



**REPUBLIC OF BULGARIA**

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

**COORDINATION OF PROGRAMMES AND PROJECTS  
DIRECTORATE**

**MANAGING AUTHORITY**

**OPERATIONAL PROGRAMME ON TRANSPORT 2007-2013**

**ANNUAL REPORT**

**2013**



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



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## ACRONYMS

AEUFEA	Audit of EU Funds Executive Agency
AF	Application Form
BAS	Bulgarian Academy of Sciences
BPIC	Bulgarian Ports Infrastructure Company
BULRIS	Bulgarian River Information System
CCU	Central Coordination Unit
CF	Cohesion Fund
CM	Council of Ministers
CP	Communication Plan
CPPD	Coordination of Programmes and Projects Directorate
CPC	Commission for Protection of Competition
CRC	Communications Regulations Commission
DG	Directorate General
EA	Executive Agency
EA EMDR	Executive Agency for Exploration and Maintenance of the Danube River
EC	European Commission
EIA	Environmental impact assessment
EIB	European Investment Bank
EMC	Electromagnetic Compatibility
ERDF	European Regional Development Fund
ERTMS	European Railway Traffic Management System
EU	European Union
GIS	Geographic information system
IBRD	International Bank for Reconstruction and Development
IFIs	International Financial Institutions
IMT	Intermodal Terminal
JASPERS	Joint Assistance to Support Projects in European Regions - a joint initiative of the European Commission, EIB and EBRD for providing technical assistance in the preparation of big infrastructural projects
KR	Key Requirement
MA	Managing Authority
MC	Monitoring Committee
MF	Ministry of Finance
MRD	Ministry of Regional Development
MRDPW	Ministry of Regional Development and Public Works
MS	Metro Station
MTITC	Ministry of Transport, Information Technology and Communications
MW	Motorway
NCSIP	National company „Strategic infrastructure projects”
NF	National Fund
NRIC	National Railway Infrastructure Company
OP	Operational Programme
OPT	Operational Programme on Transport
PPA	Public Procurement Agency
PPA	Public Procurement Act



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RIA	Road Infrastructure Agency
RIS	River Information System
RRC	Route-relay centralizations
SAC	Supreme Administrative Court
SG	State Gazette
SRR	Sofia Ring Road
TCP	Technological and Construction Program
TEN-T	Trans-European transport network
VTMIS	Vessel Traffic Management and Information System
WB	World Bank



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## SUMMARY

The annual implementation report of Operational Programme on Transport (OPT) for 2013 was drafted pursuant to Article 67 of Council Regulation (EC) 1083/2006 and in compliance with the requirements of Regulation (EC) 1828/2006. It follows the structure set out in Regulation 1828/2006 for preparation of annual reports and the structure of the annual implementation reports of OPT established over the previous years.

By the end of 2013 the successful implementation of the programme continues. The amount of awarded grants is 99.04 % of the programme's budget, which, calculated on the basis of concluded commercial contracts is 93.57%. Twenty investment projects are implemented under the programme, 5 of them are already completed. The EC has approved 9 "major" projects, as 3 of them are already completed. In 2013 the European Commission (EC) approved the application form (AF) of the project for construction of Struma Motorway, Lots 1, 2 and 4.

Under priority axis 1 – "Development of Railway Infrastructure along the Trans-European and Major National Transport Axes": the project for construction of the Svilengrad-Turkish border railway line has been completed. Significant progress is achieved in the implementation of the project for rehabilitation of the railway structure along sections of the Plovdiv – Burgas railway line. In 2013 started the actual implementation of the projects: "Reconstruction and Electrification of the Plovdiv – Svilengrad Railway line along Corridors IV and IX Project, Phase 2: Purvomai – Svilengrad Section" and "Modernisation of the Septemvri-Plovdiv section – part of the Trans-European railway network". As a result of railway projects implementation a total of over 220 km railway lines (track length) were rehabilitated by the end of 2013.

In 2013 under priority axis 2 - "Development of Road Infrastructure along the Trans European and Major National Transport Axes" Lot 4 of Trakia Motorway was put into operation, by which the project implementation was completed. The construction of Lot 1 of Struma Motorway, Hemus Motorway – Sofia Ring Road – Yana Road Junction and the rehabilitation of a part of the Gabrovo Bypass were also completed. The remaining projects of the Priority axis are also under implementation, they are expected to be completed during 2014-2015.

Under priority axis 3 - "Improvement of Intermodality for Passengers and Freight" the successful implementation of Phase III of the project for extension of the metro network in Sofia continues. The first two phases<sup>1</sup> were commissioned in 2012 and during 2013 over 31.7 million trips were made along the OPT-funded sections.

Under Priority axis 4 – "Improvement of the Maritime and Inland-Waterway Navigation": the AFs are approved and grant contracts are signed and are being implemented two main projects - for a river information system in the Bulgarian section of the Danube river and for a vessel traffic management information system.

In December 2013 the EC approved the Second OPT modification, as a result of which EUR 20 million were transferred from Priority axis 2 to Priority axis 1 and EUR 122.1 million were transferred from Priority axis 4 to Priority axis 3.

The Annual Report for 2013 is divided into two main sections. Section II – **Overview of the implementation of OPT for 2013** provides general information on the financial and physical implementation by the end of 2013. Table 1 reports on the implementation of OPT core indicators. The financial implementation of the programme is reported out in part 1.2 – **Financial implementation of OPT as of 31.12.2013**. This part of the report provides information on the amount of grants awarded and funds paid out per sources of funding and categories of expenditure.

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<sup>1</sup>Stage II is funded under Priority axis 1 of OPT



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By the end of 2013, grants awarded are in the amount of **BGN 3 880 843 608,31 (EUR 1 984 243 829,11)**, i.e. **99.04%** of the total budget for the programme. The total amount of the eligible costs under OPT of concluded commercial contracts stands at **BGN 3 666 652 861,01 (EUR 1 874 729 839,00)** or **93.57 %** of the total budget of the programme. The grant paid is at the amount of **BGN 2 181 649 902.25 (EUR 1 115 459 882.63)**, which is **55.68%** of the total budget of the programme.

With regards to the automatic decommitment rule N+3/2 for the programme, as of the end of 2013 there were no funds lost for the programme. The amount to be EC certified by the end of 2013 was **EUR 761 356 560.22** - co-funding from the CF and ERDF only. As of 31.12.2013 EC certified expenditure are in the amount of **EUR 825 757 269** – co-funding under CF and EFRD only, which is **108 %** of the target value and comprises **50,83 %** of the budget for European co-funding under OPT

Implementation of each of the priority axes and of the individual infrastructural projects is set out in Section III „**Implementation of Operational Programme “Transport” by priority axes**”. Achievement of indicators per priority axis is reported as of the end of 2013 with information on the physical and financial progress for each infrastructural project which is currently under implementation. With regards to monitoring and programme evaluation activities, information is provided from the meetings of OPT Monitoring Committee (MC) and the relevant decisions, as well as from MA on-spot checks.



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## I. IDENTIFICATION

<b>OPERATIONAL PROGRAMME</b>	Objective concerned: Convergence
	Eligible area concerned: Bulgaria
	Programming period: 2007 - 2013
	Programme Number (CCI №): 2007BG161PO004
	Programme title: Operational Programme on Transport
<b>ANNUAL IMPLEMENTATION REPORT</b>	Reporting year: 2013
	Date of approval of the annual report by the Monitoring Committee: 05.06.2014



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## II. OVERVIEW OF THE IMPLEMENTATION OF OPT FOR 2013

### 1. Achievement and analysis of the progress

Good implementation of Operational Programme on Transport (OPT) is maintained towards the end of 2013. Grant at the amount of **99.04%** of the programme's budget has been provided. Payments to beneficiaries are almost 56% of the budget. 20 investment projects are in a process of implementation, as 5 of them have already been completed. 11 "major" projects (over 50 million Euro) are underway, while EC has approved 9 of them and 3 have already been completed.

The trend from previous years has been kept during the programme implementation, namely the greatest progress to be under Priority axis 3 "Improvement intermodality for Passengers and Freight". This is due to the successful completion of Phase I of the project for extension of the Metropolitan metro network and the implementation of Phase III. Good progress was also achieved in the implementation of Priority axis 1 - "Development of Railway Infrastructure along the Trans-European and Major National Transport Axes" with paid grants amounting over 63% of the axis budget.

All projects in road sector (Priority axis 2) are in a process of implementation as the amount of payments till the end of 2013 is very close to 50% of the axis budget.

The section Svilengrad - Turkish border was commissioned during 2013 in the railway sector, good progress was achieved in the implementation of the railway project for Rehabilitation of Railway sections along Plovdiv - Burgas railway line. Construction of Lot 4 last section of "Trakia" motorway was completed, thus ending the entire project's implementation. 14 km motorway section from Dolna Dikania to " Dupnitsa-north" road junction (part of "Struma" MW Lot 1) and 8.5 km motorway section between Sofia ring road and "Hemus" MW were commissioned in the road sector as well.

The Managing authority together with the beneficiaries identified two projects in road and two projects in railway sector expected to be completed in 2015 as being at risk. Additional monitoring has been performed These projects are further monitored by the Managing Authority on their performance, making every effort to assist beneficiaries in order to complete the project by the end of 2015.

The procedure for second amendment of the programme was developed in 2013. The main issues that were raised by the EC and blocked the OPT amendment procedure were related to the preparation and coordination of JASPERS of an overall strategy for the implementation of Vidin - Sofia railway Project; provision of funding for the preparation of the railway projects for the new programming period, as well as providing the necessary resources for additional financing of two commenced railway projects, approved by EC „Parvomai – Svilengrad and „Septemvri -Plovdiv”. Managing Authority in cooperation with the Ministry of Finance and the beneficiary - NRIC undertook the necessary actions to reflect the comments and the second amendment of OPT was approved by EC decision on 17.12.2013.

By the end of 2013 loss of programme funding in relation to the application of the automatic decommitment rule N +3/2 was not allowed.

#### 1.1 Physical Implementation of OPT as of 31.12.2013

As of 31.12.2013 grants were provided for 111 projects under Operational Programme on Transport 2007-2013 (OPT) with total value of the grants at the amount of EUR **1 984 243 829,11 Euro** or **99,04%** of the programme's budget. Grants awarded co-finance **1 874 729 839,00 евро** of concluded contracts with contractors under the programme i.e **93.57%** of the programme's budget.



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Construction of the following projects under OPT commenced in 2013:

- *Construction of Sofia Metro in the section between Mladost 1 and Mladost 4*
- *Construction of Vratsa Bypass*
- *Construction of Gabrovo Bypass*
- *Construction "Struma" MW Lot 2*
- *Rehabilitation of Sofia Central railway station*
- *Construction of Montana Bypass*
- *Establishment of BULRIS (second phase)*
- *Rehabilitation of Pazardzhik railway station*

Following projects, financed under OPT were commissioned in 2013:

- *Extension of Metroliten depot in "Obelia RD (part of Phase II)*
- *Reconstruction of Svilengrad – Turkish border railway line*
- *Section Yambol – Karnobat from "Trakia" MW (Lot 4)*
- *"Struma" MW Lot 1*
- *Junction of "Hemus" MW with Sofia ring road (SRR)*

Contracts for grant awards have been concluded for twenty investment projects as follows:

• **Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”**

- *„Electrification and Recontruction of Svilengrad – Turkish border”*
- *„Project for extension of Sofia Metropolitan: Phase II, lot 1 – Obelya – Nadezhda and Lot 2 – Mladost – Tsarigradsko shose”*
- *„Rehabilitation Railway Infrastructure in sections of Plovdiv – Burgas Railway line”*
- *„Modernisation of Septemvri-Plovdiv Railway section, part of the Trans-European Railway Network”*
- *„Recontruction and electrification of Plovdiv - Svilengrad railway line of corridor IV and IX, Phase 2: section Parvomai-Svilengrad”*

• **Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes”**

- *„Final construction of „Trakia” MW, Lots 2, 3 and 4”*
- *„Construction of „Mapuyca” MW, Lot 1 and Lot 2”*
- *„Hemus” MW, Section „SRR-Yana road junction”*
- *„Road E-85 (I-5) „Kardzhali-Podkova”*
- *„Struma” motorway, Lots 1, 2 and 4”*
- *„Vratsa bypass road - Road I-1 (E79)”*
- *„Montana bypass road - Road I-1 (E79)”*
- *„Construction of Kalotina MW – Sofia - Lot 1: „West arc of Sofia Ring road”*
- *„Gabrovo bypass”*

• **Priority axis 3 „Improvement of intermodality for Passengers and Freight”**

- *„Extension of Sofia Metropolitan – Phase I - II metro diameter: Nadezhda Road Junction (MS 5-II) – Cherni Vrah Blvd. section”*
- *Project for extension of Sofia Metropolitan – Phase III, Lot 1, Tsarigradsko shose – Sofia Airport; and Lot 2 – Mladost 1 – Business Park Mladost 4”*



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- *„Rehabilitation of railway station compounds in TEN-T network - Rehabilitation railway station Sofia Central station”, „Rehabilitation of railway station compound Burgas passenger railway station”, „Reconstruction and sanation of arrivals building of Pazardzhik railway station - II-nd stage.*

- **Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation”**

- *„Establishment of River Information System in the Bulgarian Part of the Danube River – BULRIS”;*
- *„Vessel Traffic Managements Information System(VTMIS) – phase 3”*
- *„Improvement of navigation systems and topo-hydrographic measurements on the river Danube”*

As a result of implementation of projects under the programme, by the end of 2013 223 km of railway lines (track length) have been rehabilitated, 141 km of motorways have been constructed, and 16 km of roads have been rehabilitated. As a result of the successful implementation of the two Sofia metropolitan extension projects, 13.3 km of metro lines and 13 new metro stations were commissioned. More than 31.7 million passengers have passed through the newly constructed metro sections in 2013.

Detailed information about the physical progress by priority axes and projects is given in Section III **„Implementation of Operational Programme on Transport by priority axis”**.



**Table 1: OPT Core Indicators**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Transport projects (Number)	Achievement	0	0	2	3	12	15	20 <sup>2</sup>			20
	Target									20	
	Baseline	0									
New roads (km)	Achievement	0	0	0	0	0	82	141			141
	Target									335	
	Baseline	0									
New TEN roads (km)	Achievement	0	0	0	0	0	82	141			141
	Target									333	
	Baseline	0									
Reconstructed roads (km)	Achievement	0	0	0	0	0	0	16			16
	Target									21	
	Baseline	0									
TEN railroads (km)	Achievement	0	0	0	2.3	27	108 <sup>3</sup>	164 <sup>4</sup>			164
	Target									345	
	Baseline	0									
Reconstructed railroads (km)	Achievement	0	0	0	2.3	27	108 <sup>5</sup>	164 <sup>6</sup>			164
	Target									345	

<sup>2</sup> Includes only investment projects under OPT for which grant contracts are concluded.

<sup>3</sup> Route length. Value is equal to 187 km track length.

<sup>4</sup> Route length. Value is equal to 223 km track length.

<sup>5</sup> Route length. Value is equal to 187 km track length.

<sup>6</sup> Route length. Value is equal to 223 track length.



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	Baseline	0									
Value for time savings, Euro (roads) (millions per year)	Achievement	0	0	0	0	0	0	23 577 110			23 577 110
	Target									216 813 133	
	Baseline	0									
Value for time savings, Euro (railway transport) (millions per year)	Achievement	0	0	0	0	0	0	0			0
	Target									13 060 000	
	Baseline	0									
Additional population served with improved urban transport (number)	Achievement	0	0	0	0	0	438 616	438 616			438 616
	Target									445 000	
	Baseline	0									



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## 1.2 Financial implementation of OPT as of 31.12.2013 г.

### 1.2.1 Grants awarding

111 grant contracts/decisions were concluded/awarded under Operational programme on Transport (OPT) as of 31.12.2013, amounting **3 880 843 608,31 BGN (1 984 243 829,11 Euro)** or **99.04%** of the total programme's budget.

The total amount of the admissible expenditures under OPT from out of the contracts, concluded under the programme is **3 666 652 861,01 BGN (1 874 729 839,00 euro)** or **93.57 %** of its budget.

**Table 2: Value of grant awarded by priority axis from 2007 until 31.12.2013**

№ of priority axis	Grant awarded from 01.01.2007 until 31.12.2013	Ratio of grant awarded to the budget of the PA (%)
1	1 339 020 407,06 leva (684 630 262,88 Euro)	103,73
2	1 713 570 986,40 leva (876 134 933,20 Euro)	96,32
3	628 004 888,83 leva (321 093 801,01 Euro)	96,37
4	75 907 647,79 leva (38 810 964,04 Euro)	111,69
5	124 339 678,23 leva (63 573 867,99 Euro)	96,40
<b>Total</b>	<b>3 880 843 608,31 leva (1 984 243 829,11 euro)</b>	<b>99,04</b>

**Table 3: Value of eligible grant of commercial contracts by priority axis from 2007 until 31.12.2013**

№ of priority axis	Value of eligible grant of commercial contracts by priority axis from 2007 until 31.12.2013	Ratio of grant awarded to the budget of the PA (%)
1	1 292 929 849,25 leva (661 064 534,88 Euro)	100,16
2	1 627 903 360,74 leva (832 333 771,72 Euro)	91,51
3	633 448 171,72 leva (323 876 907,36 Euro)	97,20
4	60 801 570,52 leva (31 087 349,37 Euro)	89,46
5	51 569 908,77 leva (26 367 275,67 Euro)	39,98
<b>Total</b>	<b>3 666 652 861,01 leva (1 874 729 839,00 Euro)</b>	<b>93,57</b>

### 1.2.2 Payments

A total of **2 181 649 902.25 BGN (1 115 459 882.63 Euro)** have been paid out to beneficiaries under Operational programme on Transport (OPT) from the beginning of 2007 until 31.12.2013 as per MA accounting system data which is **55.68%** of the total programme's budget. Grants paid out by source of funding are as follows: Cohesion Fund (CF) – 1 359 382 174.50 BGN (695 041 069.26 Euro) – 55.35% of the fund's budget, European Regional Development Fund (ERDF) – 410 058 856.50 BGN (209 659 764.14 Euro) – 56.85% of the fund's budget, national co-financing – 412 208 871.25 BGN (210 759 049.23 Euro) – 55.61% of the national co-financing budget.



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ТРАНСПОРТ 2007-2013  
По-близко, по-близки...**Table 4: Payments made by priority axis from 2007 г. until the end of 2013 according to OPT MA accounting system**

№ of priority axis	Value of payments from 01.01.2007 until 31.12.2013	Ratio of payments to the budget of the PA (%)
1	816 487 959.22 leva (417 463 664.64 Euro)	63.25%
2	882 739 758.86 leva (451 337 671.91 Euro)	49.62 %
3	439 267 470.65 leva (224 593 891.42 Euro)	67.41
4	10 278 404.53 leva (5 255 264.79 Euro)	15.12
5	32 876 308.99 leva (16 809 389.87 Euro)	25.49%
<b>Total</b>	<b>2 181 649 902.25 leva (1 115 459 882.63 Euro)</b>	<b>55.68%</b>

**Table 5: payments made by priority axis only in 2013 г. according to OPT MA accounting system**

№ of priority axis	Value of payments only in 31.12.2013	Ratio of payments to the budget of the PA (%)
1	161 782 842.47 leva (82 718 253.87 Euro)	12.53%
2	225 182 179.91 leva (115 133 820.38 Euro)	12.66
3	66 711 024.30 leva (34 108 805.11 Euro)	10.24 %
4	1 450 445.72 leva (741 601.12 Euro)	2.13%
5	9 204 958.61 leva (4 706 420.60 евро)	7.14%
<b>Total</b>	<b>464 331 451.01 leva (237 408 901.08 Euro)</b>	<b>11.85%</b>

### 1.2.3 Expenditure verification:

Verified expenditure from the beginning of 2007 until 31.12.2013 are amounting 2 240 013 485.03 BGN (1 145 300 708.67 Euro), distributed by priority axes as follows:

- **Priority axis 1 – 879 768 843.79 BGN (449 818 667.16 Euro), of which**
  - Grant – 757 517 962.89 BGN (387 312 784.29 Euro)- 58.68% of the axis budget
  - Own contribution - 122 250 880.90 BGN (62 505 882.87 Euro)
- **Priority axis 2 – grant amounting 753 216 241.13 BGN (385 113 348.87 Euro), which is 42.34% of the axis budget**
- **Priority axis 3 – 563 124 156.34 BGN (287 920 809.24 Euro), от които:**
  - Grant – 433 788 642.96 BGN (221 792 611.30 Euro) - 66.57% of the axis budget
  - Own contribution – 129 335 513.38 BGN (66 128 197.94 Euro)
- **Priority axis 4 – grant amounting 9 270 060.40 BGN (4 739 706.62 Euro), which is 13.64% of the axis budget**
- **Priority axis 5 – grant amounting 34 634 183.37 BGN (17 708 176.78 Euro), which is 26.85% of the axis budget**





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Verified expenditures for 2013 only amount 482 226 609.96 BGN (246 558 550.57 Euro), distributed by priority axes as follows:

- **Priority axis 1 – 213 836 654.77 BGN (109 332 945.49 Euro), of which:**
  - grant – 195 203 666.92 BGN (99 806 050.08 Euro) – 15.12% of the axis budget
  - Own contribution – 18 632 987.85 BGN (9 526 895.41 Euro)
- **Priority axis 2 – Grant amounting 176 273 785.45 BGN (90 127 355.37 Euro), which is 9.91% of the axis budget**
- **Priority axis 3 – 79 700 204.13 BGN (40 750 067.30 Euro), which is:**
  - Grant – 71 532 097.49 BGN (36 573 780.69 Euro) – 10.98% of the axis budget
  - Own contribution – 8 168 106.64 BGN (4 176 286.61 Euro)
- **Priority axis 4 – grant amounting 443 479.62 BGN (226 747.53 Euro), which is 0.65% of the axis budget**
- **Priority axis 5 – grant amounting 11 972 485.99 BGN (6 121 434.88 Euro), which is 9.28% of the axis budget**

#### 1.2.4 Expenditure certification:

Certified expenditure from 2007 until 31.12.2013 amounts 1 135 846 966.87 Euro, distributed as follows:

- **Priority axis 1 – 447 714 334.66 Euro including 390 551 820.85 Euro public participation, representing 59.17% of the axis budget**
- **Priority axis 2 – 378 739 859.14 Euro including 378 739 859.14 Euro public participation, representing 41.64% of the axis budget**
- **Priority axis 3 – 287 639 087.65 Euro including 225 686 226.03 Euro public participation, representing 67.73% of the axis budget**
- **Priority axis 4 – 4 585 966.53 Euro including 4 585 966.53 Euro public participation, representing 13.20% of the axis budget**
- **Priority axis 5 – 17 167 718.89 Euro including 17 167 718.89 Euro public participation, representing 26.03% of the axis budget**

#### **7 reports for certification have been submitted in 2013, under which expenditures, amounting 266 033 061.15 Euro have been certified, allocated as follows:**

- **Priority axis 1 – 119 537 780.90 Euro including 62 786 853.74 Euro public participation, representing 9.51% of the axis budget**
- **Priority axis 2 – 99 001 224.83 Euro including 99 001 224.83 Euro public participation, representing 10.88% of the axis budget**
- **Priority axis 3 – 40 464 554.35 Euro including 40 464 554.35 Euro public participation, representing 12.14% of the axis budget**
- **Priority axis 4 – 1 221 054.06 Euro including 1 221 054.06 Euro public participation, representing 3.51% of the axis budget**
- **Priority axis 5 – 5 808 447.01 Euro including 5 808 447.01 Euro public participation, representing 8.81% of the axis budget**



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In accordance with the valid rule N+3/2, having in mind the influence of "major" projects, the amount to be certified to EC until the end of 2013 г. is **761 356 560.22** Euro - the European co-financing only. As of 31.12.2013 г., expenditures, certified to EC are amounting **825 757 269** Euro - European co-financing only, which is **108 %** of the target value and represents **50,83 %** of the European co-financing budget under OPT, which means that the target amount for the end of 2013 is fully covered and no loss of funding is allowed till the end of 2013.

### **1.2.5 Interim payments from EC:**

#### **Interim payments, made by EC for reimbursement of certified expenditures as 31.12.2013 amount 1 533 798 057.51 BGN (784 218 484.20 Euro), allocated by funds as follows:**

- CF – 1 150 555 375.09 BGN (588 269 622.15 Euro) – 95.59% of certified expenditures under the fund
- ERDF – 383 242 682.42 BGN (195 948 872.05 Euro) – 93.17% of certified expenditures under the fund

#### **Interim payments, made by EC for reimbursement of certified expenditures in 2013 only amount 250 857 954.15 BGN (128 261 635.29 Euro), allocated by funds as follows:**

- CF – 200 016 360.07 BGN (102 266 741.01 Euro)
- ERDF – 50 841 594.08 BGN (25 994 894.25Euro)

**BNB exchange rate of 1.95583 BGN/Euro is used for presenting the financial information and calculation of sum totals in Euro. The exchange rate of European Central Bank of 1.9558 BGN/Euro is only used for calculating the certified expenditures to EC.**



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**Table 6: Breakdown of EU Assistance in Euro by Priority Axes**

Priority axis – EU Fund	Community co-financing	National co-financing	National co-financing		Total Funding	Rate of EU Funds contribution	For information	
			National public funding	National private funding			EIB Funding	Other funding
	(a)	(b) = (c) + (d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/ (e)		
Priority axis I - Development of railway infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	528 000 000	132 000 000	132 000 000	0	660 000 000	80 %	0	0
Priority axis II - Development of road infrastructure along the Trans-European and major national transport axes (Cohesion Fund)	727 669 892	181 917 473	181 917 473	0	909 587 365	80 %	0	0
Priority Axis III - Improvement of Intermodality for Passengers and Freight (European Regional Development Fund)	283 214 731	49 979 070	49 979 070	0	333 193 801	85 %	0	0



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Priority axis IV - Improvement of the maritime and inland-waterway navigation (European Regional Development Fund)	29 537 500	5 212 500	5 212 500	0	34 750 000	85 %	0	0
Priority Axis V – Technical Assistance - (European Regional Development Fund)	56 057 500	9 892 500	9 892 500	0	65 950 000	85 %	0	0
<b>TOTAL</b>	<b>1 624 479 623</b>	<b>379 001 543</b>	<b>379 001 543</b>	<b>0</b>	<b>2 003 481 166</b>		<b>0</b>	<b>0</b>



**Table 7: Financial implementation of OPT as of 31.12.2013 based on already declared and certified eligible expenditure**

Priority axis	Total funding of the OP (Union and national)	Basis for calculating Union contribution (Public or Total cost)	Total amount of certified eligible expenditure paid by beneficiaries (in EUR) <sup>7</sup>	Corresponding public contribution (in EUR) <sup>8</sup>	Implementation rate (in % )
	a	b	c	d	e=d/a for public expenditure
Priority axis I – “Development of railway infrastructure along the Trans-European and major national transport axes” (Cohesion Fund)	660 000 000.00	Public expenditure	447 714 334.66	390 551 820.85	59.17
Priority axis II – “Development of road infrastructure along the Trans-European and major national transport axes” (Cohesion Fund)	909 587 365.00	Public expenditure	378 739 859.14	378 739 859.14	41.64
Priority Axis III – “Improvement of Intermodality for Passengers and Freight” (European Regional Development Fund)	333 193 801.00	Public expenditure	287 639 087.65	225 686 226.03	67.73
Priority axis IV – “Improvement of the maritime and inland-waterway navigation” (European Regional Development Fund)	34 750 000.00	Public expenditure	4 585 966.53	4 585 966.53	13.20
Priority Axis V – “Technical Assistance” (European Regional Development Fund)	65 950 000.00	Public expenditure	17 167 718.89	17 167 718.89	26.03
<b>Total</b>	<b>2 003 481 166,00</b>	<b>Public expenditure</b>	<b>1 135 846 966.87</b>	<b>1 016 731 591.44</b>	<b>50.75</b>

<sup>7</sup> Figures expressed in cumulative terms.

<sup>8</sup> Figures expressed in cumulative terms.



**Table 8: Financial Implementation of OPT per Priority Axis and Funds as of 31.12.2013 (in Euro)**

Priority axis	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding public Contribution	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission (interim only)
Priority axis I – “Development of railway infrastructure along the Trans-European and major national transport axes” (Cohesion Fund)	416 340 601.44	406 804 411.89	417 463 664.64	293 788 670.23
Priority axis II – “Development of road infrastructure along the Trans-European and major national transport axes” (Cohesion Fund)	431 997 473.96	431 997 473.96	451 337 671.91	294 480 951.92
Priority Axis III – “Improvement of Intermodality for Passengers and Freight” (European Regional Development Fund)	310 825 396.25	240 520 911.70	224 593 891.42	179 315 281.41
Priority axis IV – “Improvement of the maritime and inland-waterway navigation” (European Regional Development Fund)	5 331 353.08	5 331 353.08	5 255 264.79	3 844 906.18
Priority Axis V – “Technical Assistance” - (European Regional Development Fund)	19 763 328.38	19 763 328.38	16 809 389.87	12 788 684.46
<b>Total</b>	<b>1 184 258 153.11</b>	<b>1 104 417 479.01</b>	<b>1 115 459 882.63</b>	<b>784 218 494.20</b>



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### 1.3 Information on Breakdown of use of the Two Funds

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

Codes of priority themes

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

Form of financing

01 –non-repayable aid

Codes for type of territory

00 –Not applicable

01 –Urban

Codes for type of economic activity

00 –Not applicable

11 –Transport

Code for location dimension

BG –Bulgaria

BG411 –Sofia (capital)

Table 9 provides information on the indicative allocations in Euro of Community contribution to OPT by categories



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**Table 9: Indicative breakdown of allocations in Euro of the Community contribution in OPT by category**

<b>Combination of Codes of Dimensions 1 – 5</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	341 390 809
21	01	00	11	BG	674 246 265
22	01	00	11	BG	53 423 627
26	01	01	11	BG411	437 523 568
27	01	01	11	BG411	32 300 354
28	01	00	11	BG	24 282 711
32	01	00	11	BG	5 254 789
85	01	00	00	BG	52 957 500
86	01	00	00	BG	3 100 000
<b>Total</b>					<b>1 624 479 623</b>
* The categories should be coded for each dimension using their standard classification					
** Amount of the Community contribution for each combination of categories					

Table 10 provides information on awarded Community contribution of commercial contracts, in Euro and by category, in accordance with Section C, Annex II of Regulation No. 1828/2006.

**Table 10: Awarded Community contribution by category as of 31 December 2013 (EUR) (Commercial contracts)**

<b>Combination of Codes of Dimensions 1 – 5</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	342 242 437.36
21	01	00	11	BG	578 180 580.59
22	01	00	11	BG	87 686 436.78
26	01	01	11	BG411	433 059 629.84





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27	01	01	11	BG411	28 844 931.96
28	01	00	11	BG	26 028 880.04
32	01	00	11	BG	395 366.93
85	01	00	00	BG	10 401 558.97***
86	01	00	00	BG	43 636 228.82***
<b>Total</b>					<b>1 550 476 051.29</b>
<p>* The categories should be coded for each dimension using their standard classification  ** Amount of the Community contribution for each combination of categories  *** due to the specifics of different project of PA "Technical assistance", the presented amount is the grant allocated</p>					

**Table 11: Community contribution paid by MA as of 31 December 2013 by category (in Euro)**

<b>Combination of Codes of Dimensions 1 – 5</b>					
Code * Dimension 1 <b>Priority Theme</b>	Code * Dimension 2 <b>Form of Financing</b>	Code * Dimension 3 <b>Territory</b>	Code * Dimension 4 <b>Economic Activity</b>	Code * Dimension 5 <b>Location</b>	Amount in EUR **
17	01	00	11	BG	189 033 154.68
21	01	00	11	BG	422 483 827.54
22	01	00	11	BG	25 562 639.91
26	01	01	11	BG411	453 390 732.30
27	01	01	11	BG411	2 940 212.30
28	01	00	11	BG	5 255 264.79
32	01	00	11	BG	0.00
85	01	00	00	BG	14 751 389.22
86	01	00	00	BG	2 042 661.89
<b>Total</b>					<b>1 115 459 882.63</b>
<p>* The categories should be coded for each dimension using their standard classification  ** Amount of the Community contribution for each combination of categories</p>					



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#### 1.4 Provided assistance by target groups

Non applicable.

#### 1.5 Assistance repaid or reused

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

For the period from the beginning of 2007 until 31.12.2013 resources at the amount of BGN 2 403 296.91 were repaid under registered irregularities with the relevant financial corrections by Bulgarian authorities; these resources can be absorbed and reused for OPT funding

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

**Table 12: Indicative breakdown of funds allocated to Lisbon earmarking under OPT (EU only)**

<b>Convergence Objective</b>			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Community Funding Allocated to the Respective Category of Expenditure (in Euro)	Share of Category within the Total Allocation of Community Contribution (%)
	<b>Transport</b>	<b>1 514 998 495</b>	<b>93,26%</b>
17	Railroads (TEN-T)	341 390 809	21,02%
21	Motorways (TEN-T)	674 246 265	41,51%
26	Multimodal transport	437 523 568	26,93%
27	Multimodal transport (TEN-T)	32 300 354	1,99%
28	Intelligent transport systems	24 282 711	1,49%
32	Inland waterways (TEN-T)	5 254 789	0,32%
Total funds allocated to categories of Lisbon earmarking expenditure		<b>1 514 998 495</b>	<b>93,26%</b>
Total allocations of EU contribution for the Convergence Objective		1 624 479 623	100



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**Table 13: Awarded Community contribution for Lisbon earmarking under OPT (EU only) by of 31 December 2012 (Commercial contracts)**

<b>Convergence Objective</b>			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Community funding allocated to the respective category of expenditure (in euro)	Share of the category within the Community funding allocated to the respective category of expenditure (%)
	<b>Transport</b>	<b>1 408 751 826.72</b>	
17	Railroads (TEN-T)	342 242 437.36	100.25
21	Motorways (TEN-T)	578 180 580.59	85.75
26	Multimodal transport	433 059 629.84	98.98
27	Multimodal transport (TEN-T)	28 844 931.96	89.30
28	Intelligent transport systems	26 028 880.04	107.19
32	Inland waterways (TEN-T)	395 366.93	7.52
Total contracted funding to categories of expenditure for Lisbon earmarking (EU only)		<b>1 408 751 826.72</b>	<b>92.99</b>
Total Community contribution by categories of expenditures allocated for Lisbon Earmarking (for EU only)		<b>1 514 998 495.00</b>	

**Table 14: Payments for Lisbon earmarking by 31 December 2013 (EU only)**

<b>Convergence Objective</b>			
Code (pursuant to Annex IV of Regulation No. 1083/2006)	Priority Themes (pursuant to Annex IV of Regulation No.1083/2006)	Paid Community Contribution to the Respective Category of Expenditure (in Euro)	Share of paid Community contribution in relation to the Total Community Allocation for the category in %
	<b>Transport</b>	<b>1 073 103 191.61</b>	
17	Railroads (TEN-T)	189 033 154.68	55.37
21	Motorways (TEN-T)	422 483 827.54	62.66
26	Multimodal transport	453 390 732.30	103.63
27	Multimodal transport (TEN-T)	2 940 212.30	9.10
28	Intelligent transport systems	5 255 264.79	21.64
32	Inland waterways (TEN-T)	0.00	0.00



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Total paid Community contribution by categories for Lisbon earmarking (EU only)	<b>1 073 103 191.61</b>	70.83
Total Community contribution by categories of expenditures allocated for Lisbon Earmarking (for EU only)	<b>1 514 998 495.00</b>	

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

#### ***Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”***

As of 31.12.2013, **8** grant contracts were concluded under the priority axis at the total amount of **1 339 020 407,05 BGN (684 630 262,88 Euro)** which represents **103,73 %** of the axis budget. Beneficiaries have been paid grants at the amount of **816 487 959.22 BGN (417 463 664.64 Euro)** or **63.25%** of the budget available for the priority axis.

Implementation of two infrastructural projects have been completed, and three other "major" railway projects are underway under the priority axis. The projects „*Reconstruction and electrification of Plovdiv-Svilengrad railway line along corridors IV u IX, Phase 2: Section Parvomai-Svilengrad*” and „*Modernisation of railway section Septemvri - Plovdiv – part of Trans-European railway network*” are identified as being at risk. In this regard the Managing authority performs enhanced monitoring by on-spot audits, including at high levels, monthly meetings with the beneficiary NRIC are organized.

By the end of 2013 as a result of the successful implementation of the projects under the Priority axis 1- 226 km railway lines (track length) were rehabilitated, and 6.7 km metro lines and 6 metro stations were constructed and put into operation. As a result of the Second OPT Modification EUR 20 million were transferred from Priority axis 2 to Priority axis 1.

#### ***Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes”***

**14** grant contracts were concluded under the priority axis at the total amount of **1 713 570 986,40 BGN (876 134 933,20 Euro)** or **96,32%** of the priority axis budget. Beneficiaries have been paid grants at the amount of **882 739 758.86 BGN (451 337 671.91 Euro)** or **49.62 %** of the priority axis budget. Grant contracts have been signed for 9 infrastructural projects, 5 of them „major” ones. EC has approved AF for three of the "major" projects.

Projects for construction на „*Maritsa Motorway*” Lot 1 and Lot 2” and Lot 2 of „*Struma*” MW are identified as being at risk. MA performs enhanced monitoring under these by on-spot audits, including at high levels, monthly meetings with the beneficiary are organized. The preparation of „*Hemus*” MW, *Struma*” MW -Lot 3 and "Vidin - Montana" road has been financed under the priority axis.

The implementation of the projects for final construction of „*Trakia*” MW was completed at the end of 2013 as well as the junction of „*Hemus* MW with Sofia Ring road and „*Struma*”MW Lot 1. 141 km of motorways have been constructed and commissioned as a result. The construction of stage I of Gabrovo bypass has completed in 2013, as a result of which 7.7 km of first-class roads have been rehabilitated.

#### ***Priority axis 3 „Improvement of intermodality for Passengers and Freight”***

5 grant contracts were concluded under OPT at a total amount of **628 004 888,83 BGN (321 093 801,01 Euro)**, comprising **96,37** of the axis budget.



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Beneficiaries have been paid grants at the amount of **439 267 470.65 BGN (224 593 891.42 Euro)** or 67.41% of the axis budget.

Phase I of the project for extension of Sofia Metro has been successfully completed under the priority axis, as at the end of 2013 phase III of the extension of the Metropolitan is implemented, as well as a project for rehabilitation of railway station compounds Sofia Central railway station and Pazardzhik railway station. 122.1 million Euro shall be transferred from Priority axis 4 to Priority axis 3 after approval of the programme's second amendment.

#### ***Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation”***

5 grant contracts were concluded under the priority axis as of the end of 2013 at the amount of **75 907 647,79 BGN (38 810 964 Euro)**, comprising **111,69%** of the priority axis budget. Beneficiaries have been paid grants at the amount of **10 278 404.53 BGN (5 255 264.79 Euro)** or **15.12%** of the priority axis budget.

Projects for BULRIS establishment, Vessel Traffic Managements and Information System (VTMIS) and the project for Improvement of navigation systems and topo-hydrographic measurements on the river Danube are in progress. Significant financial resource was released with the second amendment of the priority axis and 122.1 million Euro were transferred from Priority axis 4 to Priority axis 3.

#### ***Priority axis 5 „Technical assistance”***

79 grant contracts/decisions were concluded/issued under the priority axis as of the end of 2013 at a total amount of **124 339 678,23 BGN (63 573 867,99 Euro)** or **96,40 %** of the priority axis budget. Beneficiaries have been paid grants at the amount of **32 876 308.99 BGN (16 809 389.87 Euro)** or **25.49%** of the priority axis budget.

Consultancy services in support of the railway and road sector, preparation of Phase III of Sofia metro and Geographic Information System for the needs of NRIC were financed by the priority axis funds. In regard to necessary provision of enough funds for preparation of railway projects during the new programming period, the MA made an analysis of provided grant. Reserves of 15 million Euro under the priority axis were identified as a result, which shall be utilized for preparation of railway projects.

## **2. Information about Compliance with Community law (Problems and Measures Taken to overcome Them)**

No issues related to non-compliance Community law have been identified by 31.12.2013.

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

### **3.1 Problems, encountered with the programme's second amendment**

One of the major problems in 2013 was solving the issue with the approval of OPT second amendment and conditions, stipulated by the EC for provision of funds for implementation and preparation of railway projects.

Within the period from June to September 2013, the Managing authority jointly with the Ministry of Finance made efforts to ensure the necessary funds for preparation of railway projects for the new programming period and provision of necessary funds for final financing of two railway projects approved by EC and commenced during the present programming period.



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The issue with provision of funds for preparation of railway projects for the new programming period was solved by providing for 35 million Euro, considered as enough for the timely preparation of railway projects after making an analysis. Council of ministers by its Decision № 402 dated July 11th 2013 agreed the transfer of free 20 million Euro from Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes” to the budget of Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”. Transferring of resources between the two priority axes was approved by the Programme Monitoring Committee at the beginning of September by carrying out of in absentia procedure for resolution. Additional 15 million Euro were ensured by optimization of the grant, provided under Priority axis 5 „Technical assistance”.

In regard to the need of final financing of both infrastructural railway projects – Parvomai – Svilengrad and Septemvri – Plovdiv, approved by EC and in a process of implementation, after making an analysis it was found that additional 83 million Euro would be necessary. About 8 million Euro may be provided by already agreed loan from EIB. By the CM Decision from August 29th 2013, for the provision of the rest of approx. 77 million Euro an agreement was reached for negotiations between the Minister of Finances jointly with the Minister of transport, information technology and communications and European Investment bank for using of funds amounting up to 150 488 500 BGN from the Credit agreement for structural programming loan between Bulgaria and European Investment bank .

MTITC sent a letter to EC 04.10.2013 describing all undertaken actions, including provision of necessary financing. The official revised proposal for OPT second amendment was sent to EC via the SFC 2007 computer system on 28.10.2013. The OPT amendment proposal reflects the decisions taken by the OPT MC at the eleventh, twelfth and fourteenth meetings of the Monitoring Committee as well as both written procedures from May 2012 and September 2013, including transferring of 20 million Euro from Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes” to Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” and 122.1 million Euro from Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation” to Priority axis 3 „Improvement of intermodality for Passengers and Freight”.

EIB by letter from 25.10.2013 confirmed that it will provide for the necessary funds for implementation of project „Septemvri – Plovdiv” from the Credit agreement. Ministry of finance informed by letter, dated 28.11.2013 that it shall guarantee the missing resources for implementation of the project „Parvomai – Svilengrad” by the „Regional stability and growth' pact. As a result of made efforts EC approved the OPT second amendment by its resolution № C (2013) 9009 on 17.12.2013.

### **3.2 Problems, encountered with the implementation of projects by NRIC and RIA**

In regard to the implementation of investment projects, the following main problems for the two major beneficiaries were encountered by the end of 2013:

- Expropriation procedures – carrying out of expropriation procedures by the beneficiaries is further impeded by Decision № 6 of Constitutional Court, dated July 15th 2013 , by the virtue of which the expropriated land plot ownership may not be transferred to the state immediately after payment of compensation, in case of owner's appeal of the expropriation act.





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- Assignment of activities, related to archaeological investigations (mostly for RIA beneficiary) – missing participants in the tender procedures, making the assignment of such activities impossible.
- Release of GSM-R frequencies (for NRIC beneficiary) – a report was drawn in the beginning of November 2013 by the joint work group, appointed with ordinance № 03-00-602/27.08.2013 by the Prime Minister (with representatives of MTITC, MF, MD, NRIC, AF). The report includes forecast of financial means, needed at different stages by the Ministry of Defense to release the radio frequency spectrum. MD has calculated that 220 795 160 BGN shall be necessary for the modernization of avionics of all military aircrafts and replacement of ground navigation and radiolocation systems, which is a prerequisite for release of GSM-R spectrum at the territory of the whole country. The resources, necessary for modernization of 15 aircrafts MIG-29, which is a prerequisite of release of GSM-R frequencies for the range of Plovdiv-Svilengrad project have been calculated to 150 000 000 BGN.

Joint technical tests have been initiated on the grounds of Ordinance № ПД-653/29.10.2013 of the Air Forces commander for investigation of electromagnetic compatibility (EMC) between GSM-R system and radiolocation systems for landing, operated by Graf Ignatievo and Krumovo airports. Protocols have been signed on 26.11.2013 and 18.12.2013 for joint technical tests between military formations Krumovo and Graf Ignatievo and NRIC about the degree of electromagnetic compatibility between GSM-R system and railway traffic system and radiolocation systems for landing of aircrafts.

By the council of Ministers Decision № 89 dated 17.02.2014 for amendment of the National plan for allocation of radiofrequency spectrum it is agreed that radiofrequency bands 876-880 MHz and 921-925 MHz shall be used for cellular mobile network by the mobile radio service for railway applications GSM-R for covering the section of Plovdiv-Svilengrad (border) railway line. Official application has been submitted by NRIC on 11.03.2014 to Communications Regulation Commission (CRC) for issue of permanent use permit of frequency GSM-R spectrum along Plovdiv-Svilengrad (border) railway line; the CRC decision is expected. On 17.04.2014 Communications Regulation Commission issued a permanent license to NRIC for using GSM-R frequency spectrum along Plovdiv-Svilengrad railway line (the Border) for a period of 15 years. Prolongation of the permit is made under the law for electronic communication. Orders from the Council of ministers are expected on the report of the inter-ministerial working group in order to take further actions for provision of funding to the Ministry of defense for entire release of GSM-R frequencies.

#### **4. Changes in the Context of OPT Implementation in 2013**

##### **4.1 Changes in the indicative list of major projects**

The following projects have been removed from the list of major projects in the second amendment of OPT, approved by EC on 17.12.2013 „Construction of Kalotina MW – SRR, Lot 2 „Northern Speed tangent”<sup>9</sup> and „Construction of Kalotina MW – SRR, Lot 3 „Kalotina - SRR”, due to the restricted financial resources under the programme. As a result of late start up of tender procedures, the project for Modernisationra of road section „Mezdra - Botevgrad” is removed from the list as well. The project for improving the navigation along the Danube River in the section Batin – Belene is removed from the list as well, due to the significant delay of preparatory works from Romanian side.

<sup>9</sup> The project is transferred for implementation under 3a OP „Regional development”



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As „mature” projects with potential to be completed by the end of 2015 within the admissible frame of the programming period 2007-2013 the following projects have been added: Gabrovo bypass road and Phase III of Sofia metropolitan extension, comprising sections Lot 1 „Tsarigradsko shose - Sofia Airport” and Lot 2 Mladost 1 – Business Park Mladost 4”.

## **5. Substantial modification pursuant to Article 57 of Regulation (EC) 1083/2006**

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

- Paragraph 1 has been amended as follows:
  - „The Member State or managing authority shall ensure that an operation comprising investment in infrastructure or productive investment retains the contribution from the Funds only if it does not, within five years from its completion, undergo a substantial modification which is caused by a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which affects the nature or the implementation conditions of the operation or gives to a firm or a public body an undue advantage.
  - Actions falling within the scope of assistance from the ESF shall be considered as not having retained the contribution only where they are subject to an obligation for maintenance of investment under the applicable rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and where they undergo a substantial modification as a result of the cessation of productive activity within the period laid down in those rules.
    - Member States may reduce the time limit set out in the first subparagraph to three years in cases concerning the maintenance of investments by small and medium-sized enterprises.
    - A new paragraph 5 was added, which specifies that the provisions of Paragraphs 1 to 4 shall not apply to any operation which undergoes a substantial modification as a result of the cessation of the productive activity due to a non-fraudulent bankruptcy.“

As of the reporting date – 31.12.2013 there have been no significant changes pursuant to Article 57 of Regulation (EC) 1083/2006.

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

The cooperation with JASPERS initiative and international financial institutions (IFI), namely World Bank (WB) and European Investment bank (EIB) is expressed mainly in the implementation of measures and interventions, stipulated in their action plans.





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### 6.1 Co-operation with JASPERS

A total of 12 interventions for projects, financed by OPT were included in the **JASPERS Action Plan**, of which 10 infrastructural projects (7 for road, 2 for railway and 1 for metro) and 2 for technical assistance (*improving the capacity of departments for implementation of projects in NRIC and preparation of investment plan for purchasing of rolling stock for passenger transport*). As a result from these interventions' implementation, Statements for completion of 4 infrastructural projects have been issued in 2013 – for 2 of the road projects („SRR West Arc” and „Gabrovo bypass road”) and for both project for railway infrastructure modernisation (*IMT Plovdiv and rehabilitation of railway station compounds – Sofia Central railway station, Pazardzhik railway station and Burgas railway station*). Project preparatory work continues for part of the rest of infrastructural projects, stipulated in the action plan for 2013 and intended for financing during the new programming period 2014-2020 by Operational programme on „Transport and transport infrastructure”(construction of „Struma” MW, Lot 3, preparation of the project for final construction of „Hemus” MW, Modernisation of road section „Mezdra-Botevgrad”). Road infrastructure projects „Northern Speed tangent” and section „Kalotina -SRR” were withdrawn from the action plan for 2013 due to the lack of enough funding for their implementation and were removed from the OPT range. The construction of „Northern Speed tangent” is included in the range of Operational programme „Regional development” and shall be finished by financing from the programming period 2007-2013, while the project for section „Kalotina -SRR” anticipated for financing by "Connecting Europe" financial instrument during the current programming period 2014-2020 and in this regard the project preparation continues in the action plan for 2014. JASPERS assistance for the preparation of Sofia metropolitan third line project will extend during 2014 as well. In regard to the interventions for technical assistance in 2014, JASPERS shall continue to support NRIC project management teams.

### 7. Co-operation with international financial institutions (IFI)

The **World bank action plan for 2013** contains one project funded under the OPT for technical assistance - for improving the efficiency of operations in the road sector and RIA as beneficiary, and according to the project schedule it will continue during 2014 as well. The scope of activities include strategy of road sector, development of strategic business plan, working out of action plan for road traffic safety for 2013-2020; preparation of middle-term Operational programme for roads; establishing of assets management practice; provision of operational support in RIA departments, development of IT strategy. The following items have been worked out under the project in 2013:

- strategy of road sector;
- action plan for road traffic safety for 2013-2020;
- strategic business plan;
- middle-term Operational programme for roads;
- IT strategy;

The documentation for strategy of road sector and action plan for road traffic safety for 2013-2020 are approved by RIA, as the strategy has to be approved by the Council of Ministers. The three other items are submitted by the contractor and in a process of RIA's approval.

The **EIB Action Plan for 2013** contains two projects funded under the OPT:

- technical assistance for elaboration of NRIC tariff policy for access and use of the railway infrastructure, the project's implementation shall continue in 2014 as well according to the project schedule.



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- expert assistance in the following fields – strategic management of the Strategic Infrastructure Projects Company (SIPC); technical management of the project cycle; reporting, control and monitoring of different projects; participation of consultants in the training of NCSIP.

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

### **8.1 OPT Indicative evaluation plan update**

An update of the Indicative evaluation plan was done in March 2013, as version 6 of the plan was drafted. The accumulated practical experience from the four evaluations, held in the period 2011-2012 was taken into account during the plan's amendment. The list with evaluations, anticipated to be done until the end of the programming period was updated. One complete evaluation of the OPT progress and implementation was stipulated until the end of the programming period, which shall be completed in 2014. The stipulated compound evaluation range comprises practical thematic scopes - elements of the four evaluations, laid out in version 5 of the Indicative evaluation plan. It comprises overall progress and general programme's implementation review and emphasis upon the degree of utilization of funding, physical progress achieved and meeting the programme's objectives. Main obstacles for the programme's implementation shall be analyzed and identified during the evaluation, aiming to draw a lesson for the next programming period. Evaluation of controlling system in public procurement awards is also anticipated, aiming to determine its performance and efficiency. Some texts have been updated in the new version 6 of the Indicative evaluation plan according to the legislation in force.

Carrying out of the above mentioned evaluation is planned to be assigned to external contractor, selected by holding an open public procurement procedure. By the end of 2013 public procurement assignment documentation is being prepared with the following subject: "Evaluation of OPT progress and overall implementation"

### **8.2 Sessions of the Monitoring Committee of the OPT in 2013**

#### **8.2.1 Fourteenth session of the Monitoring Committee of OPT**

Fourteenth session of the Monitoring Committee of OP on „Transport” (MC of OPT) was held on 05-06 of June 2013. OPT MA's members, programme beneficiaries, representatives of EC, JASPERS, World bank, state institutions, related to the programme's implementation took part in the session, as well as representatives of regional councils for development, representatives of national organizations of employers, employees and workers.

The session was organized as an expert session (05.06.2013) at which the Beneficiaries reported on the implementation of the individual projects. The report on surveillance and control of environmental impact assessment as a result of OPT implementation was presented.

During the second day of the session (official part on 06.06.2013) the overall physical and financial progress under the programme was presented by the OPT MA. The Annual Implementation report of OPT for 2012 was accepted. Monitoring Committee took decision for OPT amendment as follows:

1. 10 million Euro to be transferred from Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation” to Priority axis 3 „Improvement of intermodality for Passengers and Freight “ (ERDF and national co-financing);



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2. Projects for „Construction of Kalotina MW – Sofia Lot 2: „Northern speed tangent” and the project „Modernisation of section from road I-1 (E 79) Vratsa – Botevgrad” are removed from the indicative list of projects under OPT
3. The project for „Hemus” MW preparation is included in the indicative list for implementation under OPT under Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes”.

### 8.2.2 Fifteenth session of the Monitoring Committee of OPT

Fifteenth session of the Monitoring Committee of OP „Transport” (MC of OPT) was held on 14-15 of November 2013. OPT MA's members, programme beneficiaries, representatives of EC, JASPERS, World bank, state institutions, related to the programme's implementation took part in the session, as well as representatives of regional councils for development, representatives of national organizations of employers, employees and workers.

The first day of the session (November 14th) was organized as an expert session, at which the Beneficiaries reported on the implementation of the individual projects as well as on the preparation of the programming period 2014-2020. The report on surveillance and control of environmental impact assessment as a result of OPT implementation was presented.

During the second day of the session (November 15th) the decisions, taken by MC via in absentia procedure during the period August - September 2013 were presented as well as the programme's implementation status, information about the preparation stage of new OP „Transport and Transport infrastructure” 2014-2020, and the implementation of the communication plan, information and publicity measures and the results from sociological studies, held about OPT.

### 8.2.3 In absentia adoption of OPT decisions by MC

- **Carrying out a procedure of in absentia adoption of OPT decisions in the period of March 2013**

In March 2013 a procedure of in absentia adoption of decisions was carried out by the Monitoring Committee. The following decisions were taken by MC as a result:

- I. **Decision № 1** „Approval of Indicative annual work programme for grant awards under Operational programme on „Transport” 2007 – 2013 for 2013”
- II. **Decision № 2** „Acceptance of the minutes from XII session of OPT MC.”
- III. **Decision № 3** „Acceptance of proposal for amendment of Procedure rules for operation of MC of OPT”.

- **Carrying out a procedure of in absentia adoption of OPT decisions in the period of august - September 2013**

In the period August - September 2013 a procedure of in absentia adoption of decisions was carried out by the Monitoring Committee. The following decisions were taken by MC as a result:

- I. **Decision № 1** „Amendment of Operational programme on „Transport” 2007-2013”, as follows:
  1. **20 million Euro** are transferred from Priority axis 2 „Development of Road Infrastructure along the Trans-European and Major National Transport Axes” to Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” (Cohesion Fund and national financing);
  2. **2.1 million Euro** are transferred from Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation” to Priority axis 3 „Improvement of intermodality for Passengers and Freight “ (ERDF and national co-financing);



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3. Lists of projects under OP on „Transport” are updated
- II. **Decision № 2** *"The Monitoring Committee grants a mandate to the MA to reflect possible future comments by the EC in the process of approval of the programme's amendment. Within ten business days from final adoption by the EC of the amended programme, MA must notify MC of the decision taken by the EC"*

#### 8.2.4 EC approval of the OPT second amendment

Initial version of the OPT second amendment was sent to the European Commission for approval on 03.10.2012, as in the process of reviewing the amendment by EC, the following stipulations were laid down for approval of the programme's amendment:

- Presentation of overall strategy for implementation of railway project from Sofia to Vidin, agreed by JASPERS initiative;
- Provision for the lacking resources for implementation of projects, commenced during the present programming period: railway projects Septemvri – Plovdiv and Parvomai – Svilengrad;
- Provision for necessary funding for preparation of railway projects to be implemented during 2014-2020 programming period.

In this regard the MA, jointly with the beneficiary - NRIC and competent national authorities took the following action:

- updated the strategy for implementation of Vidin – Sofia railway project together with the beneficiary National Railway Infrastructure Company
- took actions for provision for the lacking resources for implementation of both railway projects namely:
  - EIB confirmed by letter, dated 25.10.2013 that shall provide necessary funding for the implementation of project „Septemvri – Plovdiv” from the Credit agreement for structural programme loan between Bulgaria and European investment bank.
  - The Ministry of finance informed MTITC by letter, dated 28.11.2013 that it shall guarantee the insufficient resources for the implementation of project „Parvomai – Svilengrad” through „Regional stability and growth” pact.
  - About 35 million Euro are provided for preparation of railway projects that shall be implemented during 2014-2020 programming period, by transfer of 20 million Euro from Priority axis 2 to Priority axis 1 and 15 million Euro provided by optimization of the grant, awarded under Priority axis 5.

As a result of undertaken actions, by its decision from 17.12.2013, the European Commission approved the OP „Transport” second amendment thus approving the modification of priority axes 1,2,3 and 4 budget. Priority axes updated budget under the programme (European and national financing) is the following:

- Priority axis 1 **„Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”** – 1 290 847 800 BGN (660 000 000 Euro)
- Priority axis 2 **„Development of Road Infrastructure along the Trans-European and Major National Transport Axes”** – 1 778 998 256 BGN (909 587 365 Euro)
- Priority axis 3 **„Improvement of intermodality for Passengers and Freight”** - 651 670 432 BGN (333 193 801 Euro)
- Priority axis 4 **„Improvement of the Maritime and Inland-Waterway Navigation”** – 67 965 093 BGN (34 750 000 Euro)
- Priority axis 5 **„Technical assistance”** – 128 986 989 BGN (65 950 000 Euro)



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**OP „Transport” changes, stipulated by the second amendment are as follows:**

1. 20 million Euro from Priority axis 2 „*Development of Road Infrastructure along the Trans-European and Major National Transport Axes*” are transferred to Priority axis 1 „*Development of Railway Infrastructure along the Trans-European and Major National Transport Axes*”;
2. 122.1 million Euro from Priority axis 4 „*Improvement of the Maritime and Inland-Waterway Navigation*” are transferred to Priority axis 3 „*Improvement of intermodality for Passengers and Freight*”;
3. Priority axis 2 scope „*Development of Road Infrastructure along the Trans-European and Major National Transport Axes*” was supplemented with activities for creation of integrated information and management systems for transport along the Trans-European Transport Network in compliance with the White Paper of the European Commission dated 28.03.2011 - Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system;
4. Priority axis 3 scope „*Improvement of intermodality for Passengers and Freight*” was supplemented with activities for rehabilitation of railway station compounds along the Trans-European network;
5. National Company "Strategic Infrastructure Projects" was approved as beneficiary under Priority axis 2 „*Development of Road Infrastructure along the Trans-European and Major National Transport Axes*” and Priority axis 5 „*Technical assistance*”;
6. Bulgarian Railways (BDZ) – Passenger Transport EOOD was approved as specific beneficiary for activities under Priority axis 5 „*Technical assistance*”
7. Projects for „Construction of Kalotina MW – Sofia Lot 2: „Northern Speed Tangent”, „Construction на AM Kalotina – Sofia Lot 3: „Kalotina – Sofia ring road” and the project „Modernisation of section from road I-1 (E 79) Vratsa – Botevgrad” were removed from the Indicative list of projects under OPT;
8. The project for Construction of phase III of Sofia metro is added for implementation under Priority axis 3;
9. The project for preparation of „Hemus” MW is added for implementation under Priority axis 2
10. Main list of projects under OPT is updated
11. The system of OPT indicators is updated in compliance with the updated list of main programme projects.

**OPT changes, listed above have been approved by the Monitoring Committee in the period 2011 – 2013**





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#### 8.4 On-the-spot checks in 2013

A total of 29 on-the-spot checks were carried out in 2013, 25 of them - planned in accordance with approved Annual Plan of the MA of OPT for on-the-spot checks and its update as of 30.06.2013 and 4 ad-hoc (unplanned) on-spot check according to item 16.3.2 „Planning of on-spot checks” and 16.3.7 „Risk assessment methodology” by MPIMOPT, after submitted applications for final payments.

The main findings of the MA can be summarized in the following groups:

- Findings related to delays in the performance of construction and assembly works, jeopardizing the completion of certain projects and their commissioning. These projects has been evaluated with high compound risk factor. Beneficiaries are required by the MA to undertake emergency actions and apply corrective measures;
- Findings related to the performance of construction and assembly works caused by problems with repositioning of engineering networks;
- Findings related to the performance of construction and assembly works caused by problems with expropriation procedures of land plots;
- Findings related to compliance with occupational health and safety guidelines;
- Findings related to compliance with publicity requirements;
- Finding related to compliance with contract provisions in regard to acceptance and approval of contractors work;
- Finding related to compliance with contract provisions in regard to performance guarantees and their value, as well as with insurance policies and their validity terms.

4 high-risk projects are identified by the MA of OPT – two in the road sector and two in the railway sector:

1. „Reconstruction and electrification of Plovdiv – Svilengrad railway line along corridors IV and IX, phase 2: section Parvomai – Svilengrad”.
2. „Modernisation of railway section Septemvri – Plovdiv: part of Trans-European railway network”.
3. „Construction “Maritsa” Motorway, Lot 1 and Lot 2”.
4. Lots 2 and 4 of „Struma” Motorway.

The following was recommended by MA of OPT to the beneficiaries about the high-risk projects: working out of 1) risk management plans, specific for each project and 2) action plans, proposing corrective measures with concrete terms and responsible persons, aiming the on-time projects completion and their commissioning. The recommendations' application is followed-up by the MA at every next on-spot check and reported with the monthly progress reports.

MA of OPT performs monthly meetings with the beneficiaries about the high-risk projects, discussing the problems and outlining corrective measures.

In regard to the rest of omissions in the projects implementation, MA of OPT makes the relevant recommendations to the beneficiaries and their implementation is followed-up during every next on-spot check and proved on a monthly basis by the Beneficiaries with every project progress report.



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## 8.4 Audits carried out of MA of OPT in 2013

### 8.4.1 Audits, carried out by Internal Audit team with MTITC

In 2013 MA of OPT received 16 final audit reports from audits performed by the Internal Audit Team Directorate of the MTITC. 14 of them were carried out within the MA of OPT and 6 – in Beneficiary organizations. The recommendations and findings are submitted to the relevant parties, while copies of the final reports are provided to the Certifying Authority. Audits mainly refer to the implementation of individual projects, checks of carried out tender procedures, the eligibility of expenditure and spending under OPT. Where necessary, actions plans were prepared for implementation of the relevant recommendations

### 8.4.2 Audits carried out by the Audit Authority – "Audit of European Union Funds" Executive Agency

- *Audit of management and control system* – the audit is carried out in the period between August 2012 - January 2013. The audit comprises **Key requirement 4 (KR 4)** „Adequate management verifications” (Audit of tender procedures, requests for payment, on-spot check reports) and **Key requirement 7 (KR 7)** "Preventative & corrective action for systemic errors detected by the audit” (incl. check of audit recommendations from two prior operations audits). The audit authority has submitted to MA of OPT preliminary report at the end of April 2013, and the report has been commented by the MA of OPT till the end of may 2013 г. MA of OPT received the final report on 17.06.2013. There are no open findings in the report.
- *System audit of IT systems - Key requirement 6* „Reliable accounting, monitoring and financial reporting systems”, submitted on 01.07.2013. There are no findings, relevant of MA of OPT in the report
- *Operations audit under Operational programme on „Transport”* – the audit was carried out in the period between January and June 2013 and comprise excerpt of 11 projects (30 requests for payment) with beneficiaries National Railway infrastructure Company, Metropolitan EAD Road Infrastructure Company Bulgarian Ports Infrastructure Company and MA of OPT. Preliminary audit report was submitted on 08.08.2012 MA and beneficiaries provided comments and additional documents in respond of recommendations made. Final audit report was submitted on 12.12.2013. Findings concern held tender procedures and concluded contracts. MA of OPT reported to AEUF regarding the recommendations' implementation by letter № 07-00-706/03.02.2014.
- *Management and control systems audit* in MA of OPT under **Key requirement 5** „Adequate audit trail” и **Key requirement 7** „Preventative & corrective action for systemic errors detected by the audit”. The final report is received in March 2014. There is one recommendation concerning provision of analytical information about verified expenditures at a project level. The latter is in a process of implementation as to the end of 2013.



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#### 8.4.3 Audits carried out by the National Audit Office

- Audit, comprising the implementation of projects Priority axis III „*Improvement of intermodality for Passengers and Freight*” of Operational programme „Transport” 2007 - 2013 for the period 01.01.2009 - 30.06.2012. Audit report has been received in April 2013 by MA of OPT. Recommendations are directed to equalizing the used technology, as well as to optimizing the used system of project indicators. In September 2013 MA of OPT has informed the National Audit Office about the undertaken actions in regard to the recommendations made.
- Performance audit on simplification of Structural Funds regulations for the period of 01.01.2007 - 31.12.2011 The final audit report is received in MA of OPT in the beginning of July 2013. There are no recommendations to MA of OPT.
- Bulgarian Audit Office and European Audit Office – Summary report on: simplification of Structural Funds regulations for the period of 01.01.2007 - 31.12.2011. The audit is received by the Audit Office in December 2013 Some good practices and recommendations to the member states and to EC are given in the report.

#### 8.4.4 Audits carried out by DG Regional and Urban policy, European Commission

- Audit mission 2012/BG/REGIO/J2/1073/1 Audit of OPT Control and Management Systems (CMS) in MA of OPT focusing mainly on project management in RIA. The audit covers the award of public procurements for "Trakia" MW and "Maritsa" MW. The preliminary audit report has already been submitted and the MA submits its written statement on the report in September 2012. Working out of final audit report is at hand.
- EC mission 2013/BG/REGIO/C2/1198/1 was carried out in the period 08-12 April 2013 in RIA, "Metropolitan" EAD, NRIC and MA of OPT. Mission's aim is to create confidence in the regularity and law conformity of finances, provided by the Union. MA of OPT received official translation in Bulgarian of the preliminary report from the held mission in September 2013. The audit covers carried out tender procedures and concluded contracts for projects, implemented OPT. MA of OPT has prepared a statement on the report and sent it to the Permanent Representation of the Republic of Bulgaria to EC and DG "Regional and Urban policy" EC on 03.10.2013 г. In April 2014 the EC position on the given comments was received by OPT MA. The recommendations concern mainly weaknesses in carried out public procurement procedures.

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

Non applicable.

#### 10. Horizontal issues

##### 10.1 Ex-ante control performed by MA of OPT in relation to the public procurement procedures for OPT projects

In 2013 the Managing Authority of Operational Programme on Transport 2007-2013 exercised control over public procurement contractor selection procedures in compliance with the provisions of valid national laws and by-laws and in observance of the procedures stipulated in the valid Manual of Procedures for the Management and Implementation of Operational Programme on "Transport" 2007-2013, concluded agreements with project beneficiaries and grant agreements.





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### ***10.1.1 General information by projects regarding public procurement award procedures in 2013, carried out by beneficiaries under the department control with emphasis on investment projects:***

#### **Priority axis 1 „Development of Railway Infrastructure along the Trans-European and Major National Transport Axes”:**

- **Project „Reconstruction and electrification of Svilengrad – Turkish border railway line:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed contract for working out of project for modification of cadastre map and cadastre registers for the territory with location of the route for the railway line reconstruction of and land plots, affected by it on the territory of Plovdiv and Haskovo district;

- **Project „Modernisation of railway section Septemvri-Plovdiv – part of Trans-European Transport network”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract with the selected contractor for observation and salvage archaeological studies and activities (supervision during construction-drills and excavations) in railway section Septemvri-Plovdiv;

- **Project for extension of Sofia Metropolitan - first metro diameter, Phase III, Lot 2, from MS 13 (Mlaldost 1) to MS 16 (Business park „Mlaldost”):**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contracts with the selected contractors for construction under separate positions 1 and 2;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract with site consulting engineer prior its signing;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for CAW for Construction of road junction on the metro route and MS 20 in Druzhdaba RD from the crossing of „Krastyo Pastuhov” street with „Kapitan Dimitar Spisarevski” street to "Obikolna" str.

#### **Priority axis 2 Development of Road Infrastructure along the Trans-European and Major National Transport Axes ”:**

- **Project „Maritsa Motorway”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for making a reconstruction of aerial electrical lines, crossing the motorway route;

- **Project „Hemus Motorway”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for execution of additional construction works at site „Hemus” SRR – Yana road junction from km 0+000 to km 8+460, sub-site - crossing of derivation for Kremikovtsi steel works at km 5+378”;



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Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for additional construction works at sub-site crossing of oil pipeline Burgas – Sofia at km 5+332;

- **Project „Road 1-1 (E-79) Montana bypass - from 102+060 to km 114+512.20”:**

Agreed draft contract with selected contractor for construction at site;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for supervision during construction works;

- **Project „Vratsa Bypass– road 1-1 (E-79) from km 0+000 to km 6+816.60”:**

Agreed draft contract with selected contractor for construction at site;

agreed draft contract with selected contractor for supervision during construction works;

- **Project „Road III-5004 „Gabrovo bypass” from km 0+000 to km 31+000, Section from km 0+000 to km 20+124.50 and stage junction from km 0+000 to km 3+130”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for construction;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract with contractor for supervision during construction works;

- **Project „Struma” Motorway Lot №1 Dolna Dikania – Dupnitsa from km 305+220 to km 322+000”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for additional construction works;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection. agreed draft contract for construction works at three sub-sites (Supply and mounting of main beams for making of upper structure of overhead crossing at road junction Dolna Dikania, Execution of bankseat sides, supply and mounting of main beams for making of upper structure of railway line overhead crossing and making of drill piles for posts and supply and mounting of main beams of viaduct);

- **Project „Struma” Motorway, Lot 2 „Dupnitsa – Blagoevgrad” from km 322+000 to km 356+000”:**

carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for working out of technical project and construction;

- **Project „Struma” Motorway, Lot 3 „Blagoevgrad – Sandanski”**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection. agreed draft contract for consultancy services as strategic advisor for the project;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract with the project's environmental consultant;



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Agreed draft contract for elaboration of preliminary design for the motorway;

- **Project „Modernisation of road I-1 „Vidin-Botevgrad”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractors selection. Agreed draft contract for elaboration of projects for Modernisation of sections „Vidin-Dimovo”, „Dimovo-Bela-Ruzhintsi”, „Ruzhintsi-Montana” and „Montana-Vratsa”;

- **Project Road III-5004 „Gabrovo bypass” from km 0+000 to km 31+000, Section from km 0+000 to km 20+124.50 and stage junction from km 0+000 to km 3+130”**

- Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for additional design and construction;

- Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract with contractor for construction supervision;

- **Project „Road E-85 (I-5) „Kardzhali – Podkova” from km 342+639.41 to km 367+427 and road junction „Fotinovo”:**

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for design and construction (engineering) of new road junctions and measures for reinforcement, sewerage and stabilizing of road sections with problems in geo-technical and hydrologic conditions and extension of bridge over Varbitsa river;

**Priority axis 3 „Improvement of intermodality for Passengers and Freight”:**

- **Project „Reconstruction of key railway station compounds along main railway lines”:**

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection. Agreed draft contract for rehabilitation of railway station compound „Sofia Central Station”;

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for making a compliance assessment and construction supervision for railway station compound „Sofia central Station”;

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for making a compliance assessment and construction supervision for reconstruction and sanation of arrivals building of Pazardzhik railway station II-nd phase;

- **Project „Construction of an Intermodal Terminal in South Central Planning Region in Bulgaria - Plovdiv”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for construction;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection, agreed draft contract for making of compliance assessment of investment project to the fundamental requirements to construction sites and construction supervision;



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#### **Priority axis 4 „Improvement of the Maritime and Inland-Waterway Navigation”:**

- **Project „Creation of a river information system in the Bulgarian section of the Danube River - BULRIS”:**

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for Construction of river information center Russe;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection. Agreed draft contract for expanding the services and system range;

- **Project „Vessel Traffic Management Information System (VTMIS) - Phase 3”:**

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection. Agreed draft contract for supply and mounting of equipment and execution of construction and assembly works;

Carried out follow-up control on documentation, minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for construction supervision and provision of consultancy services for construction of project sites;

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for design and construction (engineering) and furnishing of buildings for coastal navigation management and information service centers in Burgas and Varna;

- **Project „Improvement of Navigation Systems and Topohydrographic Measurements along the Danube River”:**

Carried out follow-up control on minutes issued by the contractor selection committee and decision for contractor selection and agreed draft contract for purchasing and installation of automatic hydrometric and meteorological stations.

#### **Priority axis 5 „Technical assistance”:**

- **Project Design and introduction of a Geographic Information System (GIS) for the needs of the Bulgarian Ports Infrastructure Company:**

Agreed draft contract with selected contractor prior its signing;

#### ***10.1.2 Application of Public procurement act in the process of OPT implementation:***

In accordance with the provisions of legislation in force, the Public Procurement Agency exercises preliminary control of public procurement procedures financed in full or in part with European funding, as follows:

- a) for construction works in the value equal or higher than BGN 2 640 000 BGN.;
- b) for procurement or services in the value equal to or higher than the respective value indicated in Article 45a. par. 2 – over 254 254 BGN.

Preliminary control carried out by PPA cover:

1. the public procurement notice;



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2. the decision for initiation of a restricted procedure pursuant to Article 76, par.3, negotiation procedure with publication or competitive dialogue procedure;

3. the methodology of tender evaluation – under the criterion of most economically advantageous tender.

Contracting authorities send the above listed documents to the Public Procurement Agency, which, within a ten-days term, prepares a statement of compliance with the Public Procurement Act and sends it to the contracting authority. In case of discrepancies, the statement provides recommendations for their elimination. In case the contracting authority does not take into account the recommendations provided in the statement, it may send written motives to the Agency simultaneously with the procedure initiation

The notification has to be published by the contracting authorities and, not later than 10 days from the publication, the Public Procurement Agency carries out a compliance assessment with its recommendations already made and prepares a final report on conformity with the law. The report has to be submitted to the contracting authorities, the control authorities and the managing authority of the respective operational programme

In accordance with the norms and regulations in force, the Managing authority of OP "Transport" 2007-2013 fulfils control activities on public procurement documentation, namely:

- carries out preliminary control of the public procurement documentation and submits relevant comments and recommendations to the contracting authority;
- The contracting authority prepares a revision of the documentation on the basis of the recommendations of the MA and sends it to the Public Procurement Agency for preliminary review where such is applicable pursuant to Article 19, par. 2, item 22 of the Public Procurement Act;
- The contracting authority submits the documentation to the MA for follow up control in the final format in which it will be sold/provided to participants within 15 days from promulgation of the public procurement notice.

The control over documentation of evaluation of submitted offers is subsequent – after the enforcement of the Decision to classify participants and selection of contractor and before signing a contract for public procurement.



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### III. IMPLEMENTATION OF OPERATIONAL PROGRAMME “TRANSPORT” BY PRIORITY AXES

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

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

**Table 15: Physical Progress under Priority Axis 1 – “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” by Quantifiable Indicators as of 31.12 2013**

Target values for all indicators don’t include baseline values.

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis I – Development of Railway Infrastructure along the Trans-European and Major National Transport Axes</b>											
Time savings (railways) (thousand hours/ year)	Achievement	0	0	0	0	0	0	0			0
	Target									5 310	
	Baseline	0									
Value for time savings (railways) (euro per year)	Achievement	0	0	0	0	0	0	0			0
	Target									13 060 000	
	Baseline	0									
Reconstructed/rehabilitated railway lines (km)	Achievement	0	0	0	2.3	27	108 <sup>10</sup>	164 <sup>11</sup>			164
	Target									345	
	Baseline	450									
Length of metro lines (km)	Achievement	0	0	0	0	1.6	6.7	6.7			6.7
	Target									6.7	

<sup>10</sup> Route length. Value is equal to 187 km track length.

<sup>11</sup> Route length. Value is equal to 223 km track length.



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	Baseline	9.9									
Metro stations (number)	Achievement	0	0	0	0	5	6	6			6
	Target									6	
	Baseline	8									
Projects under PA 1 (number)	Achievement	0	0	1	1	4	5	5			5
	Target									5	
	Baseline	0									





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At the end of 2013 there have been signed 8 contracts on the priority axis for provision of awarded financial assistance for the total amount of **1 339 020 407,05 BGN (684 630 262,88 EUR)**, which is **103,73 %** of the axis budget. The expenses allowed for Operational Programme Transport (OPT) under the contracts signed for implementation of the priority axis amount to **1 292 929 849,25 BGN (661 064 534,88 EUR)**. Beneficiaries have been paid **816 487 959.22 BGN (417 463 664.64 EUR)** or **63.25%** of the priority axis budget. The total amount of verified expenses under the priority axis at the end of 2013 is **879 768 843.79 BGN (449 818 667.16 EUR)**, of which there was grant awarded in the amount of **757 517 962.89 BGN (387 312 784.29 EUR)** and a own-contribution of **122 250 880.90 BGN (62 505 882.87 EUR)**.

There are 3 “major” infrastructure projects which are currently being implemented, and the European Commission (EC) has approved the application forms (AF) for all three projects. The electrification and reconstruction of railway Svilengrad – Turkish border has been completed as well as the project for establishment of Stage II of Metropolitan Subway. As a result of the two completed projects 18 km of lines have been rehabilitated and 6,7 km subway metro lines have been constructed with 6 subway stations.

- Project ***BG161PO004-1.0.01-0002 „Electrification and Reconstruction of Svilengrad – Turkish border railway line”***

The grant awarded under this project amounts to BGN 58 274 218 (EUR 29 795 135). The payments including the advance payment amount to BGN 50 514 521,78 ( EUR 25 827 818.25 ), of which CF - BGN 40 411 857.42 ( EUR 20 662 254.60 ) and national co-financing - BGN 10 102 964.36 (EUR 5 165 563.65). Verified expenditure under the project is to the amount of BGN 50 561 522 (EUR 25 851 696).

Physical implementation of construction works **was completed in the end of 2012**, as confirmed by the signing of Deed № 15 on 14.12.2012. On 07.05.2013 there was signed a Protocol of sample № 16 for establishment of suitability to use the construction, and on 08.05.2013 the Permit for Use was issued. On 07.06.2013 the engineer of the project issued a Certificate for Adoption of Site in accordance with the general and specific conditions of the contract under FIDIC for construction and design № 3219/25.05.2009. On 28.06.2013 the Contractor presented the engineer with a report on completion in accordance with sub-clause 14.10 of the contract. On 30.12.2013 the Contractor presented documents for Operational compatibility.

On 18.12.2013 Annex № 5/18.12.2013 was added to the contract for awarding financial assistance for the project, with date of completion of the grant contract no later than 30.09.2014.

On 21.12.2013 on the basis of Art. 45 of the Public Procurement Act PPA in relation to Art. 20a of the Obligations and Contracts Act (OCA) an additional agreement № 3 was signed to Contract № 3219/25.05.2009, according to which contract parties agree to the following: The contractor shall not pay a compensation for delay in the period 10.10.2012 – 08.05.2013; After expiration of the one-year term for test exploitation, the engineer shall issue a Conditional Certificate for implementation; the second half of the detained money shall be paid to the Contractor against a bank guarantee and the project shall be financially completed within the time-frame of the Grant Contract.

- Project ***BG161PO004-1.0.01-0005 „Electrification and reconstruction of Plovdiv-Svilengrad railway line along Ten-T corridors IV and IX, Phase II: Parvomay-Svilengrad”***

The grant awarded under this project amounts to BGN 281 279 749, ( EUR 143 816 052 ). EC approved co-funding on 22.12.2011. The payments including the advance payment amount to BGN 82 969 781 ( EUR 42 421 776), of which CF – BGN 66 375 825 ( EUR 33 937 421) and national





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co-financing – BGN 16 593 956 ( EUR 8 484 355). Verified expenditure under the project is to the amount of BGN 68 062 185 ( EUR 34 799 643 )

**The total physical progress of the project as of 31.12.2013 is 25 % and includes:**

***Position 1: „Reconstruction and electrification of railway Dimitrovgrad - Harmanli” – progress 37 %***

Four construction permits have been issued for separate sections, six permits are necessary in total, as follows: 15.03.2013 for section № 2 Dimitrovgrad – Simeonovgrad; on 12.04.2013 for section № 4 Simeonovgrad – Harmanli; on 03.10.2013 for section № 1b for Road overpass 1 at km 231+888 and for pedestrian overpasses at km 231+608 and km 232+700. Construction works are carried out in the listed sections.

Preparation works are being carried out in section 1a – station Dimitrovgrad. On 09.07.2013 a request was submitted to the Ministry of Regional Development (MRD) asking for amendment of the issued construction permit. After feedback notes were received, a letter was submitted to MRD with the notes reflected.

***Position 2: „Electrification and reconstruction of Plovdiv-Svilengrad railway line and rehabilitation and electrification of the railway line Svilengrad – Border with Republic of Greece” – progress 16 %***

For position 2 there have been issued two construction permits (out of a total of six) for separate sections: for section № 6 Svilengrad-Greek border on 18.10.2012; for section № 1 Lubimetz-Svilengrad on 28.02.2013 and 01.08.2013; for section 2 station Svilengrad – on 23.08.2013 and for section № 4 Harmanli - Lubimetz – on 07.10.2013/ Construction works are in progress in the listed sections.

***Position 3: „Construction of new power substations in Simeonovgrad and Svilengrad and expansion of the existing power substation in Dimitrovgrad” – progress 23 %.***

Construction permits have been issued for the construction of power substation Svilengrad on 25.03.2013 and for an emergency station Svilengrad – on 20.08.2013. Construction works are being carried out in the listed sections. The project needs another 6 construction permits which will include the work on 2 power substations, 2 electrical power lines and 2 access roads.

On 20.12.2013 the project for Simeonovgrad power substation was submitted to MRD with a request to issue construction permits. Feedback notes were received, which are being taken into account in a timely manner.

***Systems Phase - progress 57 %.***

On 05.08. 2013 **Construction permit PC-52/05.08.2013** was issued for the site of: GSM-R antennas at Generalovo stop and Svilengrad station. Work is being carried out on constructing the GSM-R towers in Generalovo and Svilengrad; construction works have been completed on GSM-R towers – Dimitrovgrad and Nova Nadezda as well as rehabilitation works at the Dispatch center Plovdiv – 4<sup>th</sup> floor. Test exploitation has commenced for the telecommunication and SCADA facilities in Asenovgrad station and Plovdiv Distribution station. Cable laying has been completed for the SCADA system in the area of Plovdiv Distribution station, as well as the mounting of equipment of internal facilities for provision equipment at Krumovo station and an optical cable in the section of Phase 3 towards the Turkish border, as well as the repair works of the premises for signaling equipment in Dimitrovgrad for provision equipment.

After signing addendums during the second half of 2013 between the Ministry of Transport, Information Technology and Communications (MTITC), National Railway Infrastructure Company



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(NRIC) and the respective contractor, the rights and obligations of a Contracting authority on the contracts for construction of signaling systems, telecommunications and SCADA, project supervision and long-term consultant are taken up by NRIC on the grounds of Art. 99 and Art. 102 of the Obligations and Contracts Act.

- Project BG161PO004-1.0.01-0006 „*Extension of Sofia Metropolitan: Stage II Lot 1 „Obelya – Nadezhda” and Lot 2 „Mladost 1 - Tsarigradsko shose”*”

The grant awarded amounts to BGN 456 219 816 (EUR 233 261 488). The application form was approved by the EC on 01.07.2011.

The beneficiary Metropolitan EAD received grant in the amount of BGN 453 238 281 (EUR 231 737 053), of which CF – BGN 362 590 625 (EUR 185 389 643) national co-funding to the amount – BGN 90 647 656 (EUR 46 347 411). Verified expenditure under the project is to the amount of BGN 453 238 281 (EUR 231 737 053).

Both lots were been commissioned – Lot 1 on 31.08.2012 and Lot 2 on 25.04.2012

A total of 6.7 km. metro lines and 7 metro stations were constructed under the project.

Approved final report and final payment.

Information regarding a completed “major” infrastructure project:

- Project name: BG161PO004-1.0.01-0006 „*Extension of Sofia Metropolitan: Stage II Lot 1 „Obelya – Nadezhda” and Lot 2 „Mladost 1 - Tsarigradsko shose”*”
- Completion date: 31.08.2012

Information on the total final investment costs for the project, in Euro, using the template provided in point H2.2 of Annex XXI and XXII of Regulation 1828/200

Total investment costs in Euro – financing sources					Of which (for information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
360 896 887	186 609 191	46 652 298	0	127 635 399	105 000 000

- Outputs– 6.7 km built metro lines; 6 metro stations are built;
- Results – number of metro trips - 11.69 mln. in 2013
- Core indicator: Additional population served with improved urban transport (number) – 179 565.
- Significant problems encountered during implementation and measures taken to overcome them – no significant problems have been encountered during project implementation.

- Project BG161PO004-1.0.01-0007 „*Rehabilitation of railway infrastructure in sections of the railway Plovdiv – Bourgas*”



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The grant awarded under this project amounts to BGN 343 182 673 (EUR 175 466 514). On 01.07.2011 the project was approved by EC. The payments including the advance payment amount to BGN 197 511 246 (EUR 100 985 897), of which CF – BGN 158 008 997 (EUR 80 788 717) and national co-financing to the amount BGN 39 502 249 (EUR 20 197 179). Verified expenditure under the project is to the amount of BGN 165 707 449 (EUR 84 724 873)

***Position 1 – „Rehabilitation of the railway section Mihailovo – Kaloianovetz”***

The agreed construction works in the entire section – Mihailovo station, the section between stations Mihailovo – Kaloianovetz on route №1 and on route №2 and Kaloianovetz station have been completed at 100%. Contractor has submitted all executive projects. Deed sample 15 was signed on 24.10.2013. By the end of 2013 the Contractor has worked to observe the feedback notes listed in the annex to Deed №15. Deed 16 is yet to be signed, as well as the receipt of a permit to use and permit to commence exploitation.

**Physical implementation of the contract is at 100 %.**

***Position 2 - „Rehabilitation of sections Stara Zagora – Zavoi – Zimnitza”***

As of 31.12.2013 the following construction works have been carried out:

- **In the section of station Stara Zagora – station Nova Zagora**, which was mainly completed in 2012, there have been carried out completion works within the given “windows”, and works on the railroad, contact network and buildings have been thoroughly completed;
- Works in **Stara Zagora** have commenced and all repair works have been completed in the section of railroad section of III-rd track and its adjacent point switches (side Kalitinovo).
- In the section of **Nova Zagora station – Zimnitza station** there were carried out works on all stations and inter-station distances on the “Railroad” section. Works are now in advanced stage.

Under the “Provision equipment” section the following construction and repair works have been carried out: the action of route-relay centralizations has been isolated (RRC) in the stations of Kalitinovo, Khan Asparuh and Nova Zagora, the necessary materials and equipment were delivered for the reconstruction of all RRCs. In 2013 the contractor worked on building a channel cable network. The deadline for completion is in accordance with the initial conditions of the contract - 15.05.2014.

**Physical implementation of the contract is at 78 %.**

***Position 3: „Rehabilitation of railway section Tzerkovski – Karnobat – Bourgas”***

As of 31.12.2013 the following construction works have been completed: in the areas between stations Tzerkovski – Karnobat road 2 there have been implemented 60% of the works on the railroad and 60% of the repairs on the contact network; in the area between stations Chernograd – Aytos road №2 – rehabilitation of the contact network has been implemented at 30 %; in the area between stations Dolno Ezerovo – Vladimir Pavlov road №1 and road № 2 there have been completed all envisaged construction and repair works on the railroad and 90 % of the repair works on the contact network. The section at separation post “Lozovo” has also been completed.

The following construction and repair works have been carried out in the “Provision equipment” section: stations Tzerkovski and Aytos – isolated RRC, the management of train movement being implemented through panels for temporary management of traffic lights; a channel network has been established and cables have been laid; construction and repair works on temporary signaling have been completed. **Physical implementation of contract is at 69 %.**



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The initial deadline of the contract - until 15.10.2013 – was extended until 06.11.2014 by signing an additional Agreement № 2/09.12.2013. The reasons for signing the additional agreement comprise unforeseen works on the railroad and the contact network.

- Project **BG161PO004-1.0.01-0008 „Modernization of railroad section “Septemvri – Plovdiv” – part of the pan-European railroad network”**

The grant awarded under this project amounts to BGN 200 000 000 (EUR 102 258 376). EC approved application form on 16.01.2012. The payments including the advance payment amount to BGN 32 189 878.93 ( EUR 16 458 423.75 ), of which CF – BGN 25 751 903.15 (EUR 13 166 739.00) and national co-financing to the amount – BGN 6 437 975.78 ( EUR 3 291 684.75). Verified expenditure under the project is to the amount of BGN 28 559 651 (EUR 14 602 318).

**Position 1 – section Septemvri – Pazardzhik**

Construction permit № PC-67/20.11.2013 has been issued and signed by the Minister of Regional Development, promulgated in the State Gazette. In December 2013 there were 2 Deeds signed in sample 2a.

Deadline for completion – February 2015

**Physical progress is 4%.**

**Position 2 – section Pazardzhik – Stamboliiski**

Construction permit № PC-67/20.11.2013 was issued, signed by the Minister of Regional Development and promulgated in State Gazette. Two deeds were signed of sample 2a in December 2013.

Deadline for completion – May 2015

**Physical implementation is at 3%.**

**Position 3 – section Stamboliiski - Plovdiv**

Construction permit № PC-68/20.11.2013 has been issued, signed by the Minister of regional development and promulgated in State Gazette. Three deeds were signed of sample 2a in December 2013.

Deadline for completion – June 2015

**Physical implementation is at 3,6%.**

- **Position 4 - „Design and construction of signaling systems in the section of Septemvri – Plovdiv and telecommunication Sofia - Plovdiv”**

Designing of Position 4 is technologically dependent on the completion of design works on Positions 1, 2 and 3 for the section of Septemvri – Plovdiv and because of this the design under the contract has been implemented at 90%.

**Deadline for completion – August 2015**

**Physical implementation is at 0,53%.**

At the end of 2013 construction works have not yet started, but contractors under Positions 1, 2 and 3 have completed the mobilization of railroad and wheel mechanization, and have made deliveries of tracks and cross bars and have completed the on-site offices. Under Position 4 the contractor has provided an office for the engineer and has carried a delivery of equipment.



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

Significant problems related to the implementation of projects under the priority axis during 2013 were related mainly to providing funds for the “Septemvri – Plovdiv” and “Parvomai – Svilengrad” railway project; implementation of expropriation procedures and release of GSM-R frequencies for permanent use for civil purposes by dispatch management for all current railway projects implemented under OPT. In relation to the necessity for providing additional funds to complete the funding of the above-stated two railway projects, conversations were held with the Ministry of Finance (MF) and European Investment Bank (EIB), as a result of which a letter was produced on 25.10.2013 by EIB, which confirmed that the necessary funds are going to be provided in order to complete the project “Septemvri – Plovdiv” following the credit agreement for structural program loan, signed between Bulgaria and the European Investment Bank. In a letter dated 28.11.2013, the Ministry of Finance informed the Ministry of Transport, Information Technology and Communications (MTITC), that it shall guarantee the missing funds needed for the implementation of “Parvomai – Svilengrad” project through the fund “Growth and regional sustainability”.

In order to solve the problem with releasing GSM-R frequencies, an Order was issued in 2013 by the Prime-Minister and an inter-departmental work group was formed, which at the beginning of November 2013 prepared a report for the performed work. At the end of October 2013, with Order of the Air Force Commander, there were started joint technical tests for exploring the electromagnetic compatibility (EMC) between the system of GSM-R and radio-location systems for landing used at the airports of Graf Ignatievo and Krumovo. In November and December the protocols were signed for completed joint technical tests between military formations Krumovo and Graf Ignatievo and National Railway Infrastructure Company (NRIC) in order to establish the extent of electromagnetic compatibility between the GSM-R system for railway traffic and radio location of aircraft landing systems. Resolution № 89 dated 17.02.2014 of the Council of Ministers for amendment of the National plan for distribution of radio-frequency spectrum has adopted, that radio frequency bands 876-880 MHz and 921-925 MHz be used as a mobile cell network from the mobile radio service for railway applications GSM-R in order to cover the section of the Plovdiv-Svilengrad railway (border). On 11.03.2014 NRIC submitted official statement to the Communications Regulations Commission (CRC) to issue a permanent permit for using the frequency GSM-R spectrum of the railway line Plovdiv-Svilengrad (border). On 17.04.2014 CRC issued a decision NRIC to use GSM-R frequencies along Plovdiv – Svilengrad (border) railway).

The projects „*Modernization of railway section Septemvri – Plovdiv: part of pan-European railway network*” and „*Reconstruction of railway line Plovdiv – Svilengrad on corridors IV and IX, phase 2: section Parvomai-Svilengrad*” have been identified as high-risk by the Managing Authority (MA) of OPT, due to the delayed commencement of construction works. Their completion is expected in the second half of 2015. In this respect MA requested from the beneficiary NRIC to present a Plan for risk management and an Action plan. The same plans were presented in 2013 for railway projects. For the above-listed projects there have been undertaken measures for intensive monitoring: in addition to performing 3 planned on-the spot checks per year, there are also ongoing meetings to discuss emerging problems and the undertaking of actions to reduce and overcome risks.

In 2013 it is still valid to talk about the problem of conducting expropriation procedures. This is additionally obstructed by Decision № 6 of the Constitution Court dated 15<sup>th</sup> July 2013, which states that ownership over expropriated estate may not be transferred to the state



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immediately after transferring the monetary compensation towards the owner in those cases, where the owner is in a process of appealing the act of expropriation.







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There are **14** contracts signed under the priority axis for provision of grant at a total of **1 713 570 986,40 BGN (876 134 933,20 EUR)** or **96,32%** of the budget of the priority axis. The expenses acceptable under OPT for signed contracts for implementation under the priority axis amount to **1 627 903 360,74 BGN (832 333 771,72 EUR)**. Beneficiaries have received grants in the amount of **882 739 758.86 BGN (451 337 671.91 EUR)** or **49.62 %** of the budget of the priority axis. The amount of verified expenses under the priority axis at the end of 2013 is **753 216 241.13 BGN (385 113 348.87 EUR)**, which is 42.34% of the axis budget. Contracts have been signed for provision of grant for 9 infrastructure projects, 5 of which are „major”. The European Commission has approved Financial Control for three of the “major” projects.

At the end of 2013 came the completion of the implementation of the project for finishing “Trakia” motorway, the connection of “Hemus” motorway: with Sofia ring road and Lot 1 of “Struma” motorway. As a result 141 km of motorway was brought into use. In addition, in 2013 came the completion of the construction of Stage I of the bypass road of Gabrovo, and as a result of this there were 7,7 km rehabilitated first class roads.

- Project **BG161PO004-2.0.01-0004 „Completion of “Trakia” motorway, Lots 2, 3 and 4”**

The grant awarded under this project amounts to BGN 513 970 280 (EUR 262 788 831). EC approved application form on 21.12.2010.

The payments including the advance payment amount to BGN 462 465 527.62 (EUR 236 454 869.60), of which CF – BGN 369 972 422.10 (EUR 189 163 895.68) and national co-financing to the amount – BGN 92 493 105.52 (EUR 47 290 973.92 ). Verified expenditure under the project is to the amount of BGN 449 797 921 (EUR 229 978 025).

Lot 2 „Stara Zagora – Nova Zagora” (31.8 km) and Lot 3 „Nova Zagora – Yambol” (35.7 km) are in exploitation since 2012.

Under Lot 4 „Yambol – Karnobat” (47.7 km) 100 % of the project construction works have been implemented. Section 1 with length 14,800 has been put into use on 02.01.2013, and Section II with length 34,280 km has been put into use on 15.07.2013.

The implementation of the project has ended, and in December 2013 the final project report was approved. The final payment will be proceeded in 2014.

Information regarding a completed “major” infrastructure project:

- Project name: „BG161PO004-2.0.01-0004 „ **Completion of MW Trakia**”, Lots 2, 3 and 4”
- Completion date: 15.07.2013

Information on the total final investment costs for the project, in Euro, using the template provided in point H2.2 of Annex XXI and XXII of Regulation 1828/2006

Total investment costs in Euro – financing sources					Of which (for information)
Total investment cost	Community Assistance	National public (or equivalent)	National private	Other sources	EIB/EIF loans
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
524 478 900	411 176 224	102 794 056	0	10 508 620	0





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**- Core indicators:**

- New roads (km) – 116.5<sup>12</sup>
- New Trans - Europe Network roads (km) – 116.5
- Time savings (roads)( Euro per year) for 2013 – 12 103 777

**- Significant problems encountered during implementation and measures taken to overcome them:** – no significant problems have been encountered during project implementation.

• Project **BG16IPO004-2.0.01-0006 „Construction of motorway „Maritza”, Lot 1 and Lot 2”**

The grant awarded under this project amounts to BGN 313 798 250 (EUR 160 442 498). EC approved application form on 22.02.2012.

The payments including the advance payment amount to BGN 155 449 903 ( EUR 79 480 274), of which CF – BGN 124 359 923 ( EUR 63 584 219) and national co-funding to the amount BGN 31 089 981 ( EUR 15 896 055 ). Verified expenditure under the project is to the amount of BGN 115 588 057 (EUR 59 099 235).

**Lot 1 „Orizovo – Dimitrovgrad”, from km 5+000 to km 36+400**

The initial deadline for completing the site was not observed (August 2013). An additional agreement was signed with the contractor on 15.08.2013 to make an extension of 7 months, according to which it is expected that construction shall end in June 2014. The reasons to extend the deadline of the contract are the emerged extreme circumstances onsite in the period 01.12.2012 – 10.02.2013, difficulties with the obtainment of inert materials from sections with presence of archaeological sites - from km 23+630 to km 24+460. A Certificate of force majeure was issued by the Bulgarian Chamber of Commerce on 15.03.2013, as a result severe meteorological conditions in December 2012. Work onsite was stopped with signing Deed sample 10/11.02.2013 following Ordinance №3/2003. Construction works were resumed on 28.06.2013 with signing of sample 11 for establishment of condition of site when continuing construction works. Updated Technological and Construction Program (TCP) was presented to, and adopted by the Contracting authority, in accordance with additional agreement between the Contractor and the Contracting authority dated 15.08.2013. The updated Technological and Construction Program (TCP) comprises XXII stages of construction. Until the end of 2013 there are excavation, piling, drainage and asphalt works mainly on stage X.

Problems with archaeology remain unsolved. Two procedures have been performed by the Beneficiary – an open and closed one under PPA, for delegation of archaeological examination. No offers have been submitted for both procedures. The Contracting authority has announced a new open procedure under PPA to delegate archaeological research.

**Percentage of physical implementation of Lot 1 is 35,07 %.**

**Lot 2 „Dimitrovgrad – Harmanli”, from km 36+400 to km 70+620**

The Contractor has presented the Contracting authority with a Certificate of force majeure № 26 dated 09.07.2013, issued by Bulgarian Chamber of Commerce. The certificate has been issued in relation to extremely harsh meteorological conditions at the end of 2012 and beginning of 2013. The certificate takes in range the periods of 01.12.2012 to 31.01.2013 and from 01.02.2013 to 15.04.2013. An additional agreement was signed with the contractor on 19.08.2013 to extend the deadline by 6 months, according to which construction is expected to end in February 2014.

Construction works on the trace of Lot 2 are carried out in accordance with the site TCP approved by the Contracting authority on 19.08.2013. The updated technological and construction program comprises XV stages of construction. Eleven stages have been completed. Until the end

<sup>12</sup> This is also output indicator



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of 2013 the Contractor performed excavation, piling, drainage, framework, armor and concrete works on stages XII, XIII, XIV and XV.

**The percentage of physical implementation of Lot 2 is 55,83 %.**

The “Maritza motorway” project Lot1 and Lot 2” has been identified as high-risk by the Managing Authority (MA) of OPT. The motorway is subject to intensive monitoring by the MA.

- Project **BG161PO004-2.0.01-0007 „Hemus motorway”, section „SRR – Yana road junction”**

The grant awarded under this project amounts to BGN 47 856 421 (EUR 24 468 599). The payments including the advance payment amount to BGN 39 802 068 (EUR 20 350 474), of which CF - BGN 31 841 654 (EUR 16 280 379) and national co-financing to – BGN 7 960 414 (EUR 4 070 095). Verified expenditure under the project is to the amount of BGN 35 016 426 (EUR 17 903 614)

As of 31.12.2013 the physical implementation of the project is at **99,66 %**, where 7 out of a total of 8 stages of the TCP have been completely finished. On 09.08.2013 an updated TCP was approved, specifying a new stage „7a”, which includes activities, which are impossible to implement due to problems with the expropriation of the site.

On 19.08.2013 the chairman of the Managing Council of Road Infrastructure Agency (RIA) approved a protocol for introduction into temporary use during construction and the 8km site was practically put into exploitation.

The implementation of activities under stage „7a”, in accordance with the approved TCP shall be started after the issuance and enforcement of the necessary orders for amendment of the construction permit, in accordance with the signed agreement № 2 from 21.08.2013 between the Contractor of additional design and construction and RIA.

- Project **BG161PO004-2.0.01-0008 „Road E-85 (I-5) „Kardzali-Podkova”**

The grant awarded under this project amounts to BGN 54 107 918 (EUR 27 664 939). The payments including the advance payment amount to BGN 28 650 700 (EUR 14 648 870), of which CF - BGN 22 920 560 (EUR 11 719 096) and national co-financing – BGN 5 730 140 (EUR 2 929 774). Verified expenditure under the project is to the amount of BGN 24 110 626 (EUR 12 327 567)

The site has been divided in two sections:

**Section 1 “Kardzali – Djebel junction”** – rehabilitation and reconstruction, length 8,2 km, in exploitation since the end of 2012.

**Section 2 “Djebel junction – Podkova”** – new construction from 24,2 km and road connection for the village of Fotinovo from 2,4 km.

The contract for construction has a deadline for completion of 30.09.2013. Construction has been envisaged to be performed in XVIII stages. Deed 10 was signed on 16.09.2013 following Ordinance № 3 for ceasing construction works due to emerged unforeseen circumstances. A necessity had emerged to conduct new/additional construction works. A new procedure was opened by the Contracting authority under PPA for the implementation of the newly emerged construction works in the period June – July 2013. A Contractor was selected for the new construction. On 20.09.2013 the Contractor under the main contract presented the Contracting authority with a revised TCP for stage XVIII for approval. On 27.09.2013 the Contracting authority approved the changes in stage XVIII. Due to technological dependency, stage XVIII is going to be implemented after completion of the additional contract.



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On 18.10.2013 a contract was signed for “Selection of Contractor for design and construction (engineering) of new road connections and measures for strengthening, drainage and stabilization of road sections with problematic geo-technical and hydro-geological conditions and extension of bridge over the river of Varbitza on site: ROAD E-85 (I-5) “KARDZALI – PODKOVA” from km 342+639.41 to km 367+427 and road connection „Fotinovo” from km 0+000 to km 2+368“ between RIA and Partnership under Obligations and Contracts Act „Prohod-Makaza“ at a value of 12 480 000,00 BGN without VAT.

A procedure was also performed following Art.14, paragraph 5, item 2 of PPA for selection of construction supervisor for the additional contract. A contract was concluded for the amount of 19 900 BGN without VAT on 13.11.2013 between RIA and Partnership under Obligations and Contracts Act „Infrastructure-motorways“.

After the physical completion of the contract with the Contractor for the new order (signing Deed 15), there shall be finished the construction works under the main contract, i.e. the above-stated stage XVIII shall be completed, after that the site shall be put into use.

**Physical progress of the site under the main contract „Kardzali-Podkova” as of 16.09.2013, when Deed 10 was signed is at 99.67%. It is expected that the site shall be put into temporary use in February 2014.**

- Project **BG161PO004-2.0.01-0009 „Struma motorway”, Lots 1, 2 and 4”**

The grant awarded under this project amounts to BGN 545 451 282 (EUR 278 884 812). EC approved application form on 27.02.2013. The payments including the advance payment amount to BGN 142 598 197 (EUR 72 909 301), of which CF - BGN 114 078 558 (EUR 58 327 440) and national co-financing to – BGN 28 519 639 (EUR 14 581 860). Verified expenditure under the project is to the amount of BGN 96 886 603 ( EUR 49 537 334).

**Lot 1 „Dolna Dikania – Dupnitza”**

**As of 31.12.2013 physical progress of construction works is at 99,84%.** An establishment deed was signed on 22.07.2013 for establishing the suitability for acceptance (Deed 15) of section from km 305+220 to km 319+200 and road connections „Sofia – Dupnitza“ and „Dupnitza – Sofia“ at road junction “Dupnitza Sever”. The section has been completed early and on 23<sup>rd</sup> July 2013 it was opened and put into temporary exploitation. An establishment deed was signed on 30.08.2013 to establish suitability for acceptance (Deed 15) of the section from km 319+200 to km 322+000 and road connections „Pernik - Kulata“ and „Julata – Pernik“ at road junction „Dupnitza Sever“ and noise protection fence from km 305+710 to km 305+971- right and with multi-type underpass for protection of bears at km 314+070, which effectively represented the completion of construction works on “Struma” Motorway Lot 1 and the site was submitted to the Contracting authority. Proceedings are pending on the documentation for issuing Deed 16 for the entire section of the highway.

**Lot 2 „Dupnitza – Blagoevgrad”**

After an open procedure under PPA was conducted, a contract was signed on 27.02.2013 with the selected Contractor to design and construct section Lot 2. The selected Contractor is Consortium „Struma – Lot 2”, city of Sofia. By means of Resolution of the Contracting authority dated 27.03.2013, a consultant was selected for Struma motorway Lot 2 – Association “Struma – PP”, consisting of “Patinvestengineering” AD and “Patproekt” EOOD. A contract was signed on 20.05.2013 to delegate the public procurement with the following subject: „Selection of Contractor for consulting service in relation to development of technical project and construction of site: Struma Motorway Lot 2, section „Dupnitza – Blagoevgrad” from km 322+000 to km 359+483.52“.



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A contract was signed on 29.04.2013 for implementation of a field research of archaeological sites on the road trace of Struma motorway Lot 2 from km 322+000 to km 359+000. The Contractor for field research of archaeological sites on the road trace of Struma motorway presented a scientific report on 28.05.2013. In total, the registered archaeological sites on the trace of Struma motorway Lot 2 amount to seventeen, twelve of which are to be investigated to different extent, two are to be observed and three are outside the servitude of the site.

By means of Ordinance dated 29<sup>th</sup> April 2013 issued by the Minister of Regional Development and Welfare, the detailed site development plan has been approved – parcel plan /DSDP-PP/ for Struma motorway LOT 2 „Dupnitsa – Blagoevgrad“ from km 322+000 to km 359+483,52.

A construction permit was issued on 29.07.2013 by the Minister of Regional Development. On 20.11.2013 the Ministry of Regional Development issued an Order for amendment of the issued construction permit for sections from km 332+760 to km 341+060 and from km 341+200 to km 344+340 (except for those sections, which contained water sites).

RIA notified the MA of OPT by means of a letter dated 25.11.2013, regarding problems with the selection of a Contractor of public procurement order with the subject of „Selection of Contractor for conducting rescue archaeological research of Struma motorway Lot 2“. On 25.11.2013 RIA sent a letter to the Public Procurement Agency regarding the interpretation of legislation in relation to delegation of implementation of archaeological research on the traces of infrastructure sites.

As of 31.12.2013 activities continue to be performed, related to preparing and finalizing the complete technical design of the section. Construction works cannot be started in practice, despite full design readiness, except for some facilities due to delay in delegating archaeological research.

**Physical progress - 1,5 %**

#### **Lot 4 „Sandanski – Kulata“**

In the course of implementing the work on the site, a series of unforeseen circumstances were revealed – when conducting excavation works the Contractor has uncovered technical infrastructure facilities, which have not been reflected in the technical design. In October 2013.

By means of letter Ref.№ 04-18-974/18.09.2013, RIA sent the documentation for open procedure to be reviewed and advised by the MA of OPT. The announcement for public procurement was published on 14.10.2013. The Decision to select a Contractor № 200/11.12.2013 was handed to the selected Contractor on 11.12.2013. A contract with the selected Contractor is yet to be signed.

The parcel plan has been approved by means of Ordinance dated 02.12.2013 of the Minister of Regional Development. That same Ordinance was published in SG 108/17.12.2013. RIA has delegated evaluations on affected estates.

In order to provide a bypass route for road I-1 (E79) through the villages of Marino pole, Chuchuligovo and Kulata, RIA has implemented a thorough repair of the bypass trace. RIA has issued Ordinance dated 14.09.2012 to temporarily organize traffic. Contractor has started intensive work to complete the section of Struma motorway **from km 435+300 to km 438+500.**

**As of 31.12.2013 physical implementation is at 35%.**

Practically, first and second stage of the TCP have been completed. Construction works are being carried out on stages 3 to 14, including as follows: excavations, pilings, large facilities, reconstruction of irrigation and drainage fields and facilities, reconstruction of railway „General Todorov – Kulata“. All small facilities on the site have been completed.

**It is expected to complete the site by the end of 2015.**



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- Project **BG161PO004-2.0.01-0010 „Preparation of project „(E-79) Vidin – Montana”**

A contract was signed on 09.07.2013 with a selected Contractor to produce designs for modernization of road I-1 (E79) „Vidin – Botevgrad” – stage I of project: „Preparation of project „(E-79) Vidin – Montana” for the following two sections:

- **Section № 1:** Road I-1 „Vidin – Dimovo“ from km 3+757 to km 39+480 with approximate length 35.723 km;
- **Section № 2:** Road I-1 „Dimovo – Bela - Ruzhintzi“ from km 39+480 to km 61+750 with approximate length 22.270km.

A contract was signed on 10.07.2013 with a selected Contractor to produce designs for modernization of road I-1 (E79) „Vidin – Botevgrad” – stage I of project: „Preparation of project „(E-79) Vidin – Montana” for the following two sections:

- **Section № 1:** Road I-1 „Rushintzi - Montana“ from km 61+750 to km 102+060 with approximate length 40.310 km;
- **Section № 2:** Road I-1 „Montana - Vratza“ from km 111+305.50 to km 140+008 with approximate length 28.703 km.

In both contracts there are draft projects under way, which include: research and development of alternative solutions, hydro-geological research, schemes of large facilities, research of available engineering infrastructure, complex technical and economical comparison of developed alternatives, preliminary coordination with exploitation companies and other administrative structures.

An auction procedure is yet to be started, with the subject of: „Developing a report for Environmental Impact Assessment and Extent of Impact Assessment“ for all four sections. Auction documentation has been prepared.

**Deadline for completion of project is March 2015.**

- Project **BG161PO004-2.0.01-0011 „Bypass route for the town of Vratza - Road I-1 (E79)”**

The grant awarded under this project amounts to BGN 17 138 700 (EUR 8 762 878). The payments including the advance payment amount to BGN 1 713 870, (EUR 876 288) of which CF – BGN 1 371 096 (EUR 701 030) and national co-funding to – BGN 342 774 (EUR 175 258). Verified expenditure under the project is to the amount of BGN 1 460 099 (EUR 746 537)

The total length of the section is 6.82 km. A contract was signed on 07.03.2013 with the Contractor for construction works. A contract was signed on 08.03.2013 for consultancy services in relation to the implementation of site construction. Construction permit was issued on 24.04.2013 by the Ministry of Regional Development. The official ceremony of “first dig” for the site was held on 26.04.2013.

Protocol 2a was signed on 14.06.2013 for commencement of construction and setting of a construction line and level of construction for technical infrastructure, which practically started the contract for construction works. The contract deadline is 360 days from the date of Protocol 2a and the expected date of completion is 08.06.2014.

As of 31.12.2013 the ground works have been carried out, geotextile has been laid and rocking has been performed using chopped stone, reconstruction of engineering networks have been completed, the underpass at road junction at km 0+687,75 has been completed and on 11.11.2013 traffic was allowed.

**Percentage of physical implementation of the project is at 35,7 %.**





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- **Project BG161PO004-2.0.01-0012 „Bypass route of the town of Montana - Road I-1 (E79)”**

The grant awarded amounts to BGN 50 580 712 (EUR 25 861 507). The payments including the advance payment amount to BGN 4 808 462 (EUR 2 458 527) of which CF to the amount of BGN 3 846 769 (EUR 1 966 822), national co-financing to the amount of BGN 961 692 (EUR 491 705). At the end of 2013 there is no verified expenditure under the project

The total length of the section is 12,452 km. A contract was signed on 27.08.2013 with the selected Contractor for the construction - Partnership under Obligations and Contracts Act „BYPASS MONTANA”. A protocol of sample 2a was signed on 19.09.2013 for commencement of construction and setting of construction line and level, and on the same day the official ceremony was held for “first dig” on site. Deadline for completing the site is 480 calendar days (16 months) from signing Protocol 2a on 19.09.2013.

The project is in its initial stage of implementation. **Physical implementation as of 31.12.2013 is 6%.**

- **Project BG161PO004-2.0.01-0015 „Construction of Kalotina – Sofia motorway - Lot 1: „West ring of Sofia ring road”**

The grant awarded amounts to BGN 44 803 076 (EUR 22 907 449). The payments including the advance payment amount to BGN 25 990 849 (EUR 13 288 910) of which CF to the amount of BGN 20 792 679 (EUR 10 631 128), national co-financing to the amount of BGN 5 198 170 (EUR 2 657 782). The verified expenditure under the project is to the amount of BGN 21 062 510 (EUR 10 769 090)

The project consists of two sections with a total length of 8.5 km. The length of the first section is 3 km. The construction of the first section started in 2012. An addition to the construction permit was issued on 27.09.13 for building an elevated road at “Tzaritza Yoanna” road junction. Deadline for implementation in accordance with the contract is 22 months until July 2014. As of 31.12.2013 the implementation of construction works is at **38,5%**. Works is being carried out on stages 3, 4 and 5 of a total of 6 stages. Stages 2 and 3 are completed with delay, which does not affect the deadline for completion of project - July 2014.

Auction procedures for selection of Contractor and consultant for Lot 1, **Section 2** from km 0+780 to km 6+390 started in April. The procedure for selection of a Contractor was terminated by Chairman of the Managing Council of RIA with Decision dated 23.09.13. The Decision to terminate the procedure has been appealed before the Commission for Protection of Competition (CPC) by two of the participants in the procedure. A case hearing was scheduled on 28.01.2014 at the Supreme Administrative Court.

The consultant was selected for section 2 and a contract is to be signed.

- **Project BG161PO004-2.0.01-0017 „Bypass route for the town of Gabrovo”**

The grant awarded amounts to BGN 108 760 245 (EUR 55 608 230). The payments including the advance payment amount to BGN 20 170 024 (EUR 10 312 770) of which CF to the amount of BGN 16 136 020 (EUR 8 250 216), national co-financing to the amount of BGN 4 034 005 (EUR 2 062 554). The verified expenditure under the project is to the amount of BGN 9 294 000 (EUR 4 751 947)

The project includes rehabilitation of 7,670 km existing road, reconstruction of 3,270 km existing road, as well as new construction of 12,314 km road. The project includes rehabilitation and reconstruction of 2 road junctions, rehabilitation and reconstruction of 1 bridge, construction of 2 road junctions, construction of 4 bridges and building a tunnel of 540 meters length.



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The contract for additional design and construction was signed on 09.05.2013 at a value of 92 940 000 BGN with VAT. The duration of construction is 1,5 years. The contract for consultancy services was signed on 09.05.2013 at the amount of 1 096 032 BGN with VAT. The contract for supervision was signed on 16.10.2013 at a value of 116 640 BGN with VAT.

The start date of construction is 26.06.2013. The deadline for completion is until December 2014. The site is divided in 4 sections and a stage connection.

The first section from km 0+000 to km 7+670, which has been envisaged for rehabilitation, is completed and has been put into exploitation in December 201. Construction works are carried out in section two, from km 7+670 to km 10+940.74, for which the construction permit was issued on 24.09.2013.

**Physical implementation as of 31.12.2014 is 12,5%.**

The procedure for selection of Contractor for „Designing an expanded draft project for site: Road III-5004 „Bypass of the town of Gabrovo from km 0+000 to km 31+000 – Tunnel underneath Shipka peak, length of 3220 meters from km 24+400 to km 27+620” is starting. Technical offers made by participants were opened on 17.12.2013.

The decision to select a Contractor for the construction of is being appealed by one of the participants in the procedure before CPC, and later on before the Supreme Administrative Court (SAC). The Supreme Administrative Court produced a Decision on 30.10.2013, leaving the appellant without a solution. The Decision of SAC is final.

There is an administrative case № 6941/2012 filed against Decision № 4-2/2012 made by the Ministry of Environment and Waters regarding the Environmental Impact Assessment, the case was filed by the World Wildlife Fund, Danube – Carpathian program Bulgaria and physical persons. Several discussions were held, the last of which was on 02.10.2013. The case has been announced for review. A court session has been scheduled for the Supreme Administrative Court on 09.01.2014. SAC has produced Decision № 26/09.01.2014., by means of which it rejects all complaints against the Decision for EIA. The Decision of the SAC has been appealed at a higher authority.

• Project **BG161PO004-2.0.01-0018 „Preparation and completion of Hemus motorway.”**

A contract was signed on 02.07.2013 between the National company „Strategic infrastructure projects” (NCSIP) and the selected Contractor for pre-project research. The contract with the Contractor involves also the preparation and presentation to the Contracting Authority with the following reports and documents:

- Introductory report – deadline for implementation August 2013.
- Report for review and comparison of alternatives – deadline for completion October 2013;
- Analysis of expenses-benefits – deadline for completion December 2013;
- Application form – deadline for completion February 2014;
- Final report – deadline for completion April 2014

The report and review of alternatives and cost-benefit analysis are presented to the Beneficiary and after a detailed review they are returned for processing with deadline until the end of January 2014.

An auction procedure stated on 29.11.2013 to select Contractor for preparing a report on EIA and Extent of Impact Assessment for completion of Hemus motorway (Yablanitza – Belokopitovo), the deadline for submission of offers is 01.2014.





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- Project BG161PO004-2.0.01-0019 „*Struma motorway, Lot 1, Lot 2 and Lot 4*” **(Preparation of Lot 3)**

The following contracts have been signed in implementation of the project:

- „**Observation, analysis and evaluation of death rate of animal species in the section of road E-79 (I-I), passing through protected areas „Kresna” and „Kresna-Ilindentzi**”, signed on 13.03.2013 with deadline for completion 12 months. Two reports are approved – physical implementation of the contract is at **75%**.
- „**Consultancy services as strategic advisor for the construction of Struma motorway, Lot 3 „Blagoevgrad-Sandanski**”, signed on 28.06.2013 with deadline for completion 24 months. Two reports are approved – physical implementation of the contract is at **15%**.
- „**Provision of services as an environmental consultant in relation to the construction of Struma motorway Lot 3 „Blagoevgrad – Sandanski**”, signed on 19.07.2013 with „Dango Project Consult” EOOD, deadline for completion 18 months. An introductory report has been submitted, an initial examination has been performed of the focal points of the trace of LOT 3 – km 359+000 – km 420+744.69 – physical implementation of the contract is at **18%**.
- „**Delivery of traffic monitoring system on road E-79 (I-1) in the section between Krupnik and Kresna**”, signed on 19.07.2013 The contract has been completed **100 %**.
- **Contract for “Preparing a preliminary project of Struma motorway Lot 3 „Blagoevgrad – Sandanski**”, signed on 29.07.2013 with deadline for completion 18 months. Two reports have been submitted, physical implementation of the contract is at **12%**.

The public procurement order was announced on 12.11.2013 under sub-activity 4 “Geological research for the construction of Struma motorway Lot 3 „Blagoevgrad – Sandanski“ with a deadline for submission of offers: 13.01.2014

Under subactivity 5 „Preliminary archaeological research for the construction of Struma motorway Lot 3 „Blagoevgrad – Sandanski”, documentation is prepared for carrying out procedure for selection of Contractor.

**Physical implementation of the project is at 16 %.**

Expected date of project completion – August 2015

With Council of ministers decision No 161/02.08.2013 were amended the internal procedures of the Ministry of regional development. Some of the changes affect the establishment of new Directorate - "Plans, National Expertise, Infrastructure and Geodefence". The directorate consists of two departments - "Plans and National Expertise and "Infrastructure Projects and Geodefence." It is a successor of the "Public Works and Projects" Directorate obligations and responsibilities as a OPT beneficiary. The Directorate functions combine the previously existing ones of “Public Works and Projects" Directorate and these in planning, geodefence, border checkpoints and border crossings, according to the competence of the Ministry of Regional Development.

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

The main problems leading to delay in the implementation of projects under the priority axis are related to the performance of expropriation procedures and archaeological research. The implementation of expropriation procedures is further impeded by Decision № 6 of Constitutional Court, dated July 15th 2013 , by the virtue of which the expropriated land plot ownership may not



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be transferred to the state immediately after payment of compensation, in case of owner's appeal of the expropriation act.

The problem with delegation of activities related to archaeological research arose from the fact that no participants appear to participate in auction procedures, which makes it impossible to delegate such activities. As a result, the beneficiary PAI transitioned towards direct negotiation with regional subdivisions of the third National Archaeological Institute with a Museum (NAIM) towards the Bulgarian Academy of Sciences (BAS).

The construction of Lots 2 and 4 of Struma motorway and Maritza motorway Lots 1 and 2 are identified as high-risk by the MA of OPT, because it is possible that they may be completed in 2015. In this respect MA requires from the beneficiary RIA to present a risk management Plan and an Action plan, which were presented in October 2013. Measures for intensive monitoring have been undertaken for the above-listed projects: in addition to the 3 planned on-the sport checks per year, there are also meetings for discussion of emerged problems and undertaking actions to reduce and overcome risks.





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Capacity of intermodal terminals (number of TEU/year)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target									57600	
	Baseline	26 000									
Length of metro lines (km)	Achievement	0	0	0	0	5.39	6.5	6.5			6.5
	Target									14.1	
	Baseline	9.9									
Metro stations (number)	Achievement	0	0	0	0	4	7	7			7
	Target									14	
	Baseline	8									
Built intermodal terminals (number.)	Achievement	0	0	0	0	0	0	0			0
	Target									1	
	Baseline	0									
Projects under PA 3 (number)	Achievement	0	0	1	1	2	3	3			3
	Target									3	
	Baseline	0									



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As of 31.12.2013 there are 5 contracts signed on the priority axis to receive grant under OPT on the amount of **628 004 888,83 BGN (321 093 801,01 EUR)**, which represents **96,37** of the budget of the priority axis. The expenses allowed under OPT for signed contracts for implementation under the priority axis amount to **633 448 171,72 BGN (323 876 907,36 EUR)**. Beneficiaries have been paid **439 267 470.65 BGN (224 593 891.42 EUR)** or that is 67.41% of the axis budget. The total amount of verified expenses under the priority axis at the end of 2013 amounts to **563 124 156.34 BGN (287 920 809.24 EUR)**, of which grant in the amount of 433 788 642.96 BGN (221 792 611.30 EUR) - 66.57% of the axis budget and own-contribution amounting to 129 335 513.38 BGN (66 128 197.94 EUR).

Grant provision contracts have been signed under the priority axis for two „major” infrastructure projects, one of which has been completed.

European Commission Resolution dated 17.12.2013 approved the second amendment of the program, with which 122.1 million EUR were transferred from priority axis 4 „Improvement of the maritime and inland-waterway navigation” into priority axis 3 „Improvement of intermodality for passenger and freight”. This way the budget was increased for priority axis 3 and it became possible to finance the project for constructing stage III of the subway in Sofia.

- Project **BG161PO004-3.0.01-0001 „Project for expansion of subway in Sofia: I Stage- II subway diameter: section „Road junction „Nadezda” (MC 5-II) – Cherni Vrah Blvd” (MC 11-II)”**

The grant provided amounted to 362 207 591.81 BGN (185 193 801,00 EUR). The project was approved by the EC on 22.09.2009

The beneficiary “Metropolitan” EAD has received grant in the amount of 185 193 384.63 EUR. Verified expenses on the project amount to 247 145 295.97 EUR, of which European Fund for Regional Development amount to 157 414 376.94 EUR, national co-funding amounts to 27 779 007.69 EUR and co-funding by the beneficiary amounts to 61 951 911.34 EUR. Certified expenses for the project amount to 247 145 295.97 EUR, of which there is European co-funding amounting to 157 416 791,50 EUR.

Both sections of the project were put into use on 31.08.2012. The project has ended with a final payment to Contractors. As a result from the implementation of the project there have been constructed 6.5 km subway railway and 7 subway stations, and some 190 000 people have access to improved city transport.

***Information for a completed „major” infrastructure project:***

Information regarding a completed “major” infrastructure project:

- Project name: Extension of Sofia Metropolitan – Stage I- 2<sup>nd</sup> metro diameter Nadezhda Road Junction (MS 5-II) - Cherni Vrah Blvd. (MS 11-II) section
- Completion date: 31.08.2012



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Information on the total final investment costs for the project, in euro, using the template provided in point H2.2 of Annex XXI and XXII of Regulation 1828/2006

Total amount of investment expenses in EUR sources of funding					Information
Total amount of investment expenses	Assistance from the community	National public participation	National private participation	Other sources	Loans from EIB/EFRD
a=b+c+d+e	(b)	(c)	(d)	(e)	(f)
296 574 355,17	157 414 376,94 <sup>13</sup>	139 159 978,23	0	0	0

- Outputs – 6.5 km metro lines and 7 metro sections;
- Results – number of metro trips – 20.1 mln. for 2013
- Core indicators – additional population served with improved urban transport (number) – 259 051.
- Significant problems encountered during implementation and measures taken to overcome them – no significant problems have been encountered during project implementation.

- Project **BG161PO004-3.0.01-0004 „Technical assistance for establishment of intermodality terminal in the North-central area of planning Bulgaria – Rousse”**

The purpose of the project is to conduct preparation for the investment project for construction of an intermodal terminal (IMT) – town of Rousse. Main activities under this project have been divided into 6 phases: preparation of preliminary project research, draft project, DSDP and preparation of expropriation procedures; preparation of an EIA report (if necessary); Archaeological research; Preparing an application form establishment of IMT Rousse; Activities on information and publicity; obtainment of corresponding documents on the activities related to the flight of the project.

An open procedure was announced on 06.03.2013 under PPA for selection of a Contractor for Phase 1 „Development of preliminary project research, draft project, DSDP and preparation of expropriation procedures”. The procedure has ended with a Resolution of the General director of NRIC dated 25.09.2013 for classifying students. The Decision has been appealed before CPC, which returned back for new proposals from participants. The decision of the CPC is in a process of appeal before the Supreme Administrative Court.

- Project **BG161PO004-3.0.01-0005 „Project for expansion of Sofia subway: Stage III Lot 1 „Tzarigradsko Shousse – Sofia airport” and Lot 2 „ZK Mladost 1 – Business Park in Mladost 4”**

The grant awarded amounts to BGN 215 141 300 (EUR 110 000 000). The European Commission approved the application form on 14.12.2012.

The payments including the advance payment amount to BGN 71 310 138 (EUR 36 460 294) of which ERDF to the amount of BGN 60 613 617 (EUR 30 991 250), national co-financing to the

<sup>13</sup> The amount of assistance from the community in BGN is 307 875 761, which is equal to 157 414 376,94 EUR (calculated using the fixed rate of BNB of 1.95583 BGN/ EUR) and is equal to the amount of expenses certified towards the EC in the amount of 157 416 791,50 EUR (calculated using the rate of the ECB of 1.9558 BGN./ EUR). In relation to requirements of the Ministry of Finance; the Managing Authority (MA) uses a different currency exchange rate BGN-EUR regarding A) the amount of assistance from the community and B) the amount of certified expenses towards the EC.



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amount of BGN 10 696 521 (EUR 5 469 044). The verified expenditure under the project is to the amount of BGN 65 831 310 (EUR 33 659 014)

The construction of **Lot 1** from Stage III of the project, including the trace of „Tzarigradsko Shousse Blvd. – ZK Druzba – Sofia airport” with length of 5 km and 4 subway stations (2 underground and 2 open – on elevated platform and terrain level) started in November 2012. The section is divided in three separate positions, each of which has its Contractors selected. **Deadline for completion – June 2015.** All three positions are undergoing design and intensive construction works – reconstruction of communication and engineering networks has been completed, as well as strengthening, excavation works, elevation of constructions; supports have been erected, reinforced steel armored concrete pillars and pre-stressed beams – about 80 % of the elevated section. Approximately 500 m. of railway track has been laid in the section leading to Sofia Airport.

**Physical progress of Lot 1 as of 31.12.2013 is 34,5 %.**

The construction of **Lot 2** from Stage III started on 25.04.2013 – ZK Mladost – Business park in ZK Mladost IV”. The length of the section is 2,6 km with 3 subway stations and is divided in two separate positions, for which Contractors have been selected. The entire trace is underground, its construction is planned to be implemented using a Milan method and open technique in strengthened excavations. **Deadline for completion – June 2015.**

The two separate positions have undergone designing, reconstructions of communications and engineering networks, strengthening, excavation work, a large part of the external constructions of the subway stations and tunnels has been constructed. **Physical progress on Lot 2 as of 31.12.2013 is 20,7%.**

**Total progress on the project – 29,3%.**

- Project BG161PO004-3.0.01-0008 *„Rehabilitation of station complexes on the TEN-T network – Rehabilitation of station complex Sofia Central Station”, „Rehabilitation of station complex railway station Bourgas, passenger”, „Reconstruction and isolation of reception building of Pazardzhik station -II-nd stage”*

The grant awarded amounts to BGN 45 633 377 (EUR 23 331 975). The payments including the advance payment amount to BGN 5 700 787 (EUR 2 914 766) of which ERDF to the amount of BGN 4 845 669 (EUR 2 477 551), national co-financing to the amount of BGN 855 118 (EUR 437 215). The verified expenditure under the project is to the amount of BGN 5 700 787 (EUR 2 914 766).

The primary goal of the project is to rehabilitate the reception buildings of the three stations and their adjacent territories, which are managed and maintained by NRIC.

**Sofia Central Railway Station** – auction procedures have been carried out under PPA. Two contracts were signed on 22.08.2013 – for construction and for design and for construction supervision. The Contractor is performing activities related to the preparation of the draft project. **Expected completion – November 2015**

**Bourgas railway station** – a procedure under PPA was started on 27.03.2013 to select a Contractor for the rehabilitation of the station. A Resolution of the Director General of the NRIC dated 19.11.2013 has classified the participants in the procedure and has selected a Contractor. A participant in the procedure has filed a complaint on 02.12.2013 to the CPC.

**Expected completion – end of 2015**





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**Pazardzhik railway station** – two auction procedures were held – for reconstruction and isolation of the building and for construction supervision. The contract with the selected Contractor for reconstruction and isolation of the building was signed on 31.10.2013. The contract for construction supervision was signed on 18.11.2013. Design is being performed.

**Expected completion – July 2014**

**Planned completion of project activities in November 2015**

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

No significant problems have been identified in the preparation and implementation of projects under this priority axis.



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#### 4. Priority axis IV „Improvement of the maritime and inland-waterway navigation”

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

**Table 18: Physical progress under Priority axis IV: “Improvement Maritime and Inland-Waterway Navigation” by Quantifiable indicators as of 31.12 2013**

Target values include baseline values.

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis IV - Improving Maritime and Inland-Waterway Navigation</b>											
Supervised coast length (nautical miles)	Achievement	24,7	35	35	35	35	35	35			35
	Target				95					238,4	
	Baseline	24,7									
Supervised river length (km)	Achievement	14	60	60	60	60	60	60			60
	Target									471,5	
	Baseline	24									
Implementation of VTMIS - phase 3 (number)	Achievement	0	0	0	0	0	1	1 <sup>14</sup>			1
	Target									1	
	Baseline	0									
River information system (number)	Achievement	0	0	0	0	1	1	1 <sup>15</sup>			1
	Target									1	
	Baseline	0									
Projects under PA 4	Achievement	0	0	0	0	1	2	3			3

<sup>14</sup> Under implementation.

<sup>15</sup> Under implementation.



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(number)	Target										3	
	Baseline	0										



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At the end of 2013 there are 5 contracts signed under the priority axis to receive grant at the amount of **75 907 647,79 BGN (38 810 964 EUR)**, which is **111,69%** of the priority axis budget. The total amount of allowed expenses under OPT by signed contracts for implementation under the priority axis amount to **60 801 570,52 BGN (31 087 349,37 EUR)**. Beneficiaries have received grant in the amount of **10 278 404.53 BGN (5 255 264.79 EUR)** or **15.12%** of the budget of the priority axis. The total amount of verified grant expenses under the priority axis at the end of 2013 amounts to **9 270 060.40 BGN (4 739 706.62 EUR)**, which is **13.64%** of the axis budget.

The three main investment projects under the priority axis are in the process of being implemented. In relation to the delay of implementation of the project for improvement of maritime conditions on the Danube river for the next period, some 122.1 million EUR was transferred from priority axis 4 into priority axis 3. The transfer was approved with a Resolution of the EC dated 17.12.2013, in relation to the second amendment of the TCP.

- Project **BG161PO004-4.0.01-0003 „Creation of river information system in the Bulgarian part of the Danube river – BULRIS”**

The grant awarded amounts to BGN 31 304 190 (EUR 16 005 578). The payments including the advance payment amount to BGN 10 176 654 (EUR 5 203 240) of which ERDF to the amount of BGN 8 650 156 (EUR 4 422 754), national co-financing to the amount of BGN 1 526 498 (EUR 780 486). The verified expenditure under the project is to the amount of BGN 9 032 347 (EUR 4 618 165)

The implementation of the project is divided into **three phases**, each of those phases is divided in two types of activities: „Preparatory activities” and „Implementation activities”. The status of their execution we will see as follows:

#### **Establishment of a river information system**

The main activity within **Phase 1** is activity 2.1. „Establishment of River Information System in the Bulgarian Part of the Danube River – BULRIS – First Phase” – includes design and construction of 16 communication points (unserved radio relay stations) and delivery of equipment for them, located along Danube river and a reserve RIS center in the city of Varna. As of 31.12. 2013 the construction works have been completed, as well as the deliveries, and installation of radio relay equipment for establishment of the transmission infrastructure, remote-controlled radio stations for communication along Danube river from “Florentin” station to “Silistra” station and to the operative RIS center in the town of Rousse, equipment and software for the operative RIS center. The signing of a final protocol of receipt is yet to come in January 2014.

**As of 31.12.2013 the total physical progress of implementation of Phase 1 for the sites of the river information system is 100%. It is expected to complete Phase 1 in January 2014.**

**Phase 2, Lot 1** (Activity 4 „Establishment of a river information center Rousse”). A contract was signed ДЕП-18/17.12.2012 with the subject of „Establishment of a river information center Rousse”. As of 31.12.2013 the total **physical progress** of implementation of **Phase 2, Lot 1** and the separate sub-activities is at **76,9%**, distributed in the sub-activities of Phase 2, Lot 2, as follows:

- Activity 1 (Activity 3.8 of project): Project for temporary organization of traffic in order to secure access to the construction site from the street road network for the period of constructing the following sites – 100 %;
- Activity 2 (Activity 4.2 of project): Construction of a railway crossing towards “Pristanishtna” Str. With constant organization of traffic – 86 %;



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- Activity (Activity 4.1 of project): construction, technical equipment and furnishing of the building of RIS center Rousse - 60 %;
- Activity 4 (Activity 4.5 of project): Reconstruction of existing pier wall – 68%;
- Activity 5 Publicity – 70.5 %;

#### **Expected completion – April 2014**

**Phase 2, Lot 2** (Activity 6) „Expansion of system and range of services” – the procedure for selection of a Contractor has been completed. A contract was signed on 14.11.2013 with the selected Contractor Partnership under Obligations and Contracts Act „BUL RIS 2”. The term of the contract is 18 months.

**Phase 2, Lot 3** (Activity 7) „Activities on implementation” – A public procurement was carried out to select a Contractor for „Integration of a system for monitoring and mapping of river bed”. The procedure has been completed and a Contractor has been selected. A complaint has been received at the CPC from a participant in the auction and legal proceedings were carried out. On 28.10.2013 CPC produced a Decision, which did rejected the complaint. On 14.11.2013 the Supreme Administrative Court received a complaint against the decision of CPC. The session of SAC is scheduled for 29.01.2014

**Phase 3** – „Integration of new technologies and correspondence with newly-adopted regulations of the European Commission” – Due to delay in publishing the new Regulations of the EC, the Beneficiary suggested that Phase 3 is not implemented in this program period. The funds envisaged for Activities 8 and 9 are deducted from the budget of the project. The Beneficiary declares that the successful implementation of Phase 1 and 2 shall represent the achievement of the main goal of the project: “harmonization of information services in order to maintain management of traffic and transport on in-land waterways” in correspondence with Directive 2005/44/EC.

- Project **BG161PO004-4.0.01-0005** „*Vessel Traffic Managements Information System(VTMIS) – Phase 3*”

The grant awarded amounts to BGN 32 724 314 (EUR 16 731 676). The payments including the advance payment amount to BGN 101 751 (EUR 52 024) of which ERDF to the amount of BGN 86 488 (EUR 44 221), national co-financing to the amount of BGN 15 263 (EUR 7 804)

The project includes seven activities: 1. Expansion of functions of the system for vessel traffic management; 2. Establishment of a national center for electronic document exchange in maritime transport („single counter”); 3. Upgrade and expansion of transmission environment and technological upgrade of the radio telecommunication system; 4. Construction of a coast center for management and information servicing of vessel traffic in Bourgas; 5. Construction of a coast center for management and information servicing of vessel traffic in Varna; 6. Construction supervision of activities 1,3,4 and 5; and Activity 7. Technical assistance.

On activities 1, 2 and 3 an auction procedure was opened on 15.12.2012 for „Delivery and installation of equipment and implementation of construction works under the project of „Vessel Traffic Managements Information System(VTMIS) – Phase 3”. On 14.11.2013, after complaint was filed, SAC revoked the Decision produced by the Commission for Protection of Competition, as a result of which a contract was signed on 13.12.2013 with the selected Contractor.

For activities 4 and 5 „Construction of coast centers for management and information servicing of vessel traffic in the cities of Bourgas and Varna“ a procedure was started on 18.01.2013 for delegation of a public procurement following the order of PPA, and on 24.06.2013 a contract was signed with the selected Contractor. The Contracting authority has approved the



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draft projects of sections “Architecture” and “Constructions” of buildings of both coast center and the necessary synchronizations are being carried out in relation to work design.

A procedure was started on 09.04.2013 for „Exercising construction supervision and delivering consultancy services for the construction of sites under project „Vessel Traffic Managements Information System(VTMIS) – Phase 3”. A contract was signed on 25.09.2013 with the selected Contractor.

**All construction contracts envisaged for implementation of the project have already been signed and are operational. Deadline for completion – June 2015**

**Physical progress of the project in general is at 0,7 %.**

- Project **BG161PO004-4.0.01-0007 „Improvement of navigation systems and topo-hydrographic measurements on the river Danube”**

Procedures started in 2013 for construction of a focal GPS network, for delivery and installation of automatic hydro-meteorological stations, for purchase of floating navigation signs and purchase of a specialized vessel. A contract was signed on 09.09.2013 with a Contractor for delivery and installation of automatic hydro-meteorological and hydro-metric stations.

**Physical progress as of 31.12.2013 is 45%.**

The procedure for purchasing a specialized vessel shall be once again announced in 2014. Procedures for purchase of floating navigation signs and establishment of focal GPS are in the process of appeal.

**Deadline for completion – May 2015**

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

No significant problems have been identified in the preparation and implementation of projects under this priority axis.



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## 5. Priority axis V – „Technical assistance”

### 5.1 Achievement of Targets and Analysis of the Progress

**Table 19: Physical progress under Priority axis V – “Technical Assistance” by Quantifiable indicators as of 31.12 2013**

Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Priority axis V – “Technical Assistance”</b>											
General transport master plan (number)	Achievement	0	0	0	1	1	1	1			1
	Target				1						1
	Baseline	0									
Strategic business plan for development of railway transport (number)	Achievement	0	0	0	0	0	0	0			0
	Target				1						1
	Baseline	0									
Communication plan implementation (number)	Achievement	0	1 <sup>16</sup>	1	1	1	1	1			1
	Target				1						1
	Baseline	0									
General plan for monitoring of the environment and its implementation (number)	Achievement	0	0	0	0	0	1	1			1
	Target				1						1
	Baseline	0									
Trained people according to training programmes (%)	Achievement	0	4.2	8.2	8.6	57	79	81			81
	Target				100 %					100 %	
	Baseline	0									
Publicity actions at national level (number)	Achievement	4	11	16	19	24	31	33			33
	Target				9					24	
	Baseline	0									

<sup>16</sup> Approved and under implementation.





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At the end of 2013 under the priority axis there were signed/issued 79 contracts/order for awarding financial assistance for the project amounting to a total of **124 339 678,23 BGN (63 573 867,99 EUR)** or **96,40 %** of the priority axis budget. Beneficiaries were paid **32 876 308,99 BGN (16 809 389,87 EUR)** or **25.49%** from the priority axis budget. The total amount of verified grant expenses under the priority axis at the end of 2013 amounts to **34 634 183,37 BGN (17 708 176,78 EUR)**, which is 26.85% of the axis budget.

- Project **BG161PO004-5.0.01-0030 „Technical assistance for preparation of investment project for third subway diameter of Sofia subway „Kniajevo district – downtown city area – Botevgradsko shousse Blvd.” for implementation as „light subway”**

All envisaged activities and stages of the project are completed. A Decision was produced on 13.09.2013 by the Ministry of Environment and Waters to evaluate the necessity of conducting an EIA survey for the investment proposal, which completes Stage III of the project. The procedure for confirmation of the Regulation plan is in progress – due to changes in the Spatial Development Act (SDA) the entire documentation has been returned by „Architecture and City Planning Directorate” at Metropolitan Municipality and the prepared plan has been sent for approval to the Ministry of Investment Design, which is an obstruction to finalize the contract with the Contractor. **It is expected to complete the project in March 2014**

- Project **BG161PO004-5.0.01-0059 „Design and integration of a geographic information system (GIS) for management of port infrastructure”**

Two contracts have been completed and paid, as follows: for preparation of Application form for project „Design and integration of a geographic information system (GIS) for management of port infrastructure” for the amount of 14 800 BGN, and Consultancy services for preparation of Technical specification for conducting a procedure for selection of Contractor for project: „Design and integration of a geographic information system (GIS) for management of port infrastructure” for the amount of 48 324 BGN.

In implementation of project Activities 5 to 12, which have the purpose of design and integration of geographic information system (GIS) for the needs of the Bulgarian Ports Infrastructure Company (BPIC) a contract was signed on 04.02.2013 with a Contractor, with a deadline for implementation until 04.08.2014 **Activities 5** „Analysis of current conditions in SCRI“, **6** „Designing GIS“ and **9** „Delivery and construction of hardware, software and communication infrastructure” have been carried out on time and adopted by Bulgarian Ports Infrastructure Company.

In parallel are implemented the following activities, according to the adopted schedule: **Activity 7** - „Establishment of data for port infrastructure and aquatory” and **Activity 8** „Development of applied software”.

Regarding **Activity 3** for „Distribution of information and publicity “ a contract was signed № ДЕП-16/13.08.2013 with term of implementation of 14 months but no later than 01.12.2014.

Regarding **Activity 4** „Project management – delivery of office materials and replacement items for computer equipment “ BPIC has signed a contract for implementation № ДЕП-13/03.07.2013 with deadline for implementation until 01.10.2014 and contract № ДЕП-21/13.12.2013 for financial audit for the amount of 35 000,00 BGN without VAT.

For the implementation of **Activity 13** „Monitoring and control of implementation of contract for „Design and implementation of geographic information system (GIS) for management of port



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infrastructure and aquatory” a contract was signed on 04.02.2013 with deadline for completion synchronized with the deadline of the contract for design and integration of GIS – 04.08.2014. Annex № 2 was signed on 29.03.2013 to the Grant Contract of the project, which extends the deadline for implementing the project until 01.12.2014. Annex № 3 dated 05.12.2013 makes amendments in the budget of the project.

**Physical implementation of the project in general– 65 %.**

- Project: **BG161PO004-5.0.01-0073 „Delivery of consultancy services in relation to pre-structuring of railway sector in Republic of Bulgaria”**

**Specified position № 1:** „Evaluation of market demand for railway transport services in Republic of Bulgaria and preparation of measures for their optimization” duration of implementation: from 05.09.2012 to 05.04.2013. The implementation of Position 1 achieves optimization and increase of the volume of public passenger railway transport services, improvement of the quality and range of services provided, creation of conditions for preparation of an investment program and optimization of the operation of the railway carrier „BDZ-Passenger transport” EOOD.

**Specified position № 2:** „Planning of human resources in National Company „Railway Infrastructure” and in „Holding of Bulgarian State Railways” EAD, in its position of potential beneficiary under Operational Program “Transport” (OPT). Technical assistance and training for improvement of management” with duration of implementation: from 05.09.2012 to 05.09.2013. The implementation of this activity optimizes the planning of human resources by preparing a thorough analysis and a Strategy for management and development of human capital in the companies, which are at the foundation of the railway sector of Republic of Bulgaria. The conducting of training and onsite examination of good practices of railway companies of other EU member-states has strengthened the administrative capacity of managing officers within the target groups of the project, in view of implementing the Program for reform of railway sector and its restructuring.

**Specified position № 3:** „Re-engineering of maintenance of railway tracks, traffic control and distribution of electrical energy performed by National Company “Railway Infrastructure” with duration of implementation: from 05.09.2012 to 05.04.2013. By implementing the activity help is provided to NCRI to improve activities on maintenance of railway infrastructure and distribution of electrical energy, as well as procedures of operation of railway traffic by means of analysis of existing facilities, personnel, organization and rules of operation and by suggesting a new approach based on the best practices around the world.

The project elaboration have been accepted by the Ministry of Transport, Information Technologies and Communications (MTITC) and are going to be used in the processes of reforming the railway sector.

- Project **BG161PO004-5.0.01-0078 „Technical assistance for improvement of efficiency of the road sector in Republic of Bulgaria “**

An Agreement was signed for provision of consultancy services between “Road Infrastructure” Agency (RIA) and the International Bank for Reconstruction and Development (IBRD). The law for ratification of the agreement was adopted by the National Assembly on 12.03.2013 and promulgated in SG issue 30 dated 26.03.2013. The Consultant has been delegated tasks related to compiling report, specifications and suggestions for the purpose of improvement traffic management.



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**Physical implementation of the agreement as of 1.12.2013 is at 22%.**

Procedures are being prepared for starting public procurement orders: Development of methods for evaluation of projects funded by OP Transport; Preparation of environmental assessment of a medium-term operational program for implementation of the strategy for development and road infrastructure in Republic of Bulgaria; Researching the level of satisfaction of road users; Establishment of infrastructure for spatial data.

**Physical implementation of the project in general is 9 %.**

**Expected completion – April 2014**

- Project: **BG161PO004-5.0.01-0097 „Design and construction of railway line Vidin-Sofia: update of project and preparation of railway section Vidin-Medkovetz”**

In accordance with the updated strategy for project implementation, during the current program period there shall be a thorough update of the project Vidin – Sofia and preparation for modernization of the railway section Vidin – Medkovetz. In this respect and due to necessity of providing for the lack of funds under priority axis 1 for implementation of infrastructure projects, in 2013 the preparation of the section Vidin – Medkovetz was transferred for implementation from priority axis 1 to priority axis 5 “Technical assistance”.

A contract was signed on 15.10.2013 for provision of grant with a deadline of implementation 31.08.2015. In implementing the project a contract was signed for Analysis of draft project and preparation of technical specifications for preparation of site “Modernization of railway line Vidin – Sofia” the Contractor being Institute for Transport Research” EOOD. The Contracting authority has accepted the work of the Contractor under the contract in December 2013.

**Physical progress of project at the end of 2013 is at 9.7%**

**Expected completion – August 2015**

- Project: **BG161PO004-5.0.01-0098 „Instrument for preparation of railway projects on Pan-European transport network”**

The application form to apply for funding of the project was adopted by the MA of OPT on 29.10.2013. The grant contract was signed on 12.11.2013.

The project involves preparation of the following projects for modernization of railway infrastructure: railway line Sofia – Dragoman; railway line Sofia – Pernik – Radomir; railway junction Sofia and railway junction Bourgas.

Four contracts have been signed under this project, one of which has the subject of „Preparation of application forms for projects: „Tool for preparation of railway projects on Pan-European transport network and development of city railway for achievement of environmentally friendly transport” and „Modernization of railway line Sofia – Plovdiv“ – has been successfully completed .

Contract № 3971/23.04.2012 for ”Preparation of report on environmental impact assessment of investment proposal for „Modernization of railway line Sofia - Dragoman“ and Contract № 4230/10.01.2013 for „Preparation of report on environmental impact assessment of investment proposal for „Development of a railway junction Sofia” are in the process of implementation.

Contract № 4371/10.07.2013 for „Coordination of preparation of technical projects and evaluation of correspondence with essential requirements towards construction sites for project “Tool for preparation of railway projects on the Pan-European transport network “ is also in the process of implementation. The Contractor has submitted an introductory report, Auction strategy, Plan for quality assurance, Plan for management of risks and technical specifications for selection of Contractor for the preparation of a technical project for rehabilitation and modernization of railway sections, under Specified positions 1, 2 and 3. The Consultant has presented for review a



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statement technical specification, reports on safety and technical assignments for parts of the envisaged projects, in accordance with the division by sections.

**Physical progress of project in general as of 31.12.2013 is at 14,3 %.**

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

No significant problems have been identified under the priority axis.

## **6. Use of technical assistance**

The funds from the priority axis "Technical Assistance" support activities related to improving the administrative capacity of the MA and beneficiaries; measures for information and publicity; evaluation of OPT; preparation of the Operational Programme 2014 – 2020 including also preliminary and environmental assessment; installation of Geographic Information Systems for the needs of NRIC and BPIC

Technical assistance has been provided for the preparation of the following projects which will be funded during the new programming period: preparation for the construction of the third metro diameter; preparation for "Vidin – Medkovets" railway (part of "Sofia – Vidin" railway line); preparation for phase 2 of the project for the rehabilitation of railway sections along Plovdiv - Burgas railway line; preparation for "Struma" highway Lot 3, "Hemus" highway and "Vidin – Montana" road. . The preparation for the "Sofia - Pernik – Radomir" and "Sofia – Dragoman" railway projects together with the preparation for railway junction Sofia and railway junction Bourgas will be financed by the Instrument for preparation of railway projects along TEN - T network. In the road sector are being prepared Lot 3 of Struma MW, Hemus MW and Vidin-Montana.

The project "Technical assistance for increasing the efficiency of the road sector in the Republic of Bulgaria" is in progress. The project implementation is related to the signed in October 2012 agreement between the Road Infrastructure Agency and the International Bank for Reconstruction and Development (IBRD). In 2013 the following project activities were carried out: a draft version of "Road sector strategy 2014-2020" was submitted; "Action plan for road safety 2013-2020" was approved; a draft version "Medium-term operational programme for the implementation of "Road sector strategy 2014-2020" was submitted; Geographic Information System term of reference was prepared and the final version of IT strategy was submitted.

An Agreement between the Ministry of Transport Information Technology and Communications and the European Investment Bank is being prepared. The bank will support the implementation of project "Provision of strategic consulting assistance to the Managing Authority of OP " Transport " 2007 – 2013 for the successful completion of 2007-2013 programming period by European Investment Bank". The objectives of the agreement are to provide steps for successful implementation and completion of the railway infrastructure projects financed by OPT and identified as "at risk". It will also provide for hiring external consultant who will help OP "Transport" Managing Authority to prepare the completion of revenue generating projects financed by the program, according to Art. 55 of Regulation (EC) № 1083/2006.

## **7. Administrative capacity of the Managing Authority (MA) and beneficiaries and measures undertaken for its improvement**

In execution of training plan for the MA employees (Coordination of Programmes and Projects Directorate employees) the following activities took place in 2013:



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- About 65 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of “Operational Programs Management”;
- About 45 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of "Programming and Project Development";
- About 30 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of “Financial Management and Accounting”;
- About 15 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of “Publicity Measures”;
- About 23 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of “Public Procurement”;
- About 15 % of the employees of the Coordination of Programmes and Projects Directorate – MA for OP Transport 2007 – 2013 participated in trainings in the field of “Others”;

## **8. Preparation of Operational program “Transport and transport infrastructure” 2014 – 2020**

At the end of 2013 the project of Operational Program „Transport and transport infrastructure” 2014-2020 was completed in correspondence with the adopted regulations for the program period of 2014-2020, and the operational program form has been filled out. The project of the program was sent to the Central Coordination Unit (CCU) by official letter on 17.12.13, where on 21.12.13 it was proceeded to the services of the EC for informal consultations. Work is carried out on the preliminary and environmental assessment of the program.

Operational program „Transport and transport infrastructure ” for the period 2014-2020 shall help for the achievement thematic objective. No. 4 "Supporting the shifts towards a low-carbon economy in all sectors" and Thematic objective No. 7 “Promoting sustainable transport and removing “bottlenecks” in key network infrastructures”. The next program period should also continue the implementation of projects for development of the transport system, which contribute to the effective connectivity of the transport network and the removal of “tight spots” in it, decreasing traffic jams, levels of noise and pollution, improving safety, encouragement of the use of environmentally friendly types of transportation etc. It is extremely important that during the program period of 2014-2020 acceptance is provided as well as logical sequence of investments from the program period of 2007-2013, which will guarantee the completion of directions, in which it has already been invested; this will make it possible to construct the main network and trans-border connections of the Pan-European transport network.

The following **priority axes** have been identified:

1. “Development of railway infrastructure along the „core” and „comprehensive” Trans-European transport network”
2. “Development of road infrastructure along the „core” Trans-European transport network”
3. „Improvement of intermodal transport services for passengers and freights and development of sustainable urban transport””;





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4. “Innovations in management and services - establishment of modern infrastructure for traffic management and transport safety improvement”
5. „Technical assistance”

The budget of Operational program “Transport and transport infrastructure” 2014 – 2020 is EUR 1 896 835 292 (EU and national co-financing).

## **9. Measures for information and publicity, implementation of the Communication plan**

The Communication plan of OP Transport 2007 -2013 was adopted by the European Commission on 13.08.2008. Its main goal is to popularize Operational program “Transport” 2007 – 2013 and to emphasize the support of the Community for development of transport infrastructure in Bulgaria. The main goal continues to be implemented under the measures for information and publicity for 2013, which represent strategically planned and interrelated communication activities.

In 2013 different activities were carried out in implementing the Communication plan of OPT by using various forms and methods of communication at national and regional level. During the implementation of all communication activities, the most effective communication channels were sought and the most suitable means were selected for reaching the target groups, and the widest possible media coverage was provided. Different type of channels are integrated in such a way, so that they may provide the widest distribution of the goals of the Communication plan.

Measures for information and publicity implemented in 2013 are integrated in an integral process, observing the condition to conduct at least one large information campaign (and/or event) per year. At the end of 2013 a large public event was held in Sofia in the form of a presentation and discussion forum, during which the progress of the program was reported, as well as summarized results of the communication of OPT.

On the occasion of Day of Europe, the flag of the European Union was raised before the premises of the Managing Authority for a week starting on 9<sup>th</sup> May (in correspondence with Regulation 1828/2006) and a special campaign was implemented in print media.

### **9.1 Information and advertising campaigns in the media:**

#### **9.1.1 Radio stations:**

- In the national air of Dari radio for the period April-October 2013 there were 10 fifteen-minute thematic shows, which report the achieved results on the main OPT projects, as well as 600 radio clips of 30 seconds each.
- In the air of **Focus radio** for the period of March-December 2013 there were 50 five-minute thematic shows broadcasted, which reported the achieved results on the main OPT projects as well as 1950 radio clips of 30 seconds each.

#### **9.1.2 Televisions:**

- In the air of “Cherno More” TV for the period June-December 2013 there were 1086 TV video clips broadcasted of 30 seconds and 60 seconds duration, which popularize the achievements of OPT in the field of developing the road, railway, maritime infrastructure and intermodal transportation.
- In “Bulgarian on Air ”TV, which has a distinct business profile, for the period April-December 2013 there were 340 TV video clips broadcasted with duration of 30 and 60 seconds, which popularized the achievements of OPT in the field of developing the road, railway, maritime infrastructure and intermodal transportation.



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### 9.1.3 Print media:

In 2013 there were three campaigns in print media:

- **Information campaign** in the period 14<sup>th</sup> January 2013 to 31<sup>st</sup> March 2013 on the theme of “Presenting and popularizing OP Transport” 2007 – 2013” with emphasis on projects related to reconstruction and electrification of railway infrastructure. The information campaign started on 14.01.2013 and was implemented according to the envisaged media plan; for the specific task there were envisaged saturated publications in regional media. A total of 151 ads were published within this campaign in ratio of 3:1 black-and-white to colour ads, the black and white ads being 114 and the colour ones being 37.
- **Information campaign** in the period 7<sup>th</sup> May 2013 to 30<sup>th</sup> June 2013 on the theme of „Presenting and popularizing OP Transport” 2007 – 2013”, in which an emphasis was placed on the contribution of the Community in developing the transport infrastructure of Bulgaria, popularize the assistance of the European Fund for Regional Development and the Cohesion fund of the EU. Emphasis during the campaign had two aspects: mark the celebration of the Europe Day on 9<sup>th</sup> May and emphasize the projects under Priority axis I and II, which are already put into exploitation. The information campaign started on 07.05.2013 and was carried out according to the envisaged media plan. This campaign included the publication of a total of 181 ads in a ratio of 3:1 black-and-white to colour ads, the black and white ads being 135 and the colour ones being 46.
- **Information campaign** in the period 01-31 October 2013 on the theme of „Presenting and popularizing the achievements and completed projects of OP Transport” 2007 – 2013”. Messages in this specific campaign were related to informing about the benefits of individual projects, as well as the improved types of transport, emphasizing the specific contribution of developing national transport infrastructure for the economy and society. The specific assignment included a wide number of media: national and regional daily and weekly newspapers, periodic publications, specialized print issues. Media were selected to comprise an appropriate media channel for reaching the target group „Wide audience”, defined in Chapter V of the Communication plan of Operational program „Transport” 2007 -2013. Reported publications as a result of the conducted information campaign under assignment № 5 in October 2013 were also 146 ads, of which 102 black and white and 4 colour ads (in accordance to the ratio set in the technical specification).

## 9.2 Statistics for visits, maintenance and update of internet website of OP Transport

### 9.2.1 Statistics for visits of the internet website of OPT

[www.optransport.bg](http://www.optransport.bg)

- Total number of visitors for the year – 65 938;
- Unique visitors (number of visits of different users within a 24-hour period) – 58 890;
- Impressions (number of website loads) – 274 181;
- Maximum number (peak) of online users reported for one day – 25

### 9.2.1 Maintenance and update of internet website of OPT

In 2013 the internet website of OPT published 46 messages in the “News” section, in addition to constant update of information on the progress of projects under the program. Connections with media have been maintained by means of preparing and distributing press releases for the program and its implementation.





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### 9.3 Print advertisement and information materials:

There were 14 840 pcs of the following advertising and information materials manufactured:

- Roll with a badge and button
- Business card holder - personal
- Cup - porcelain
- Laser pointer
- Foldable umbrella
- Set of roller, writing pen/ pencil
- Lighter - metal
- Organizer
- Inflatable pillow for travel, in a package
- Baseball hat
- Ledger with self-adhesive notes, with hard cover
- Silicon bracelets
- String for badge
- Balloons
- Elegant bag holder
- Antistress cube
- Light-reflective bracelet
- Set of keychain holder, business card holder and writing pen
- Keychain – metal and leather
- Blouse with collar, short sleeve
- Thermocup
- Metal badge - pins
- Pocket knife multifunctional
- Wall clock
- Luxurious ledger
- Work calendar
- Desktop calendar
- T-shirt – plain
- Paper bags - big
- Writing pen 3 in 1
- Suitcase
- Other types of materials

The design and branding of all articles are in correspondence with the requirements of Regulation 1828/2006 for graphic logo and standard of OP Transport.

The achieved results are: high level of visibility and recognition of OPT, increased trust in the MA of OPT as a guarantee of transparency in utilizing the funds of the Structural and Cohesion Funds.

### 9.4 Development and maintenance of information network between experts on publicity of MA of OPT and beneficiaries

There were four regular meetings held in 2014, where operational questions were discussed, related to the implementation of activities on information and publicity.



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## 9.5 Organization and implementation of public events:

**Table 20: Organized and implemented public events in 2013**

№	Date	Location	Event	Target groups
1.	20.01.2013	Sofia	Opening the expanded depot and factory for subway repair	Media Wide public Beneficiaries Project executors
2.	25.04.2013	Sofia	Ceremony for starting the construction of subway expansion in the section of Mladost 1 to Business Park in Mladost 4	Media Wide public Beneficiaries Project executors
3.	26.04.2013	Vratza	Official ceremony of “first dig” of bypass route of Vratza	Media Wide public Beneficiaries Project executors
4.	30.04.2013	Sofia	Press conference to present the conclusions from Lot 1 „Evaluation of market demand for railway transport services in Republic of Bulgaria and preparing measures for their optimization” and from Lot 3 „Re-engineering the maintenance of railway tracks, traffic control and distribution of electrical energy, implemented by National Company “Railway Infrastructure”.	Media Wide public Beneficiaries Project executors
5.	09.05.2013	rp. Svilengrad	Opening the railway line Svilengrad – Turkish border	Media Wide public Beneficiaries Project executors
6.	16.05.2013	Gabrovo	Official ceremony „First dig” of the construction of bypass route to Gabrovo	Media Wide public Beneficiaries Project executors
7.	05-06.06.2013	Nessebar	XIV Session of the Committee for observation of OPT	Media Wide public Beneficiaries Project executors
8.	24.06.2013	Bourgas	The ceremony for signing	Media



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ТРАНСПОРТ  
2007-2013  
По-бавно, по-бавику...

			contracts for design and construction of both traffic towers in Varna and Bourgas	Wide public Beneficiaries Project executors
9.	03-05.07.2013 г	Arbanasi village, Veliko Tarnovo area	Training seminar for officers of the MA of OPT and representatives of beneficiaries under the program for behaviour in media	Beneficiaries MA of OPT
10.	12.07.2013	Road junction "Zimnitza"	Official ceremony for opening the last section of "Trakia" motorway.	Media Wide public Beneficiaries Project executors
11	29.07.2013	Sofia	Conference „Good practices in building "Trakia" motorway" Lots 2, 3 and 4.	Media Wide public Beneficiaries Project executors
12.	31.07.2013	Dupnitsa	Ceremony for start of construction of Lot 2 of Struma motorway	Media Wide public Beneficiaries Project executors
13.	06.08.2013	Sofia	Presentation of results from the implementation of the project for preparation of the third ring of the underground railway.	Media Wide public Beneficiaries Project executors
14.	26.08.2013	Dimitrovgrad and Harmanli	Inspection of start of construction works in the section of Dimitrovgrad 0 Harmanli	Media Wide public Beneficiaries Project executors
15.	27.08.2013	Svilengrad	"First dig" ceremony for the modernization of the railway section of Harmanli-Svilengrad	Media Wide public Beneficiaries Project executors
16.	12-14.09.2013	Rousse	Training seminar of journalists	Media Beneficiaries MA of OPT
17.	25 – 27.09.2013	Varna	Conference on the subject of "Priorities of transport in the next program period 2014 - 2020"	Media NGOs Academics
18.	12.09.2013	Rousse	Phase II start of project "Bulris"	Media Wide public Beneficiaries Project executors
19.	14.11.2013	Pravetz	XV Monitoring Committee of	Media

			OPT	Wide public Beneficiaries Project executors
20.	18.11.2013	Pazardzhik	Ceremony for signing of the contract with Contractors for rehabilitation and Pazardzhik railway station	Media Wide public Beneficiaries Project executors
21.	18.12.2013	Sofia	Annual public event for presenting the progress of OP Transport for 2013	Media Wide public Beneficiaries Project executors
22.	19.12.2013	Sofia	Public presentation of project „Geographic information system of Bulgarian ports”.	Media Wide public Beneficiaries Project executors

## 9.6 Conducting sociological surveys and preparing analytic monitoring reports:

During the reported 2013 there were a total of 12 **sociological surveys** conducted, two of which – national representative surveys among external target groups (in accordance with item 5.2 of the OPT Communication plan):

1. National representative sociological research for establishing the efficiency of communication channels in accordance with the Communication plan of OP Transport for the period September 2012 to 31.01.2013, conducted in the period 13<sup>th</sup> February – 20<sup>th</sup> March 2013.
2. National representative sociological survey for establishing the awareness of citizens and their attitudes towards the sites constructed under OP Transport, conducted in the period 10<sup>th</sup> September – 8<sup>th</sup> August 2013.
3. Sociological survey among internal target groups on the subject of „Analysis and evaluation of internal communication between representatives of internal target groups”, carried out in the period of 25<sup>th</sup> February – 2<sup>nd</sup> April 2013.
4. Sociological survey among internal target groups on the subject of „Analysis of the current system for management and control of structural funds with an emphasis on OPT”, carried out in the period of 3<sup>rd</sup> June – 9<sup>th</sup> July 2013.
5. Survey for testing the information and advertising materials, carried out in the period of 7<sup>th</sup> November 2012 – 4<sup>th</sup> January 2013.
6. Survey for measuring the level of satisfaction of users of the internet website of OPT, carried out in the period of 26<sup>th</sup> August– 23<sup>rd</sup> September 2013.
7. Survey for measuring the level of satisfaction of participants and the quality of organized event, namely “Thirteenth session of the Committee for observation of OP Transport 2007 – 2013” held on 10<sup>th</sup> and 11.12.2012. The survey was carried out in the period of 3<sup>rd</sup> December 2012 – 4<sup>th</sup> January 2013.
8. Survey for measuring the level of satisfaction of participants and the quality of organize event, namely „Fourteenth session of the Monitoring committee of OP Transport 2007 –



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- 2013” , held on 05–06.06.2013 in the town of Nessebar. The survey was carried out in the period of 16<sup>th</sup> May– 11<sup>th</sup> June 2013.
9. Survey for measuring the level of satisfaction of participants and quality of organized event, namely “Training seminar for officers of MA and beneficiaries on behavior with media” held on 03–05.07.2013 in the village of Arbanasi. The survey was carried out in the period of 18<sup>th</sup> June – 10<sup>th</sup> July 2013.
  10. Survey for measuring the level of satisfaction of participants and quality of organized event, namely „Placing in exploitation of a site of SRR Yana station” held on 19.08.2013. The survey was carried out in the period of 2 - 23 August 2013
  11. Survey for measuring the level of satisfaction of participants and quality of organized event, namely „First dig for the reconstruction and electrification of railway line Plovdiv - – Svilengrad” phase 2, section „Parvomai – Svilengrad”, held on 26.08.2013 Survey was carried out in the period of 6 - 29 August 2013
  12. Survey for measuring the level of satisfaction of participants and quality of organized event, namely „Conference on theme: “Priorities in transport for the next program period 2014 – 2020” held in the period of 2 –27.09.2013 in Golden Sands resort, city of Varna. Survey was carried out in the period of 12<sup>th</sup> September – 3<sup>rd</sup> October 2013

In 2013 there were 3 **analytic monitoring and evaluation reports** for the results of the implementation of performed activities on the Communication plan of OPT, as follows:

1. Analytic monitoring report for the results from the implementation of performed activities on the Communication plan of OP Transport for the period of 01.01.2009 to 31.07.2011 The report was prepared in the period 11 February - 25 April 2013
2. Analytic monitoring report for the results from the implementation of performed activities on the Communication plan of OP Transport 2007–2013 for the period 01.08.2011 to 31.07.2012 The report was prepared in the period 1 May – 22 July 2013
3. Analytic monitoring report for the results from the implementation of performed activities on the Communication plan of OP Transport 2007–2013 for the period 01.08.2012 to 31.07.2013 The report was prepared in the period 1 July – 8 October 2013

Data from the performed national representative sociological surveys indicate that at national level OP Transport 2007-2013 is well recognized - more than half of all Bulgarians over the age of 15 are familiar with the program. More than two thirds of Bulgarian citizens approve it.

Most recognized are also the most popularized sites - „Completion of “Trakia” motorway”, Struma motorway, “Hemus” motorway, the project for expansion of Sofia subway. The rest of the projects within the program, related to railway, maritime and intermodal transportation are less familiar at national level and need additional popularization. At regional level, at the specific locations where the projects are implemented, they are more popular.

Part of the projects implemented by OP Transport 2007-2013 are already completed or are in the process of completion, which provides rich materials for interesting journalistic materials and presentation of the benefits of the program at national level. Special radio and television publications are developed for them, aiming to make them more popular.

Gradually, by applying purposeful measures for publicity we increase the share of Bulgarian citizens who are aware that Operational program „Transport” 2007 – 2013 is funded mainly by the Structural Funds of the European Union – nearly two thirds of the population of the country is acquainted with the sources of funding - 63 %.



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The carried out sociological surveys indicate that good planning and effective use of communication channels has played its part and the proportion of those, who can recognize OPT 2007 - 2013, as well as those who approve of it is significant at the end of the program period.

### **9.7 Media monitoring**

In 2013 304 pcs of daily media clipping, 44 pcs of weekly content analysis and 10 pcs monthly content analysis were elaborated. The prepared media monitoring is a means which provides information for the reputation of an organization through its public image. Media monitoring helps in obtaining feedback from media and enables additional assessment regarding which themes are interesting for journalists and the public.