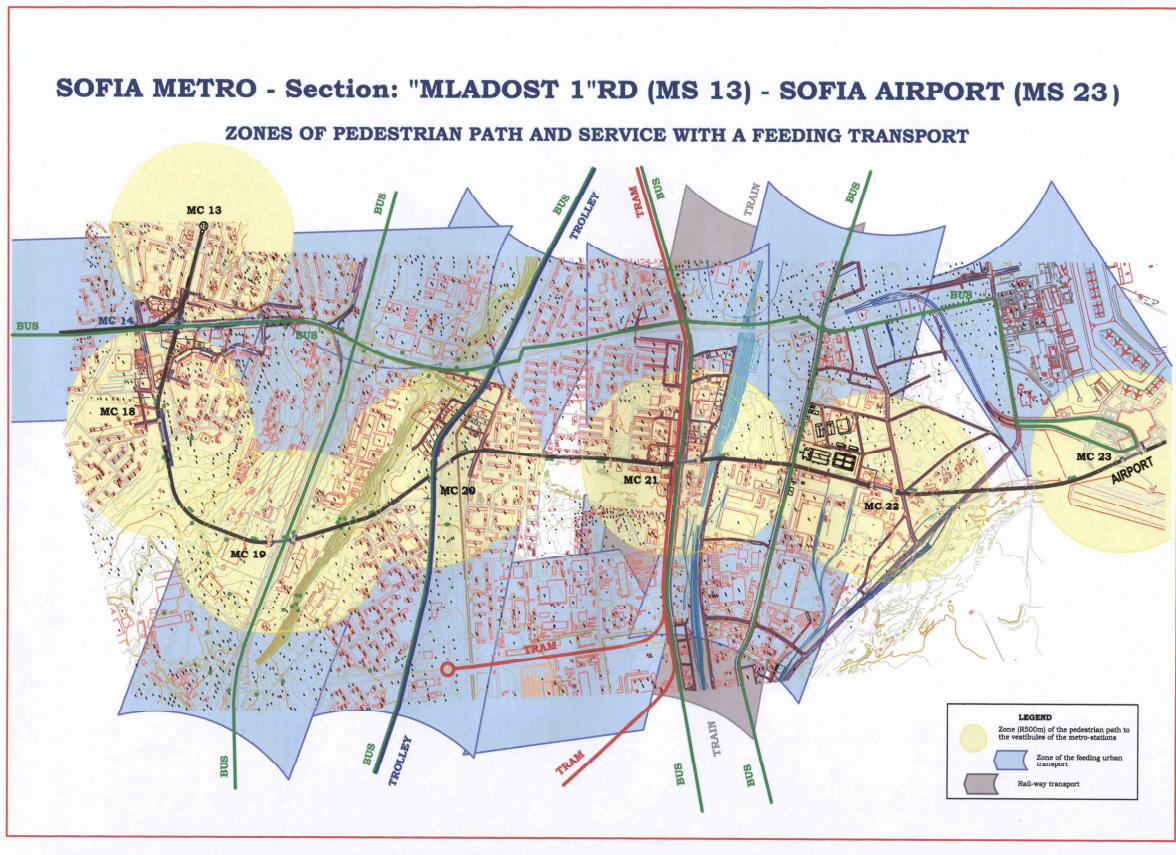
Table 13 shows the physical progress of priority axis III „Improvement of intermodality for passengers and freight” in 2007

ANNUAL REPORT 2007

Modernized intermodal terminals (number)	Achievement																					0	
	Target					1																	1
Length of rail track for combined transport terminals (km)	Achievement																						0
	Target					3																	3
Areas prepared for freight villages (sq. meters)	Achievement																						0
	Target											132000											400000
	Baseline																						0

Figure 1

**SOFIA METRO – Section: „MLADOST 1” RD (MS 13) – SOFIA AIRPORT (MS 23)
ZONES OF PEDESTRIAN PATH AND SERVICE WITH A FEEDING TRANSPORT**

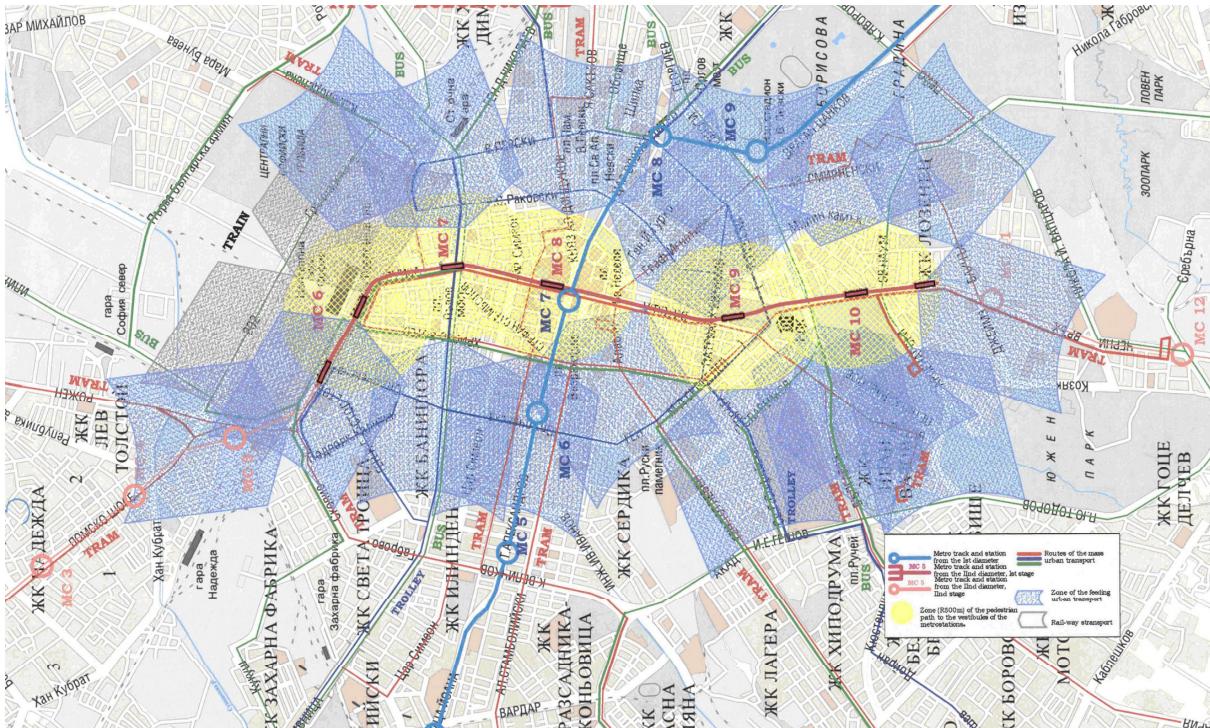


Besides this Metro station in the abovementioned extension project, some other important intermodal nodes should be strengthened following the development of the metropolitan, e.g. the section “Central Railway Station” – “St. Nedelya” Square – “Cherni Vrah” Blvd. (“J. Boucher” Blvd.) - *Figure 2*

- Metro station under the Maria Louisa Blvd. in proximity to the road junction “Nadezhda”
- Metro-station “Central Railway Station” (MS 6)
- The metro-station at the cross-road of the “Slivnitsa” Blvd. and the “Maria Louisa” Blvd. (MS 7)
- The metro-station at the „St. Nedelya” square (MS 8)
- The metro-station in front of the NPC (MS 9)
- The last metro-station at the “Hemus” Hotel in the “Lozenets” RD (MS 10)

Figure 2

**SOFIA METRO – Section “Central Railway Station”(MS 6) – “St. Nedelya” Square (MS 8)
– “Cherni Vrah” Blvd. (“J. Boucher” Blvd.) (MS 10)**



Progress

During the reporting period the following progress has been made in the preparation of the projects:

“Extension of the Sofia metropolitan - Stage 1 “Road junction “Nadezhda” - Central Railway Station – “St. Nedelya” Square – “Cherni Vrah” Blvd.”:

- Regulation plans for the route of the section have entered into force with Decision № 643 of 12.07.2007 of SMC.
- All procedures under the Environmental Protection Law have been implemented. Issued have been Decision of RIEW-Sofia № CO-60-PIP/2007 and warning statement with prescriptions which have been included in the tender documentation.
- In February 2007 the design for the section’s route and profile was agreed with the National Institute for Monuments of Culture. The measures planned in view to complying with NIMC requirements have been included in the tender documentation.
- The tender documentation for selection of contractor for works was approved – July 2007. Following the pre-qualification procedure 9 candidates have been invited to submit tenders for the first lot and 10 candidates have been invited to submit tenders for the second lot. The second stage of the tender procedure is expected to start in January 2008.

- Building permit № 765/ 05.11.2007 issued by the Chief Architect of Sofia has been obtained on the basis of developed conceptual design for all components of Stage I.
- The review and coordination of the tender documentation for selection of contractor for works ended in July 2007. No contractor has been selected as a result of the two-stage procedure. The procedure was terminated and re-launched. The tender documentation for an open procedure for provision of supervision services will be reviewed and coordinated in January 2008 and then a procedure for selection of contractor will be launched. The contract is expected to be concluded in July 2008.
- The review of the tender documentation for selection of Consulting Engineer was completed – December 2007.
- The joint work with JASPERS experts for review of the application form and the cost-benefit analysis is on-going. The final version of the cost-benefit analysis and the other documents required for applying for project financing were submitted to the Ministry of Transport on 20.11.2007.

„Construction of an inter-modal terminal in Sofia”

- A Contract was concluded for preparation of a design – conceptual and detailed design phases, and documentation for selection of contractor for construction of an inter-modal terminal in Sofia - 09.01.2007. The conceptual design was submitted in time, was approved by TEB of National Railway Infrastructure Company in July 2007 and was submitted to Sofia Municipality in August 2007.
- A Detailed plan for Stage I was prepared and submitted to Sofia Municipality in July 2007. Until the end of 2007 the competent authority has not issued a decision. Approval is expected in April 2008.
- A Contract was concluded for preparation of cost-benefit analysis - 29.10.2007. The final report of the Consultant is expected to be submitted by end-March 2008.
- The Ministry of Environment and Water issued a decision that environmental assessment of the detailed plan should not be made - 29.11.2007.

No expenditures have been paid out by the beneficiaries and no payment claims have been sent to the Managing Authority in 2007 (Table 14).

Table 14: Financial implementation in EUR of priority axis III „Improvement of intermodality for passengers and freight” in 2007

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure (1)	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
Priority axis III „Improvement of intermodality for passengers and freight”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

2.4. Priority Axis IV - Improvement of the maritime and inland-waterway navigation

The envisaged investments for projects under the fourth priority axis are to the amount of EUR 157 million. The operations are co-financed by the European Regional Development Fund. The main objective of this priority axis is improvement of the vessel traffic conditions on the Danube River and the maritime spaces.

The priority axis comprises a number of operations which are related and have the following specific, measurable goal – “Improvement of the vessel traffic conditions on the Danube River and the Bulgarian maritime spaces”.

Table 15 shows the physical progress of priority axis IV „Improvement of the maritime and inland-waterway navigation” in 2007.

Beneficiaries of this priority axis are:

- Executive Agency for Exploration and Maintenance of the Danube River
- Executive Agency “Maritime Administration”

The projects under priority axis IV are related to the:

- Improvement of the vessel traffic conditions on the Danube River - TEN-T priority axis 18
- Setting up and development of navigation information systems.

The following three main projects are to be financed under the priority axis IV:

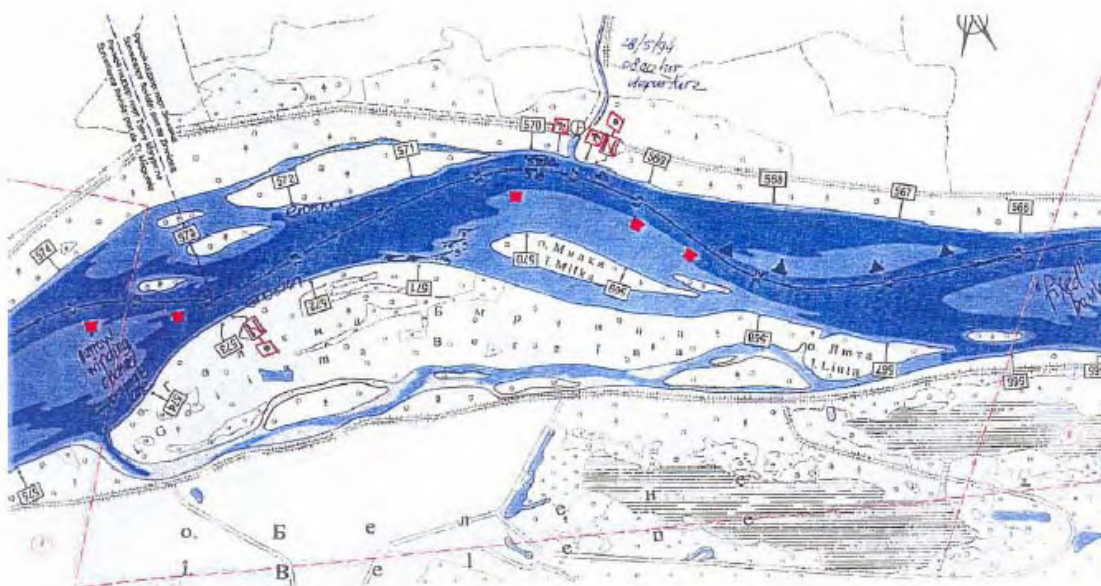
- „Improvement of the navigation on the Danube River in joint Bulgarian - Romanian parts: from km 530 to km 520 - Bathin and from km 576 to km 560 - Belene”; the indicative value of the project is 138 MEUR
- „Establishment of River Information Services System in the Bulgarian part of the Danube River” with indicative budget of 15 MEUR
- „Vessel Traffic Management Information System – phase 3” with indicative budget of 3,85 MEUR

„Improvement of the navigation on the Danube River in joint Bulgarian - Romanian parts: from km 530 to km 520 - Bathin and from km 576 to km 560 - Belene”

The overall strategy of the European Union is to prepare a project for improvement of the navigation on the Danube River, where critical sections, dangerous for the navigation, should be removed. Bulgaria should also maintain the navigation conditions for safe navigation according to the recommendations of the Danube Commission and the European Economic Commission within UN in the context of the Convention regarding the regime of navigation on the Danube signed in 1948 in Belgrade.

The main goal of the project is to ensure the recommended parameters of the fairway (to improve the navigation way) in the two most critical sections of the Danube River, thus securing the international navigation and ensuring the transit passage of vessels throughout the year in these sections. The project should improve the river bed and the banks, including islands. This would allow control over the river flow, while securing free navigation in two of the most critical bottlenecks in the joint Bulgarian-Romanian section of the Danube River, namely in the section between km 530 and km 520 – Bathin and the section between km 576 and km 560 – Belene. The two sections are considered as two lots within the same project. They are located in the section which is under the maintenance of Bulgaria (km 610 – km 375).

Figure 3

Scheme of Bathin – Belene section of Danube River

The project envisages:

- construction of river groynes for control of the flow direction
- supply of bank-strengthening equipment over the isle banks that will contribute to directing the water flow and will prevent the erosion
- construction of bottom sills that will limit the water flow in the river branches, which will contribute to maximum control over the total water amount in the sections where it is envisaged that the fairway will be settled, aiming to achieve higher speed of the water flow and selfwashing of the bed.
- Dredging works for deepening of the river bed and widening of the fairway.

„Vessel Traffic Management Information System – phase 3”

Two projects for establishment of the system have been implemented with the financial support of PHARE. The third phase of the project for establishment of a vessel traffic management information system will be funded under OP Transport. The phase will further develop the established infrastructure, while improving the effectiveness of the system and the coverage of the Bulgarian Black Sea region and enhancing the scope of shipping information services. The third phase should include the following stages:

Stage I – Preparatory Works:

- Preparation of Status Report after completion of PHARE Project BG2003-004-937.04.01 – “Vessel Traffic Management Information System - Phase 2”.
- New feasibility study for the complete system.
- Preparation of assessment report on the training needs of operators and Quality Assessment of the existing organizational structure.
- Update of the System Design of the project “Vessel Traffic Management Information System” and preparation of the necessary terms of reference for technical assistance and technical specifications for the Project Phase 3.

Stage II – Implementation:

- Supply of equipment and software for completing of the system.
- Tender procedures for project construction and supervision.

The experience gained during the provision of vessel traffic services will support significantly the implementation of information services for the Bulgarian part of the Danube River.

Progress

- The outcome of the achievements in the first two phases of the project as well as the compliance of the existing and pending requirements to the maritime safety systems were assessed during the period November – December 2007.
- The development of the application form started - December 2007.
- The preparation of the updated feasibility study was organized – December 2007 – May 2008.

Activities planned for 2008

- Adoption of the updated conceptual design by the expert council by June 2008.
- Development of terms of reference and technical specifications for supplies under Phase 3 June – August 2008.
- Development of detailed plans for the new sites - June – November 2008.
- Completion of the preparation of the application form under OP Transport - April – May 2008.
- Submission of tender documentation to the Ministry of Transport for approval - September 2008, and initiation of the tender procedures - October – November 2008, following the approval of the application form.
- Issuance of the required permits - June – October 2008, and signing contracts for works and supervision - December 2008.
- Start of the civil works and installations - May 2009.

Problems encountered and measures taken by the beneficiary to overcome them

The experience from the implementation of the first two phases of the project shows that major problems occurred are due to burdensome procedures under the Spatial Development Law. This law does not provide any preferences for sites of national importance and the established procedures in the various municipalities differ. The current situation is considered an objective reality as it lies beyond the competence of the beneficiary. Another serious problem is the great turnover of staff resulting from the relatively low remuneration in the public sector.

„Establishment of River Information Services System in the Bulgarian part of the Danube River”

The River Information Services System facilitates the tasks of the competent authorities, in particular traffic management and hazardous goods monitoring. Through the provision of information to skippers, it improves the basis for immediate navigational decisions. Safety and environmental protection will be enhanced through better information and reduced reaction times in emergencies.

The River Information Services System also supports the inland waterway transport sector in its coming into line with modern developments in logistics and supply chain management, and thus facilitates the integration of inland waterway transport into the intermodal transport chain which is a prerequisite for a higher modal share for inland waterway transport.

The establishment of a system which provides information services to navigation on inland waterways would improve its quality. This transport mode is reliable, economical, flexible, environmental friendly and easily accessible. The development of the river information services system will make inland waterway transport attractive to modern supply chain management.

The key requirements for the River Information Services System are as follows:

- Generation of ship information - position, identification code
- Ship-to-ship communication
- Ship-to-shore communication
- Shore-to-ship communication
- Display of ship information
- Tactical Traffic Image on board and on shore

Bulgaria aims to ensure the provision of these services, while planning to develop them in future. The purpose is the application of the river information services system to be effective, expandable and interoperable so as to interact with other RIS applications and, if possible, with systems for other transport modes.

The establishment of the river information services system would:

- Supply to RIS users all kinds of up-to-date data concerning navigation on the inland waterways. These data will be provided at least in an accessible electronic format.
- Enable, as far as ship reporting is required by national or international regulations, the competent authorities to receive electronic ship reports on the voyage and cargo data of ships. In cross-border transport, this information will be transmitted to the competent authorities of the neighbouring state before arrival of the vessels at the border.

Progress

The following key activities were performed under the project in 2007:

- Preparation of a feasibility study on BULRIS establishment - January 2007.
- A Bulgarian-Romanian meeting was conducted to discuss the possibility of providing harmonized services in the joint section of BULRIS and RORIS - 28.02.2007.
- A test centre was established in the town of Rousse, with the purpose of gaining practical experience and making analysis of the feasibility of the project - January – March 2007.
- A conceptual design was developed and approved by an expert board - October 2007.
- An application form was developed - June – December 2007.
- Procedures under the Spatial Development Law were launched and actions were taken to obtain building permits - March – December 2007.
- The individual members of the management unit took part in various European forums dedicated on the presentation of harmonized river information services - January – December 2007.
- A cost-benefit analysis of BULRIS was developed - September – December 2007, and was submitted to MT for approval.
- A conceptual design of the river information services system for the Bulgarian section of the Danube River was approved – October 2007.
- The major activities related to the development of terms of reference and technical specifications for supply and establishment of the telecommunication infrastructure were organized and carried out in the period September – December 2007.
- A Permit for development of a detailed plan for the town of Oriahovo was obtained and geodetic plat of site “Vabel” was developed
- A framework contract with BTC for the use of installations in the interest of BULRIS was prepared

Activities planned for 2008

- Development of a working design

- Completion of the preparation of the application form under OP Transport - April – May 2008
- Submission of the tender documentation to the Ministry of Transport for approval – beginning of May 2008, and initiation of the tender procedures – June - September 2008.
- Signing contracts for works and supervision - December 2008
- Signing contracts for works and supply – September – November 2008, start of the civil works and installations - February 2009.

Table 16 shows the financial implementation in EUR of priority axis IV „Improvement of the maritime and inland-waterway navigation” in 2007.

Table 16: Financial implementation in EUR of priority axis IV „Improvement of the maritime and inland-waterway navigation” in 2007

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure (1)	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
Priority axis IV „Improvement of the maritime and inland-waterway navigation”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

2.5. Priority axis V – Technical assistance

Pursuant to Article 46 of Council Regulation (EC) No 1083/2006 the Managing Authority of OP Transport has to allocate up to 4 % of the total budget of OP Transport to financing of technical assistance measures. The budget provided for this priority axis is 65,950 MEUR which consists of 3.29 % of the total OPT budget. The operations are co-financed by the European Regional Development Fund and the national budget. The main objective of this priority axis is to ensure effective and efficient management and implementation of OP Transport. This is to be achieved through financing a number of basic measures:

- Preparation of general transport master plan
- Preparation of business plan for the development of the railway transport
- Preparation, evaluation, monitoring and control of OP Transport
- Strengthening the administrative capacity
- Information and Publicity
- Preparation of General Plan for Monitoring of the Environment and its implementation
- Administrative management of OP Transport

Table 17 shows physical progress of priority axis V “Technical assistance” in 2007.

“Preparation of General Transport Master Plan”

The objective of this project is the establishment of a strategic and coherent base of technical data, transport model, multimodal technical studies for project identification for long and medium term investment programming in the transport sector in Bulgaria. These technical studies should possess a high degree of consistency, through the elaboration of an appropriate general transport master plan. As an essential tool for project identification for long and medium term programmes, the general transport master plan will be elaborated by the end of 2008. Although the OP Transport is concentrated on the major transport axes and the transport infrastructure at national level, the wider transport situation and needs of the overall territory of the country, including rural areas, will be addressed within the General Transport Master Plan.

Progress

A working group was designated on 4 October 2007 with the purpose of preparation of tender documentation for the award of public procurement. An open tender procedure was launched after the approval of the contract documents. Within the 52-day deadline for tenders' submission the Managing Authority received 7 tenders. On 4 December 2007 the tenders' evaluation committee appointed by the contracting authority started its work and the contract with the selected tenderer is expected to be concluded at the beginning of 2008.

“Preparation of Strategic Business Plan for the development of the railway transport”

The preparation of the strategic business plan should include elaboration of a strategy for provision of services to a number of core market segments (for both passenger and freight transport) and on the basis thereof railways could develop sustainable competitive advantages in the medium and the long term. This plan is also of crucial importance for project prioritization in the railway sector and will be elaborated by the end of 2008.

Preparation, evaluation, monitoring and control of OP Transport

The specific goal of this measure is to support the Managing Authority of OP Transport in implementing its activities related to the provisions and stipulations of EU Regulations - analyses, ex-ante and on-going evaluations, implementation of monitoring and control systems.

Strengthening the administrative capacity

Development of administrative capacity means increasing of the efficiency and effectiveness of the public administration. The development of human resources is time consuming and requires a continuous process of training, supported by relevant financial resources. A widespread understanding is that the general administrative procedures connected with the financial support from EU Funds are complex in nature and that requires high level of qualification from the internal structures. A specific assistance is needed for stimulation of the implementing and monitoring structures that should be supported in their specific work on the management and implementation of OP Transport.

Information and Publicity

In accordance with Article 69 of Regulation (EC) No 1083/2006 the Republic of Bulgaria and the Managing Authority for OP Transport will provide information on and publicise operations, realized by co-financed programmes. The information will be addressed to European Union citizens and beneficiaries with the aim of highlighting the role of the Community and ensuring that assistance from the Funds is transparent. In compliance with the Implementing Regulation (1828/2006) the Managing Authority of OP Transport will elaborate a Communication Plan for the period 2007-2013, the implementation whereof will be financed by priority axis “Technical Assistance”.

Elaboration of a General plan for monitoring of the environment and its implementation

The specific objective of this measure is to ensure ecological monitoring of the environment during the implementation of OP Transport for the avoidance, the mitigation or the fullest possible elimination of the potential negative impacts of programme implementation on environment.

Administrative management of OP Transport

The specific objective of this measure is to provide the necessary technical conditions for administration of OP Transport, as well as stimulate all staff involved in the programming, monitoring, control and management activities co-financed by OP Transport.

Potential beneficiaries of priority axis “Technical Assistance” are the Managing Authority of OP Transport and programme beneficiaries.

Table 18 shows the financial implementation in EUR of priority axis V „Technical Assistance” in 2007

Table 18: Financial implementation in EUR of priority axis V „Technical Assistance” in 2007

	Expenditure paid out by the beneficiaries included in payment claims sent to the Managing Authority	Corresponding public contribution	Private expenditure ⁽¹⁾	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from EC
Priority axis V - „Technical Assistance”					
- of which CF expenditure	0	0	0	0	0
- of which ERDF expenditure	0	0	0	0	0

III. Activities to ensure the quality implementation of OP Transport

1. Monitoring and evaluation measures

In the area of the monitoring and assessment OPT Managing Authority has specific responsibilities, as follows:

- Receives and reviews regularly the Progress Reports at project level, submitted by the beneficiary
- After approval of the beneficiary's Reports, prepares a 6-monthly Monitoring Report at priority axis level and for the Operational Programme as a whole in order to verify the progress reached in the programme implementation. The Monitoring Reports will be prepared periodically – on a monthly basis for the projects, once at every 6 months at priority axis level and once a year for the programme as a whole
- The Annual and Final reports on OPT implementation will be submitted to the Monitoring Committee for approval and subsequently - to the European Commission
- Collects and processes all data necessary for monitoring of the priorities and for the programme as a whole and provides the MIS with the required information at priority and operational programme level
- Organizes and actively participates in the meetings of the Monitoring Committee and performs the obligations of the MC Secretariat
- Ensures organization and performance of on-going evaluations related to the monitoring of OP Transport

The beneficiary

- Collects and processes the data necessary for the monitoring and the evaluation of the approved projects and provides the related information to MIS
- Prepares the necessary periodic monitoring reports - monthly, annual and final (including the indicators) and submits them to the Managing Authority for approval.

Evaluation of OP Transport

The evaluation of OP Transport is an integral part of the overall programme management and implementation. Evaluations aim to improve the quality, effectiveness and consistency of the assistance from the European Regional Development Fund and the Cohesion Fund, while taking into account the sustainable development principles and the relevant Community legislation concerning environmental impact.

Evaluations will be carried out by independent evaluators external for the Certifying Authority and the Audit Authority – in accordance with Article 47 of Regulation (EC) 1083/2006 evaluations shall be carried out by experts or bodies, internal or external, functionally independent of the authorities referred to in Article 59(b) and (c)). The results will be published according to the applicable rules on access to documents. Evaluations will be financed from the budget for priority axis V - “Technical Assistance”.

The Managing Authority of OP Transport shall provide the resources necessary for carrying out evaluations, for organising the preparation and collection of the necessary data for the monitoring system, including output and result indicators.

Through the information provided on the achieved results, the absorption of funds and the quality of implementation, the regular monitoring is the main source of data for the evaluations. On certain strategic aspects, such as socio-economic impact or changes in Community, national or regional priorities affecting OP Transport, monitoring data could serve as a source of initial/additional information to be further processed and used for analysis and reporting on the strategic aspects being evaluated.

According to Article 48 of Council Regulation (EC) No 1083/2006 the Member State should draw up an Evaluation Plan envisaging the indicative evaluation activities which the Member State intends to carry out in the different phases of the implementation.

The Evaluation Plan of OP Transport has been elaborated by the Managing Authority and is expected to be approved by OPT Monitoring Committee at an extraordinary session to be held in March 2008. It reflects the principles, approaches, and recommendations as set up in the Commission Working Document No 2 and Working Document No 5 concerning monitoring and evaluation of EU funded projects. Its purpose is to establish a model for OP Transport evaluation and to ensure its effective use as a management tool in the process of OPT implementation. The document covers not only the on-going evaluations to be carried out during the implementation of the Programme but also the ex-post evaluation, and makes provisions for the preparation of the procedures for carrying out an ex-ante evaluation of the operational programme for the next programming period. The Evaluation Plan is expected to cover the entire programming period and may also include annual topics which are subject to change and update in line with the current evaluation needs. It also defines the links between monitoring and evaluation.

In accordance with Regulation (EC) No 1083/2006 the aim of the evaluations is to improve the quality, effectiveness, impact, sustainability and consistency of the assistance from EU Funds and in particular the implementation of operational programme. The evaluations to be carried out in the framework of OP Transport will be targeted at continuous improvement of the effectiveness of public interventions – ensured through CF, ERDF and the national co-financing, not only in terms

of impact directly related to the achievement of OPT objectives, but also in terms of increasing the publicity and transparency of the activities of the public institutions involved in the process. The Managing Authority of OP Transport will create a separate unit within the Monitoring Department, which will perform the functions of OPT National Evaluation Unit and will be in charge of the overall coordination, organization and performance of the various evaluations under the operational programme. The Managing Authority will provide resources under priority axis “Technical Assistance” for the organization and performance of evaluations, collection of data, provision of studies and analyses. The indicative budget envisaged for evaluations is about 1.700 M BGN. The results of the evaluations will be discussed during the Monitoring Committee sessions and afterwards will be sent to EC. Where relevant, they will also be included in the Annual and Regular Monitoring Reports.

In accordance with Articles 47, 48 and 49 of Regulation (EC) No 1083/2006 three main types of evaluations will be carried out for OP Transport:

- Ex-ante evaluation
- Ongoing evaluations, interim evaluation
- Ex-post evaluation

Unified management Information System of the EU Structural Funds and the Cohesion Fund (UMIS)

The Managing Authority of OP Transport is responsible for establishment of a system for recording and storing, in a computerized form, of the accounting entries for all transactions under OP Transport and for collection of the necessary data for the financial management, monitoring, verification, audit and evaluation. The European Commission and the Member States will exchange data for the purpose of monitoring electronically.

UMIS is a unified information system which provides summarized data for the reports at the level of measures and for the annual implementation reports, and is a tool for exchange of information with the Commission. The information system has a wide range of management and financial functions. It is being developed under a project where the beneficiary is NCU at MoF; as at 31.12.2007 the system does not have any functioning modules.

An entry will be made for each project, including project title, name and address of the operator, total amount, date of start-up and date of closure, distribution of expenditure by year and by expenditure component, financial resources, eligible and ineligible expenditure, EU grant, public

and private eligible expenditure which are incurred and paid to contractors on the basis of payment claims, payment claims submitted, payments from EU assistance, physical indicators related to the objectives of the respective measure, i.e. jobs created, distribution by gender.

The purpose of UMIS is to comprehensively support the management tasks, operating procedures, monitoring and reporting referring to the management of the Cohesion Fund and the Structural Funds. The system ensures:

- Professional follow-up of project implementation
- Registration of all documents and correspondence
- Processing and control of the overall procedure related to funding
- Provision of up-to-date information, current reports and statistical data to the management so that the latter could make decisions
- Generation and printing of the necessary working documents, reports and correspondence.

The system will support the project management procedures throughout the whole project life cycle in line with the individual requirements, the applicable EU regulations and the relevant national legislation.

Administrative capacity

A number of activities have been taken in order to improve the administrative capacity of the Managing Authority and the beneficiaries of Operational Programme Transport 2007-2013, as regards the management and implementation of projects funded by OP Transport. Trainings were held mainly under the following programmes:

- Phare Twinning Project BG/04/IB/TR/02/UE “Strengthening the capacity of the Ministry of Transport to manage the Operational Programme Transport under the Cohesion Fund and the European Regional Development Fund”
- MATRA Programme
- Bulgaria’s Communication Strategy for EU
- Institute for Public Administration and European Integration – Bulgaria
- Institute for Public Administration - Ireland

The total number of trainings organized and carried out for the staff of the Coordination of Programmes and Projects Directorate in 2007 is 35, including working seminars for exchange of experience held in France, Portugal and Greece.

The Strategy for organizational development of the Managing Authority of OP Transport has been regularly updated. The main purpose of the Strategy for organizational development is to assist the Coordination of Programmes and Projects Directorate in the process of management of the

Cohesion Fund and the ERDF under OP Transport. To this end, the Strategy includes analysis of the current status, the functions and the structure of the organization, analysis of the required human resources and the training needs, the interrelations with key partners of the Directorate in the course of performing its functions. A strategic concept paper has been elaborated on the basis of a detailed analysis, which includes vision, mission and goals for the achievement of which an action plan has been prepared in the following areas: human resource development, successful restructuring of the Coordination of Programmes and Projects Directorate, raising the effectiveness of the working process and the internal and external interactions, and improvement of the conditions at work.

A Plan for Human Resource Development has been prepared as a separate document; its purpose is to identify the human resources required for the increased work load.

Competitions have been conducted to fill in the vacancies in the Coordination of Programmes and Projects Directorate. The restructuring of the Directorate has been prepared in view to the performance of its functions as a Managing Authority of OP Transport. The informal contacts during the joint seminars and trainings organized for MA staff and beneficiaries in both the country and abroad have also been intensified in order to improve the interaction among the entities and to establish well functioning teams.

The administrative capacity of the beneficiaries of OP Transport has been assessed on the basis of the following methodology:

- Administrative project implementation units – availability of administrative structure consistent with the functions of the beneficiary/ Project Implementation Unit
- Functions of the administrative units – consistency of the functions of the administrative units with the established structure, the number of staff and the current status of the project/s
- Number of the employees engaged in the implementation of the project/s (for each administrative unit)
- Personnel – newcomers, persons having resigned or being promoted, vacancies (for each administrative unit)
- Qualifications of the employees in regard to project implementation, including additional qualification obtained, trainings passed
- Professional experience of the employees in the area of project implementation
- Measures planned to enhance the administrative capacity
- Measures taken to enhance the administrative capacity

The administrative capacity of the beneficiaries of OP Transport will be regularly assessed. In 2007 13 new employees were appointed at the Coordination of Programmes and Projects Directorate – Managing Authority of OP Transport, out of which 7 junior experts, 5 chief experts and one head of department. The total number of departures in 2007 is 8, with four of them being appointed during the same year.

Terms and procedures for collection of data on project implementation

Direct collection

- Through documents prepared by the beneficiaries: The beneficiary collects and processes the necessary data for the monitoring and evaluation of the relevant project for the purposes of UMIS; its staff prepares and submits the required monitoring reports to the Managing Authority for approval.

The monitoring reports are as follows:

- Monthly project progress reports – each month the beneficiary submits to the MA monthly reports on the progress achieved during the implementation. The Managing Authority either approves the progress report or returns it to the beneficiary for corrections.
- Six-monthly project progress reports – these are prepared by OPT beneficiaries and summarize the information on progress submitted on a monthly basis. Their purpose is to reflect the updated forecasts on the total expenditure and its distribution over the year; the expenditure by category; the new quantities by component and the new time schedules. These reports reflect any problems encountered during the implementation and the corrective measures to be adopted as well as the activities planned to ensure publicity.
- After verification of the supply of goods or provision of services the beneficiary checks on the basis of the terms of reference or the technical specification before payment of the relevant invoice. In this case and in order to ensure the required data and the report to the Managing Authority the beneficiary should establish a detailed accounting system at contract level. This task includes support – filing and archiving of financial data, additional documents and reports in compliance with the requirements of Article 7 of Regulation (EC) № 438/2001. The verification report on the supply of goods and provision of services, together with the invoices, is sent to the Managing Authority. The beneficiary sends to the Managing Authority a statement of expenditure which includes information on the financial and physical progress of project

implementation; any irregularities detected, corrected and reported in the relevant way; and a description/ modification of the management and control procedures.

- On-the-spot checks carried out by the Managing Authority – A “Monitoring of OPT Projects” Unit will be created within the Monitoring Department at the Managing Authority of OP Transport; this Unit will prepare an annual plan for on-the-spot checks; will coordinate and carry out planned and ad-hoc on-the-spot checks in accordance with the annual plan and the actual needs of project implementation and will draft Reports from the checks carried out; will prepare and submit to the “Monitoring and Evaluation of OPT” Unit information on the performance of the indicators laid down under the priority axes of OP Transport.
- Final beneficiaries will prepare and submit Minutes from the performed on-the-spot checks to the Managing Authority for approval. Based on the information collected and confirmed as a result of the performed on-the-spot checks the Managing Authority will prepare Reports on findings and on verification of the eligible expenditure incurred by beneficiaries and claimed for reimbursement. The reports on findings and on verification may include recommendations for corrective actions; those are sent to beneficiaries for implementation. Beneficiaries must report to the Managing Authorities the results from the implementation of the recommendations.
- The formats of monitoring reports, statement of expenditure, annual plan for on-the-spot checks and report from on-the-spot checks with the respective checklists are prepared by the Managing Authority and included in the annexes to the Procedure Manual on the Management and Implementation of OP Transport 2007-2013.

Indirect collection

- Through UMIS, in which information on project implementation progress, taken from the statement of expenditure and the monitoring reports, will be provided.
- For the purpose of monitoring UMIS will be used:
 - In connection with preparation of projects – by the Programming and Coordination Department, for registration and evaluation of the submitted application forms as well as for registration of the decision for project funding
 - In connection with contracting and final beneficiaries – by the Ex-ante Control Department, for recording of the necessary data on the contract and data on potential modifications

- In connection with reporting and on-the-spot checks – by the Monitoring Department, for registration of the necessary data on project progress and the annual report as well as for recording of the data from the on-the-spot checks.

2. Monitoring Committee

General information

In accordance with Articles 63-66 of Regulation (EC) No 1083/2006 the Council of Ministers adopted Decree № 182/21.07.2006 on the establishment of Monitoring Committees of the National Strategic Reference Framework and the Operational Programmes Co-Financed by the Structural Funds and the Cohesion Fund of the European Union. Each Monitoring Committee draws up its own Rules of Procedure and adopts them after the approval by the Managing Authority. A representative of the European Commission participates in the work of the Monitoring Committee in an advisory capacity; representatives of EIB and IFIs may also participate if they make a contribution to the Operational Programme. The Monitoring Committee of OP Transport consists of Chairperson, voting members and observers. It is chaired by the Deputy Minister responsible for the Managing Authority of OP Transport – Coordination of Programmes and Projects Directorate at the Ministry of Transport. Members of the Monitoring Committee are the following: representatives of the Ministry of Transport, the other Managing Authorities, MoF, the socio-economic partners; representatives of the Ministries and State Agencies concerned by OPT priorities; representative of the National Association of Municipalities in the Republic of Bulgaria; representatives of each Regional Council for Development of NUTS II Regions; representatives of the national organizations of employers, workers and servants, recognized by the Council of Ministers in conformity with the Labour Code; experts on horizontal issues in the following areas: sustainable development, including environmental protection, competition and equal opportunities. The members of the Monitoring Committee are personally appointed by an order of the Minister of Transport, based on proposals made by the involved institutions and applying the partnership principle in accordance with Article 11 of Regulation (EC) No 1083/2006.

The responsibility of the Monitoring Committee is to follow up the implementation of OP Transport, in particular to ensure compliance with EC regulations and the relevant legislation of the Republic of Bulgaria and achievement of the objectives as set up in the Operational Programme.

The Monitoring Committee has the following tasks:

- to approve the project selection criteria. The selection criteria could be revised in accordance with the programming needs
- to periodically review progress made towards achieving the specific objectives of OPT on the basis of documents submitted by the Managing Authority
- to examine the results achieved during the implementation, particularly the achievement of the targets at each priority axis level and the evaluations referred to in Article 48(3)
- to discuss and approve the Annual and Final Reports on implementation referred to in Article 68 before they are sent to the Commission
- to assign to OPT Managing Authority the task to submit the approved reports to EC
- to receive information of the Annual Control Report prepared by the Audit Authority and of any internal and external control authorities comments that the Commission may make after examining that report, concerning the findings with high level of risk (if such findings are made)
- to adopt time schedules for performance of the measures taken and to approve the Report on the implementation of the corrective measures
- to receive information about the results, the conclusions and the recommendations of the reports on OPT financial state and implementation, prepared by the Certifying Authority
- to propose to the Managing Authority any adjustment or review of OP Transport likely to make possible the attainment of the Funds' objectives or to improve their management, including their financial management
- to consider and approve any proposal to amend the contents of the Commission Decision on the contribution from the Funds
- to consider and approve, where necessary, proposals for reallocation of funds among the priorities of the programme
- to approve OPT Communication Strategy
- to control the activities of the Managing Authority concerning the horizontal policies, such as state aid, public procurement, sustainable development, including environmental protection and equal opportunities
- to receive information by the Head of the Managing Authority on the results of the OPT evaluations carried out, the conclusions and the recommendations made
- to receive information by the Head of the Managing Authority on the use of UMIS for monitoring of the financial resources of the Cohesion and the Structural Funds

- to make decisions on any problematic issues concerning the contribution from the EU Funds
- to implement other additional tasks in conformity with the adopted Rules of Procedure
- to receive information on the Annual Control Report and on the comments the EC may make after examining that report.

Sessions of OPT Monitoring Committee in 2007

The first, constituent session of OPT MC was held on 28 November 2006. The last version of Operational Programme Transport was presented thereat. Its members were informed that the report on the preliminary evaluation of OP Transport and the report on the environmental impact assessment under OP Transport (EIA Report) have been prepared. The Rules of Procedure of the Monitoring Committee of OPT and the Code of Conduct of the members of the Monitoring Committee were also discussed and adopted.

The Monitoring Committee held two sessions in 2007.

The second, regular session on 28.06.2007 discussed and adopted the annual declaration for the absence of potential conflict of interest, which has to be signed every year by the members, the authorized alternates and the advisors of OPT Monitoring Committee, and discussed and adopted the project selection criteria under OP Transport.

The third, regular (the first official) session of OPT MC was held on 13.12.2007. It was attended by representatives of the European Commission and of the European Commission Representation in Bulgaria. It was the first session after the final approval of OP Transport by the European Commission on 07.11.2007 and the official ceremony of its signing on 27.11.2007. The participants re-voted on the Rules of Procedure of OPT Monitoring Committee, the Code of Conduct, and the projects selection criteria. A detailed presentation was made of the final, approved version of OP Transport and the MC members were informed about the level of preparedness of the new projects, including JASPERS assistance. Presented was the progress of project “Connection of the Hemus Motorway to the Sofia Ring Road” and project “Construction of Struma Motorway” with beneficiary NRIF and the first project funded by OP Transport – “Extension of the Sofia metropolitan” with beneficiary “Metropoliten” EAD.

The participants were also informed about the state of the draft Communication Plan of OP Transport, the final version of which had to be sent to the Commission by 7 March 2008.

3. Communication Plan and publicity measures

In 2007 the Managing Authority launched the preparation of the Communication Plan (CP) of OP Transport with the assistance of an external consulting agency specialized in public relations. The Plan has been developed in accordance with the requirements of Chapter II of Regulation (EC) No 1828/2006 and the conclusions from the national representative survey on the awareness level. The necessary financing sources were provided from the budget of the Ministry of Transport. The following projects have been implemented as part of the Communication Plan:

- Discussion forum „Operational Programme Transport 2007-2013 (OPT) – opportunities and perspectives”, which was held in Sheraton Hotel in Sofia on 2 July 2007. The forum was attended by representatives of the Government, non-governmental environmental associations and organizations, socio-economic partners, transport organizations, national media and beneficiaries of OP Transport 2007-2013.
- Seminars for regional and local authorities and media representatives to present the main objectives and priorities of the draft OP Transport.
 - Seminars to present Operational Programme Transport 2007-2013 were held in Sandanski on 12 - 13 July 2007 and in Plovdiv on 6 August 2007. Their main purpose was to familiarize the participants with the objectives and priorities of OP Transport as well as with the major infrastructure projects to be implemented under the programme.
 - Seminars focused on the public procurement principles and methods of payment in the frame of implementation of Operational Programme Transport 2007-2013 were held in Samokov Hotel in Borovets on 5-7 July 2007 and in Augusta Hotel in Hisarya on 4-5 October 2007.

These seminars were attended by representatives of Coordination of Programmes and Projects Directorate at the Ministry of Transport, National Road Infrastructure Fund, Maritime Administration Executive Agency, and Executive Agency for Exploration and Maintenance of the Danube River and National Railway Infrastructure Company.

- A Forum for official presentation of Operational Programme Transport 2007-2013 as approved by the European Commission, in accordance with the requirements of Regulation (EC) 1828/2006 was held in Sheraton Hotel on 9.12.2007. It was attended by 85 persons in total, including 30 media representatives. The event was opened by the Minister of Transport Mr. Petar Mutafchiev. Address to the audience was delivered by the Minister of Finance Mr. Plamen Oresharski and the Head of the European Commission Representation in Bulgaria Mr. Michael Humphreys. The official presentation of Operational Programme

- Transport 2007-2013 as approved by the European Commission was very well covered by all media – TV stations, radio stations, national and business dailies and weeklies, information agencies and on-line editions. In 6 out of the 12 TV reportages the news of the official presentation of OP Transport was among the first 3 for the broadcast.
- „National competition for selection of logo and slogan of OP Transport 2007-2013”.

The planned activities for the campaign for selection of logo and slogan are being carried out during the period 12 November 2007 – 12 February 2008. The campaign was held in three stages:

Stage 1: Preparatory activities for announcement of the start of the competition for logo and slogan, which included:

- PR activities and development of advertising materials to promote the competition and organizational and administrative activities

Stage 2: Start of the competition

- preparing and holding a press conference to announce the start of the competition on 06.12.2007. It was covered mainly in electronic editions, in accordance with the objective set in advance to promote the competition predominantly in Internet considering the preferences of the key target groups.
- information and advertising campaign to promote the competition
- administrative and organizational activities (to be carried out in 2008), which include setting up a technical committee for the competition, review of the proposals of the committee and conduct of sessions of the art jury to select the finalists from the first stage of the competition and to announce the latter.

Stage 3: Selection of logo and slogan (to be carried out in 2008), which includes development of an Internet system for voting on the logo and slogan on the website of the Ministry of Transport, setting up a committee comprising representatives of the Ministry of Transport for the second stage of the competition, announcement of the winner and awarding the distinguished participants in the competition.

4. Audit of activities and projects

The Audit Authority (a national, regional or local public authority or body) is functionally independent of the Managing Authority and the Certifying Authority; it is designated by the Member State for each Operational Programme and is responsible for verifying the effective functioning of the management and control system. Council of Ministers Decree № 300/29.12.2005 designates the Audit of EU Funds Directorate within the Ministry of Finance as the body authorized to execute the audit authority functions. The Audit Authority of the operational programme is responsible in particular for:

- a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme
- b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared
- c) presenting to the Commission within nine months of the approval of the operational programme an audit strategy covering the bodies which will perform the audits referred to under points (a) and (b), the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period.
- d) by 31 December each year from 2008 to 2015:
 - submitting to the Commission an Annual Control Report setting out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The first report to be submitted by 31 December 2008 is to cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 is to be included in the Final Control Report supporting the closure declaration referred to in point (e)
 - issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular
 - submitting, where applicable under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.
- e) submitting to the Commission at the latest by 31 March 2017 a Closure Declaration assessing the validity of the application for payment of the final balance of the underlying transactions covered by the final statement of expenditure, which is to be supported by a final control report.

The Audit Authority performs audits aiming to ensure that the management and control systems of the operational programmes function effectively (Art. 62 of Regulation (EC) No 1083/2006). Two types of audits are performed: systems audits and audits of operations (Art. 17 of the Implementing Regulation (EC) No 1828/2006).

Control Authorities:

Internal Audit

- The internal audit functions are performed by internal auditors in accordance with the Internal Audit Law as last promulgated.
- The Central Harmonisation Unit established at the Ministry of Finance provides the necessary methodology and support to all internal auditors.

External Audit

- The National Audit Office of the Republic of Bulgaria carries out independent audit of the budget and other public funds, including EU funds, and contributes to the proper financial management in the country. The organisation, mandate and procedures for carrying out its activities are regulated by the National Audit Office Law as last promulgated.
- The European Court of Auditors examines the reports on all revenue and expenditure of the Community and the accounts of all bodies managing EU funds.

It checks whether all EU budget revenues have been received and the relevant expenditure has been incurred in a lawful and regular manner and whether the financial management has been sound.

The employees of the Internal Audit Unit at the Ministry of Transport carried out an audit of the Coordination of Programmes and Projects Directorate with subject “Assessment of the process of establishment of management and control systems at the Coordination of Programmes and Projects Directorate in its capacity of Managing Authority of OP Transport”. The Coordination of Programmes and Projects Directorate prepared an action plan for implementation of the recommendations of final audit report ОД-25 /19.11.2007 and the provisions of the Internal Audit Law.

5. Use of technical assistance

Pursuant to Article 46 of Council Regulation (EC) No 1083/2006 the Managing Authority of OP Transport has to allocate up to 4 % of the total budget of OPT to financing of technical assistance measures. The budget provided for this priority axis is 65,950 MEUR. The operations are co-financed by the European Regional Development Fund and national resources. The main goal of this priority axis is to ensure effective and efficient management and implementation of OPT.

This objective will be achieved through financing a number of main activities:

- Preparation, evaluation, monitoring and control of OP Transport

In 2008 the Managing Authority of OP Transport will start to perform actively its tasks connected with the collection and processing of all data required for monitoring of the priorities for the programme as a whole as well as to enter the relevant information at priority and operational programme level into UMIS modules when the system becomes operating and accessible. The Managing Authority of OP Transport will create a special unit within the Monitoring Department, which will perform the duties of a National Evaluation Unit for OP Transport and will be in charge of the coordination, organization and carrying out of the various evaluations under the operational programme. By the time OPT MC holds its session in March 2008 the Managing Authority has to prepare an evaluation plan for OP Transport which is to establish a model for its evaluation and to secure the effective use of the plan as a management tool in the process of OPT implementation. The organization and carrying out of evaluations, collection of data, conduct of studies and making of analyses will be funded under priority axis “Technical Assistance”. The indicative budget envisaged for carrying out evaluations is about 1.700 MBGN. The results of the evaluations will be discussed during the Monitoring Committee sessions and after that will be sent to the Commission. A tender procedure for selection of outside independent evaluator that is to carry out the thematic, ongoing and interim evaluations envisaged in the plan will be conducted in 2008.

- Improvement of the administrative capacity

During this reporting period there were no payments for improvement of the administrative capacity of the Managing Authority. In 2008 a number of studies and seminars will be provided to improve the administrative capacity of the Managing Authority and OPT beneficiaries, as regards the effective management and implementation of the projects to be financed under the Programme. The expenditure will be covered by priority axis “Technical assistance”.

- Information and publicity

The information and publicity measures financed under priority axis “Technical Assistance” are:

- Forum for official presentation of Operational Programme on Transport 2007-2013 as approved by the European Commission,
- „National competition for selection of logo and slogan of OP Transport 2007-2013

The following contracts were concluded in 2007 in connection with the information and publicity measures funded under priority axis “Technical Assistance”:

- „A national campaign for selection of logo and slogan of Operational Programme Transport”. The contract was signed on 09.11.2007 amounting at 90 000 BGN
- „Development and support of a website of Operational Programme Transport 2007-2013.

The contract was signed on 07/12/2007 amounting at 74 000 BGN.

The following activities are to be carried out in 2008:

- Signing a contract for communication campaigns in connection with the communication plan of the operational programme
- Setting out the informal network of information and publicity experts at the Managing Authority of the operational programme
- Start of the website
- Development of a general plan for monitoring of the environment and its implementation
- Administrative management of OP Transport

6. Information about compliance with Community law

In 2007 the Bulgarian legislation in the area of transport policy was completely harmonized with the Community law.

Table 19: Directives in the area of transport policy transposed in Bulgarian legislation in 2007

Title of the statutory instrument	EU Act /CELEX/
Amendments and supplements to the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Law	32005L0035
Carriage by Road Law	32006L0022
Amendments and supplements to Ordinance № 53 of 2 July 2004 on ship and port facility security	32005L0065
Amendments and supplements to Ordinance № 6 on competency of seafarers	32005L0045
Ordinance № 57 for the circumstances and core requirements to railway infrastructure and rolling stock in order to achieve interoperability of national railway system with Trans-European railway system	32007L0032
Ordinance № 40 for the circumstances and rules for carriage of dangerous goods by road	32006L0089
Ordinance № 1 of 4 April 2007 for the minimum tunnel safety requirements on national roads along Trans-European road network on the territory of the Republic of Bulgaria and for the requirements to the electronic road toll systems on the road network in the Republic of Bulgaria	32004L0052
Ordinance № 46 for the carriage of dangerous goods by rail	32006L0090
Ordinance on the terms and procedure for provision of river information services	32005L0044

7. Measures to ensure coherence with Community policies

The transport policy of the Republic of Bulgaria is in line with the key objectives of the cohesion policy set out in the Community Strategic Guidelines, the National Strategic Reference Framework of Bulgaria 2007-2013, the Lisbon Strategy and the sustainability principles laid down in the conclusions from Goteborg. The specific goals of the Bulgarian transport policy include achievement of sustainable development of the road and railway infrastructure of national, EU and cross-border importance; improvement of navigation on maritime space and inland waterways; integration of the national transport network into the EU transport network; and achievement of balance and development of the relations among the various transport modes. The achievement of these goals is a precondition for the sustainable and balanced long-term economic growth.

The development of the trans-European transport corridors on the territory of Bulgaria leads to increase of the passenger and freight flows. The development of an environment-friendly transport infrastructure would contribute to improving the quality of life in cities and regions.

While preparing and implementing the Operational Programme on Transport the Managing Authority has been and is being governed by the national policies which are consistent with the Community policies, as well as by the principles of environmental protection and sustainable development, equal opportunities, competition and public procurement, partnership, elimination of inequality and promoting equality between men and women. The Managing Authority will take actions to fully respect them throughout the whole programming period, ensuring that they apply in the selection of projects and during their implementation and completion. Taking into consideration the above principles the Managing Authority has prepared a set of project selection /prioritization/ criteria which include criterion for access of the Bulgarian national transport network to the EU transport system, criterion for environmental protection, socio-economic criterion and criterion of project readiness.

The proposed measures by the White Paper and the guidelines for development of the trans-European transport network were taken into consideration while identifying the priority axes objectives and main operations under the Programme. The sustainable transport policy is among the key aspects of OP Transport. The achievements of the programme will contribute to reducing the congestion, noise and pollution levels, to improving the quality of life of people, to promoting use of environment-friendly modes of transport and to creating jobs. In this relation the implementation of OP Transport corresponds to the Community Strategic Guidelines, in particular to Guideline 1.1.: Making Europe and its regions more attractive places to invest and work, 1.1.1. expanded and improved transport infrastructures.