



REPUBLIC OF BULGARIA

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

**PROGRAMME AND PROJECT COORDINATION
DIRECTORATE**

MANAGING AUTHORITY OF

TRANSPORT OPERATIONAL PROGRAMME 2007-2013

ANNUAL REPORT

2014



OPERATIONAL PROGRAMME ON
TRANSPORT 2007-2013
The nearer, the closer



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SUMMARY

The annual report of the implementation of Operational Programme “Transport” (OPT) 2014 was drafted pursuant to Art. 67 of Council Regulation (EC) 1083/2006 and in compliance with the requirements of Regulation (EC) 1828/2006 of the Commission. It follows the structure set out in Regulation 1828/for preparation of annual reports and the structure of the annual implementation reports of Operational Programme “Transport” 2007 – 2014 established over previous years.

By the end of 2014, the programme was still being implemented in good way. The amount of the grant awarded was 100.66% of the programme’s budget which, calculated on the basis of concluded commercial contracts is 95.79% . 22 investment projects are under implementation, with 7 of them already completed. The European Commission has approved 10 “major” projects, with 3 of them concluded.

Under priority axis 1 “Development of Railway Infrastructure Along Trans-European and Major National Transport Axes”, the rehabilitation of Mihaylovo-Kaloyanovets section (Lot 1 of the Plovdiv-Burgas project) and the rehabilitation of Pazardzhik railway station were commissioned (completed). In 2014 started the rehabilitation of Sofia Central Railway Station and the modernization of the railway sections Pazardzhik – Stamboliyski and Stamboliyski – Plovdiv (“Modernisation of Septemvri-Plovdiv Railway section, part of the Trans-European Railway Network” project). The contract for the construction of an Intermodal Terminal in Plovdiv was signed on 22.04.2014. As a result of railway projects implementation a total of 234 km of railway lines were rehabilitated by the end of 2014.

In 2014, under priority axis 2 „Development of the road infrastructure along trans-European and major national transport axes” the projects „Vratsa bypass road - Road I-1 (E79)” and „Road E-85 (I-5) „Kardzhali-Podkova” were commissioned. The rest of the project under that priority axes are under implementation.

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 were commissioned in 2012, and in 2014, more than 34.9 mln. trips were performed along the were made along the OPT-funded sections.

Under Priority axis 4 – “Improvement of the Maritime and Inland-Waterway Navigation” the implementation of project “*Design and implementation of a geographical information system (GIS) for the management of port infrastructure*” was successfully completed. The two main projects – the one for the creation of a river information system in the Bulgarian part of the Danube (BULRIS) and the one for the creation of an information system for the traffic of vessels (VTMIS phase 3) – are under implementation. In December 2014 the building of the river information system in the town of Ruse was opened.

The annual report for 2014 is divided into two main sections. Section II “**Overview of Transport OP implementation for 2014**” presents general information about the financial and the physical implementation as of the end of e 2014. Table 1 contains a report on the implementation of the core indicators relevant to OPT. The financial implementation of the programme is presented under it. **1.2 “Financial implementation of OPT as of 31.12.2014”** of the report. There is also information about the size of the grant and the means paid in terms of funding sources and categories of costs.

As of the end of grants awarded are in the amount of **BGN 3 944 245 574.31 (EUR 2 016 660 739,59)** was contracted or **100.66%** of the programme budget. The total amount of eligible costs under OPT of concluded commercial contracts stands at **BGN3 753 543 024.70 (EUR 1 919**



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156 074.25) or **95.79%** of its budget. The grant paid amounts to **BGN 2 765 009 445.51 (EUR 1 413 726 880.92)**, which is **70.56%** of the programme's budget.

As of the end of 2014 no resources were reported as lost under the programme as a result of implementing the automatic decommitment rule N+2. The amount to be certified to EC by the end of 2014 was **EUR 1 014 046.840** – only the European co-financing. As of 31.12.2014 the expenditure certified to EC amounted to **EUR 1 066 522.385** – only the European co-financing which is **105%** of the target value and represents **65,65%** of the budget of European co-financing under OPT.

The implementation of each priority axis and each infrastructural project is presented in Section III **“Implementation of Operational Programme “Transport” by priority axes”**. Achievement of indicators per priority axis is reported as of the end of 2014 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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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 |



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| | |
|-------|--------------------------------------------------|
| PPA | Public Procurement Act |
| 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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I. IDENTIFICATION

| | |
|-------------------------------------|----------------------------------------------------------------------------------------|
| OPERATIONAL PROGRAMME | Objective concerned: Convergence |
| | Eligible area concerned: Bulgaria |
| | Programming period: 2007 - 2013 |
| | Programme Number (CCI №): 2007BG161PO004 |
| | Programme title: Operational Programme on Transport |
| ANNUAL IMPLEMENTATION REPORT | Reporting year: 2014 |
| | Date of approval of the annual report by the Monitoring Committee: 06.2015 |

II. OVERVIEW OF THE IMPLEMENTATION OF OPT FOR 2014

1. Achievement and analysis of the progress

Good implementation of Operational Programme on Transport (OPT) is maintained towards the end of 2014. Grant at the amount of 100.66% of the programme's budget has been provided. Payments to beneficiaries are almost 71% of the budget. 22 investment projects are in a process of implementation, with 7 of them already completed. 11 "major" projects (over 50 million Euro) are underway, while EC has approved 10 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 of 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 74% of the axis budget. In 2014 the section Mihaylovo-Kaloyanovets was commissioned within the railway sector, and the railway station of Pazardzhik was modernized, having been renovated in less than a year.

All projects in road sector (Priority axis 2) are in a process of implementation as the amount of payments till the end of 2014 is very close to 66% of the axis budget. Two infrastructure projects were commissioned in 2014. Those were the bypass of the town of Vratsa and major road Kardzhali - Podkova.

The main challenge in 2014 was to do all possible in order to accelerate the programme implementation. In that regard, OPT MA continued its enhanced monitoring, including on the highest management level, of the railroad and road projects identified as bearing high risks.



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Risk railway projects

- „*Reconstruction and electrification of Plovdiv - Svilengrad railway line of corridor IV and IX, Phase 2: section Parvomai-Svilengrad*” – there is the risk that part of the activities might be left unfinished as of the end of 2015. Resources for this will be asked from the budget of the National Railway Infrastructure Company.
- „*Modernisation of Septemvri-Plovdiv Railway section, part of the Trans-European Railway Network*” – there is a risk that some of the activities might remain unfinished as of the end of 2015 (Position 2). Resources for this will be asked from the budget of the National Railway Infrastructure Company and/or through a loan from EIB.
- „*Rehabilitation Railway Infrastructure in sections of Plovdiv – Burgas Railway line*”- there is a risk that some of the activities might remain unfinished as of the end of 2015 (Position 3). Resources for this will be asked from the budget of the National Railway Infrastructure Company and/or through a loan from EIB.

Risk projects in the road sector

- „*Gabrovo Bypass*“ – this project has not been approved by EC. It is planned to be partially funded under OP and with national resources after the end of 2015
- „*Construction of Kalotina MW – Sofia Lot 1: „Western Arc of Sofia Ring road*” – delayed election of a contractor for Lot 2. It is planned to phase the project and to finish the implementation under Operational Programme on Transport and Transport Infrastructure.
- „*Construction of „Maritsa” MW, Lot 1 and Lot 2*”– the project is risky, but there are commitments and organization to finish it within the eligibility deadline for OPT.
- „*Struma” motorway, Lots 2 and 4*”- the project is risky, but there are commitments and organization to finish it within the eligibility deadline for OPT.
- „*Montana bypass road – Road I-1 (E79)*” – the project is risky due to unrecorded irrigation canals property of Napoitelni Sistemi, but there are commitments and organization to finish the project in September, 2015.

The measures implemented helped avoid losses of resources as of the end of 2014 with regard to applying the rule for automatic decommitment N+3/2. There was also significant progress in the implementation of water projects funded under priority axis 4 – from 36% to 51%.

1.1. Physical Implementation of OPT as of 31.12.2014

As of 31.12.2014 grants were provided for 116 projects under Operational Programme on Transport 2007-2013 (OPT) with total value of the grants at the amount of EUR **2 016 660 740** or **100,66%** of the programme's budget. Grants awarded co-finance EUR **1 919 156 074** of concluded contracts with contractors under the programme i.e **95,79%** of the programme's budget.

Construction of the following projects under OPT commenced in 2014:

- „*Modernization of Septemvri-Plovdiv line (Position 2 – “Modernization of the railway section Pazardzhik – Stamboliyski” and Position 3 “Modernization of the railway section Stamboliyski – Plovdiv”)*”;
- „*Construction of an intermodal terminal in Plovdiv*“ – signing of a contract with the selected contractor



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- *The construction of coastal centres in Varna and Burgas*
- *Rehabilitation of Sofia central railway station*
- *Rehabilitation of Pazardzhik railway station*
- *Rehabilitation of Burgas railway station – concluding a contract with the selected contractor*

The following sites funded under OPT were commissioned in 2014:

- *Construction of Vratsa Bypass*
- *„Road E-85 (I-5) „Kardzhali-Podkova”*
- *River Information System center in the town of Ruse (part of the BULRIS Project)*
- *The Railway section Mihaylovo – Kaloyanovets, part of the project for „Rehabilitation Railway Infrastructure in sections of Plovdiv – Burgas Railway line”*
- *Rehabilitation of Pazardzhik railway station*

Under OPT, grant award contracts have been concluded for twenty-two investment projects, as follows:

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

- *„Electrification and Reconstruction of Svilengrad railway line – 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”*
- *„Reconstruction 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 „Maritsa” 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”*
- *„Integrated system for the analysis and evaluation of the traffic along Motorways and major roads on the territory of the Republic of Bulgaria part of TEN-T”*

• **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”*



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- „Project for extension of Sofia Metropolitan – Phase III, Lot 1, Tsarigradsko shose – Sofia Airport; and Lot 2 – Mladost 1 – Business Park Mladost 4”
 - „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 renovation of arrivals building of Pazardzhik railway station – II stage”
 - „Construction of an intermodal terminal in the Southern Central Planning region of Bulgaria - Plovdiv“
- **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 along the Danube River

As a result of implementation of projects under the programme, by the end of 2014 234 km of railway lines have been rehabilitated, 175 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 34.9 million passengers have passed through the newly constructed metro sections in 2014.

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 ¹ | 22 | | 22 |
| | Target | | | | | | | | | 20 | |
| | Baseline | 0 | | | | | | | | | |
| New roads (km) | Achievement | 0 | 0 | 0 | 0 | 0 | 82 | 141 | 175 | | 175 |
| | Target | | | | | | | | | 335 | |
| | Baseline | 0 | | | | | | | | | |
| New TEN roads (km) | Achievement | 0 | 0 | 0 | 0 | 0 | 82 | 141 | 173 | | 173 |
| | Target | | | | | | | | | 333 | |
| | Baseline | 0 | | | | | | | | | |
| Reconstructed roads (km) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 16 | | 16 |
| | Target | | | | | | | | | 21 | |
| | Baseline | 0 | | | | | | | | | |
| TEN railroads (km) | Achievement | 0 | 0 | 0 | 2.3 | 27 | 108 | 164 | 234 | | 234 |
| | Target | | | | | | | | | 345 | |
| | Baseline | 0 | | | | | | | | | |
| Reconstructed railroads (km) | Achievement | 0 | 0 | 0 | 2.3 | 27 | 108 | 164 | 234 | | 234 |
| | Target | | | | | | | | | 345 | |
| | Baseline | 0 | | | | | | | | | |
| Value for time savings (roads) (euro per year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 23 577 110 | 32 916 127 | | 32 916 127 |
| | Target | | | | | | | | | 216 813 133 | |
| | Baseline | 0 | | | | | | | | | |

¹ Includes only investment projects under OPT for which grant contracts are concluded.



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| | | | | | | | | | | | |
|---------------------------------------------------------------------|-------------|---|---|---|---|---|---------|---------|---------|------------|---------|
| Value for time savings, Euro (railway transport) (euro per year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 076 | | 38 076 |
| | 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 | | 438 616 |
| | Target | | | | | | | | | 445 000 | |
| | Baseline | 0 | | | | | | | | | |



1.2. Financial implementation of OPT as of 31.12.2014

1.2.1. Grants awarding

116 grant contracts/decisions were concluded/awarded under Operational programme on Transport (OPT) as of 31.12.2014, amounting to **BGN 3 944 245 575,11 (EUR 2 016 660 739,59)** or **100,66%** 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 **3 753 543 024,21 BGN (EUR 1 919 156 074,25)** or **95,79%** of its budget.

Table 2: Value of grant awarded by priority axis from 2007 until 31.12.2014

| № of priority axis | Grant awarded from 01.01.2007 until 31.12.2014 | Ratio of grant awarded to the budget of the PA (%) |
|---------------------------|-------------------------------------------------------|-----------------------------------------------------------|
| 1 | 1 378 137 007,04 BGN (704 630 262,88 EUR) | 106,76 |
| 2 | 1 719 428 084,23 BGN (879 129 619,20 EUR) | 96,65 |
| 3 | 650 892 879,81 BGN (332 796 244,98 EUR) | 99,88 |
| 4 | 75 907 647,79 BGN (38 810 964,04 EUR) | 111,69 |
| 5 | 119 879 955,42 BGN (61 293 647,92 EUR) | 92,94 |
| Total | 3 944 245 575,11 BGN (1 984 243 827,58 euro) | 100,66 |

Table 3: Value of eligible grant of commercial contracts by priority axis from 2007 until 31.12.2014

| № of priority axis | Value of expenditure under grant eligible commercial contracts from 01.01.2007 until 31.12.2014 | Ratio of grant awarded to the budget of the PA (%) |
|---------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1 | 1 321 197 388,11 BGN (675 517 498,00 EUR) | 102,35 |
| 2 | 1 675 036 977,45 BGN (856 432 807,28 EUR) | 94,16 |
| 3 | 639 317 896,46 BGN (326 878 049,96евро) | 98,10 |
| 4 | 66 307 660,37 BGN (33 902 568,41 EUR) | 97,56 |
| 5 | 52 740 108,32 BGN (26 425 150,60евро) | 40,07 |
| Total | 3 753 543 024,21 BGN (1 919 156 074,25 EUR) | 95,79 |

1.2.2. Payments

A total of **2 765 009 445,57 BGN (1 413 726 880,95 EUR)** have been paid out to beneficiaries under Operational programme on Transport (OPT) from the beginning of 2007 until 31.12.2014 as per MA accounting system data which is **70.56%** of the total programme's budget. Grants paid out by source of funding are as follows: Cohesion Fund (CF) – 1 705 806 440,89 BGN (872 164 984,12 EUR) – 69,46% of the fund's budget, European Regional Development Fund (ERDF) – 537 838 685,18 BGN (274 992 553,13 Euro) – 74.56% of the fund's budget, national co-



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financing – 521 364 319,50 BGN (266 569 343,70 Euro) – 70.33% of the national co-financing budget.

Table 4: Payments made by priority axis from 2007 until the end of 2014 according to OPT MA accounting system

| № of priority axis | Value of payments from 01.01.2007 until 31.12.2014 | Ratio of payments to the budget of the PA (%) |
|---------------------------|-----------------------------------------------------------|------------------------------------------------------|
| 1 | 960 746 390.16 BGN (491 221 829.17 EUR) | 74,43 |
| 2 | 1 171 511 660.92 BGN (598 984 400.96 EUR) | 65,85 |
| 3 | 541 517 365.58 BGN (276 873 432.55 EUR) | 83,10 |
| 4 | 38 722 939.01 BGN (19 798 724.33 EUR) | 56,97 |
| 5 | 52 511 089.90 BGN (26 848 493.94 EUR) | 40,71 |
| Total | 2 765 009 445,51 BGN (1 413 726 880.92 EUR) | 70,56 |

Table 5: payments made by priority axis only in 2014 according to OPT MA accounting system

| № of priority axis | Value of payments only in 31.12.2014 | Ratio of payments to the budget of the PA (%) |
|---------------------------|------------------------------------------------|------------------------------------------------------|
| 1 | 144 258 430.94 BGN (73 758 164 53 EUR) | 11,18 |
| 2 | 288 771 902.06 BGN (147 646 729.04 EUR) | 16,23 |
| 3 | 102 249 894.93 BGN (52 279 541.13 EUR) | 15,69 |
| 4 | 28 444 534.48 BGN (14 543 459.55 EUR) | 41,85 |
| 5 | 19 634 780.91 BGN (10 039 104.07 EUR) | 15,22 |
| Total | 583 359 543.32 BGN (298 266 998.32 EUR) | 14,89 |

1.2.3. Expenditure verification

Verified expenditure from the beginning of 2007 until 31.12.2014 amount to 2 847 840 267.86 BGN (1 456 077 607.90 EUR), distributed by priority axes as follows:

- **Priority axis 1 – 1 014 952 914.61 BGN (518 937 185.04 EUR), of which**
 - Grant– 892 438 655.33 BGN (456 296 638.94 EUR) – 69.14% of the axis budget
 - Own contribution – 122 514 259.28 BGN (62 640 546.10 EUR)
- **Priority axis 2 – Grant amounting to 1 079 097 198.90 BGN (551 733 636.82 EUR), which is 60.66% of the axis budget**
- **Priority axis 3 – 668 021 600.67 BGN (341 554 020.88 EUR), of which:**
 - Grant– 529 138 117.52 BGN (270 544 023.52 EUR) – 81.20% of the axis budget
 - Own contribution – 138 883 483.15 BGN (71 009 997.37 EUR)
- **Priority axis 4 – Grant amounting to 33 485 602.95 BGN (17 120 916.93 EUR), which is 49.27% of the axis budget**



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- **Priority axis 5 – Grant amounting to 52 282 950,73 BGN (26 731 848.23 EUR),** which is 40.53% of the axis budget

Verified expenditures for 2014 amount to 607 910 720.83 BGN (310 819 816.05 EUR), distributed by priority axes as follows:

- **Priority axis 1 – 135 268 008,82 BGN (69 161 434,70 EUR), of which:**
 - Grant – 134 988 131,80 BGN (69 018 335,85 EUR) – 10,46% of the axis budget
 - Own contribution – 279 877,02 BGN (143 098,85 EUR)
- **Priority axis 2 – Grant in the amount of 325 880 957,77 BGN (166 620 287,94 EUR),** which is 18,32% of the axis budget
- **Priority axis 3 – 104 897 444,33 BGN (53 633 211,65 EUR), of which:**
 - Grant – 95 349 474,56 BGN (48 751 412,22 EUR) – 14,63% of the axis budget
 - Own contribution – 9 547 969,77 BGN (4 881 799.42 EUR)
- **Priority axis 4 – Grant in the amount of 24 215 542,55 BGN (12 381 210,30 EUR),** which is 35,63% of the axis budget
- **Priority axis 5 – Grant in the amount of 17 648 767,36 BGN (9 023 671,47 EUR),** which is 13,68% of the axis budget

1.2.4. Expenditure certification

Certified expenditure from 2007 until 31.12.2014 amounts to 1 436 771 135.66 EUR, distributed as follows:

- **Priority axis 1 – 515 670 802,84 EUR** including 458 358 051,98 EUR public participation, representing 69,45% of the axis budget
- **Priority axis 2 – 537 639 305,46 EUR** including 537 639 305,46 EUR public participation, representing 59,11% of the axis budget
- **Priority axis 3 – 340 451 933,05 EUR** including 274 313 846,26 EUR public participation, representing 82,33% of the axis budget
- **Priority axis 4 – 17 073 018,93 EUR** including 17 073 018,93 EUR public participation, representing 49,13% of the axis budget
- **Priority axis 5 – 25 936 075,38 EUR** including 25 936 075,38 EUR public participation, representing 39,33% of the axis budget

5 reports for certification were submitted in 2014 under which expenditures, amounting to 300 924 168.79 EUR were certified, allocated as follows:

- **Priority axis 1 – 67 956 468,18 EUR** including 67 806 231,13 EUR public participation, representing 10,27% of the axis budget
- **Priority axis 2 – 158 899 446,32 EUR** including 158 899 446,32 EUR public participation, representing 17,47% of the axis budget
- **Priority axis 3 – 52 812 845,40 EUR** including 48 627 620,23 EUR public participation, representing 14,59% of the axis budget



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- **Priority axis 4** – 12 487 052,40 EUR including 12 487 052,40 EUR public participation, representing 35,93% of the axis budget
- **Priority axis 5** – 8 768 356,49 EUR including 8 768 356,49 EUR public participation, representing 13,30% of the axis budget

As of the end of 2014 no losses of funds were reported under the programme in accordance with the existing automatic decommitment rule N+3/2. The target value to be certified to EC by the end of 2014, taking account also of the impact of major projects, was 1 014 046 840 EUR – only European funding. With the last certificates sent to EC on 23.12.2014 the total amount of expenditure certified to the Commission amounted to **1 066 522 385 EUR**, which is **105%** of the target value and represents **65,65%** of the European co-financing budget.

1.2.5. Interim payments from EC

Interim payments, made by EC for reimbursement of certified expenditures as of 31.12.2014 amounted to 1 995 859 315.88 BGN (1 020 466 664.22 EUR), allocated by funds as follows:

- CF – 1 510 849 872.16 BGN (772 485 273.34 EUR) – 97% of certified expenditures
- under the fund
- ERDF – 485 009 443,72 BGN (247 981 390,88 EUR) – 91.94% of certified expenditures
- under the fund

Interim payments, made by EC for reimbursement of certified expenditures in 2014 only amounted to 462 061 258,59 BGN (236 248 170,13 EUR), allocated by funds as follows:

- CF – 360 294 497,07 BGN (184 215 651,19 EUR)
- ERDF – 101 766 761,52 BGN (52 032 518,94 EUR)

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.



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)/ (g) | | |
| 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” - CF | 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 - ERDF | 56 057 500 | 9 892 500 | 9 892 500 | 0 | 65 950 000 | 85% | 0 | 0 |
| TOTAL | 1 624 479 623 | 379 001 543 | 379 001 543 | 0 | 2 003 481 166 | | 0 | 0 |



Table 7: Financial implementation of OPT as of 31.12.2014 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) ² | Corresponding public contribution | 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 | 515 670 802.84 | 458 358 051.98 | 69.45 |
| Priority axis II „Development of the road infrastructure along trans-European and major national transport axes” (Cohesion fund) | 909 587 365.00 | Public expenditure | 537 639 305.46 | 537 639 305.46 | 59.11 |
| Priority axis III „Improving intermodality in transporting passengers and cargos” (European Regional Development Fund) | 333 193 801.00 | Public expenditure | 340 451 933.05 | 274 313 846.26 | 82.33 |
| Priority axis IV “Improvement of the maritime and inland-waterway navigation” (European Regional Development Fund) | 34 750 000.00 | Public expenditure | 17 073 018.93 | 17 073 018.93 | 49.13 |
| Priority axis V “Technical Assistance” (European Regional Development Fund) | 65 950 000.00 | Public expenditure | 25 936 075.38 | 25 936 075.38 | 39.33 |
| Total | 2 003 481 166.00 | Public expenditure | 1 436 771 135.66 | 1 313 320 298.01 | 65.55 |

² Figures expressed in cumulative terms.



Table 8: Financial Implementation of OPT per Priority Axis and Funds as of 31.12.2014 (in EUR)

| 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) | 526 945 658.29 | 480 677 004.24 | 408 649 807.29 | 363 400 251.18 |
| Priority axis II „Development of the road infrastructure along trans-European and major national transport axes” (Cohesion fund) | 551 880 597.61 | 551 880 597.61 | 495 339 691.30 | 409 085 022.21 |
| Priority axis III „Improving intermodality in transporting passengers and cargos” (European Regional Development Fund) | 342 070 835.30 | 271 025 047.50 | 238 147 282.48 | 218 634 052.68 |
| Priority axis IV “Improvement of the maritime and inland-waterway navigation” (European Regional Development Fund) | 18 950 597.67 | 18 950 597.67 | 13 914 947.16 | 9 860 829.05 |
| Priority axis V “Technical Assistance” (European Regional Development Fund) | 26 767 272.86 | 26 767 272.86 | 19 632 505.02 | 19 486 509.10 |
| Total | 1 466 614 961.73 | 1 349 300 519.88 | 1 175 684 233.25 | 1 020 466 664.22 |



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



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

| Combination of Codes of Dimensions 1 – 5 | | | | | |
|-----------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------------|-------------------------|
| Code * Dimension 1 Priority Theme | Code * Dimension 2 Form of financing | Code * Dimension 3 Territory | Code * Dimension 4 Economic Activity | Code * Dimension 5 Location | Amount in EUR ** |
| 17 | 01 | 00 | 11 | BG | 361 095 019.75 |
| 21 | 01 | 00 | 11 | BG | 608 350 077.83 |
| 22 | 01 | 00 | 11 | BG | 88 917 294.80 |
| 26 | 01 | 01 | 11 | BG411 | 437 523 921.39 |
| 27 | 01 | 01 | 11 | BG | 30 117 178.89 |
| 28 | 01 | 00 | 11 | BG | 30 746 576.25 |
| 32 | 01 | 00 | 11 | BG | 5 162 653.40 |
| 85 | 01 | 00 | 00 | BG | 66 093 582.58 |
| 86 | 01 | 00 | 00 | BG | 4 146 562.65 |
| Total | | | | | 1 632 152 867.54 |
| * 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 31.12.2014 (B EUR) (Commercial contracts)

| Combination of Codes of Dimensions 1 – 5 | | | | | |
|-------------------------------------------------|---------------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------------|---------------------|
| Code * Dimension 1 Priority Theme | Code * Dimension 2 Form of financing | Code * Dimension 3 Territory | Code * Dimension 4 Economic Activity | Code * Dimension 5 Location | Amount in EUR ** |
| 17 | 01 | 00 | 11 | BG | 352 124 428.69 |
| 21 | 01 | 00 | 11 | BG | 595 921 009.07 |



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| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------|----|----|----|-------|-------------------------|
| 22 | 01 | 00 | 11 | BG | 86 776 276.47 |
| 26 | 01 | 01 | 11 | BG411 | 433 059 629.84 |
| 27 | 01 | 01 | 11 | BG | 31 374 274.10 |
| 28 | 01 | 00 | 11 | BG | 27 265 311.63 |
| 32 | 01 | 00 | 11 | BG | 1 551 871.52 |
| 85 | 01 | 00 | 00 | BG | 66 093 582.58 |
| 86 | 01 | 00 | 00 | BG | 4 146 562.65 |
| Total | | | | | 1 598 312 946.55 |
| * 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. | | | | | |

Table 11: Community contribution paid by MA as of 31 December 2014 by category (in Euro)

| Combination of Codes of Dimensions 1 – 5*** | | | | | |
|-----------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------------|-------------------------|
| Code * Dimension 1 Priority Theme | Code * Dimension 2 Form of financing | Code * Dimension 3 Territory | Code * Dimension 4 Economic Activity | Code * Dimension 5 Location | Amount in EUR ** |
| 17 | 01 | 00 | 11 | BG | 206 851 556.78 |
| 21 | 01 | 00 | 11 | BG | 438 935 900.49 |
| 22 | 01 | 00 | 11 | BG | 39 724 857.25 |
| 26 | 01 | 01 | 11 | BG411 | 426 174 474.14 |
| 27 | 01 | 01 | 11 | BG | 6 091 825.30 |
| 28 | 01 | 00 | 11 | BG | 16 190 861.80 |
| 32 | 01 | 00 | 11 | BG | 663 136.71 |
| 85 | 01 | 00 | 00 | BG | 21 906 186.59 |
| 86 | 01 | 00 | 00 | BG | 2 247 953.06 |
| Total | | | | | 1 158 786 752.12 |
| * The categories should be coded for each dimension using their standard classification | | | | | |
| ** Amount of the Community contribution for each combination of categories | | | | | |

1.4. Provided assistance by target groups

Non applicable.



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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 31.12.2014 resources at the amount of BGN **2 512 428.97 BGN** were repaid under registered irregularities with the relevant financial corrections by Bulgarian authorities. The repaid resources were reused for funding other OPT projects.

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)

| Convergence Objective | | | |
|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 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 EUR) | Category within the Total Allocation of Community Contribution (%) |
| | Transport | 1 472 995 427.51 | 90.25 |
| 17 | Railroads (TEN-T) | 361 095 019.75 | 22.12 |
| 21 | Motorways (TEN-T) | 608 350 077.83 | 37.27 |
| 26 | Multimodal transport | 437 523 921.39 | 26.81 |
| 27 | Multimodal transport (TEN-T) | 30 117 178.89 | 1.85 |
| 28 | Intelligent transport systems | 30 746 576.25 | 1.88 |
| 32 | Inland waterways (TEN-T) | 5 162 653.40 | 0.32 |
| Total funds allocated to categories of Lisbon earmarking expenditure | | 1 472 995 427.51 | 90.25 |
| Total allocations of EU contribution for the Convergence Objective | | 1 643 193 448.89 | 100 |



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Table 13: Awarded Community contribution for Lisbon earmarking under OPT (EU only) by of 31.12.2014 (Commercial contracts)

| Convergence Objective | | | |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Code (pursuant to Annex IV of Regulation No. 1083/2006) | Priority Themes (pursuant to Annex IV of Regulation No. 1083/2006) | Community funding allocated to the respective category of expenditure (in euro) | Share of the category within the Community funding allocated to the respective category of expenditure (%) |
| | Transport | 1 441 296 524.85 | 97.85 |
| 17 | Railroads (TEN-T) | 352 124 428.69 | 97.52 |
| 21 | Motorways (TEN-T) | 595 921 009.07 | 97.96 |
| 26 | Multimodal transport | 433 059 629.84 | 98.98 |
| 27 | Multimodal transport (TEN-T) | 31 374 274.10 | 104.17 |
| 28 | Intelligent transport systems | 27 265 311.63 | 88.68 |
| 32 | Inland waterways (TEN-T) | 1 551 871.52 | 30.06 |
| Total contracted funding to categories of expenditure for Lisbon earmarking (EU only) | | 1 441 296 524.85 | 97.85 |
| Total Community contribution by categories of expenditures allocated for Lisbon Earmarking (for EU only) | | 1 473 011 427.51 | 100 |

Table 14: Payments for Lisbon earmarking by 31 December 31.12.2014 (EC only)

| Convergence Objective | | | |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 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 % |
| | Transport | 1 123 767 991.91 | 75.47 |
| 17 | Railroads (TEN-T) | 206 851 556.78 | 57.28 |
| 21 | Motorways (TEN-T) | 438 935 900.49 | 72.15 |
| 26 | Multimodal transport | 426 174 474.14 | 97.40 |
| 27 | Multimodal transport (TEN-T) | 6 091 825.30 | 20.23 |
| 28 | Intelligent transport systems | 16 190 861.80 | 52.66 |
| 32 | Inland waterways (TEN-T) | 663 136.71 | 12.84 |
| Total paid Community contribution by categories for Lisbon earmarking (EU only) | | 1 123 767 991.91 | 75.47 |
| Total Community contribution by categories of expenditures allocated for Lisbon Earmarking (for EU only) | | 1 473 011 427.51 | 100 |



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 31.12.2014, **9** grant contracts were concluded under the priority axis at the total amount of **1 378 137 007.05 BGN (704 630 262.88 EUR)** which represents **106.76%** of the axis budget. Beneficiaries have been paid grants at the amount of **960 746 390.01 BGN (491 221 829.10 EUR)** or **74.43%** 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*”, „*Modernisation of railway section Septemvri - Plovdiv – part of Trans-European railway network*” and *Rehabilitation of railway infrastructure in sections of the railway Plovdiv – Burgas*” 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 2014 as a result of the successful implementation of the projects under the Priority axis 226 km railway lines were rehabilitated, and 6.7 km metro lines and 6 metro stations were constructed and put into operation.

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

15 grant contracts were concluded under the priority axis at the total amount **1 719 428 084.23 BGN (879 129 619.77 EUR)** or **96.65%** of the priority axis budget. Beneficiaries have been paid grants at the amount of **1 171 511 660.92 BGN (598 984 400.96 EUR)** or **65.85%** 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. The preparation of MW Hemus, Lot 3, of MW Struma and the road “Vidin – Montana” is also funded under the priority axis

The projects “*Gabrovo Bypass*”, “*Construction of MW Kalotina – Sofia – Lot 1: “West ring of Sofia ring road”*”, “*Maritsa Motorway” Lot 1 and Lot 2*”, “*Struma Motorway” Lot 2 and Lot 4 of and “Montana Bypass*” are identified as being at risk by OPT’s MA. MA performs enhanced monitoring under these by on-spot audits, including at high levels, monthly meetings with the beneficiary are organized.

The implementation of the project for the construction of Vratsa bypass and the section Kardzhali – Podkova was completed as of the end of 2014. 175 km of new roads were constructed and commissioned and 16 km of roads were rehabilitated.

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

6 grant contracts were concluded under OPT at a total amount of **650 892 879.81 BGN (332 796 244.98 EUR)**, comprising **99.88%** of the axis budget.

Beneficiaries have been paid grants at the amount of **541 517 365.58 BGN (276 873 432.55 EUR)** or **83,10%** of the axis budget.

The rehabilitation of railway stations in Sofia and Pazardzhik started in 2014 under the priority axis, and the renovation of Pazardzhik railway station was finished within that year. Moreover, the contracts with selected contractors for the modernization of Burgas railway station



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and the construction of the intermodal terminal in Plovdiv were concluded. The implementation of stage III of the metropolitan's expansion also continued in 2014.

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 2014 at the amount of **75 907 647.80 BGN (38 810964.04 EUR)**, comprising **111.69%** of the priority axis budget. Beneficiaries have been paid grants at the amount of **38 722 939.01 BGN (19 798 724.33 EUR)** or **56,97%** 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. The building of the River Information Services Centre in Ruse was inaugurated in the end of 2014.

Priority axis 5 "Technical Assistance"

81 grant contracts/decisions were concluded/issued under the priority axis as of the end of 2014 at a total amount of **119 879 955.41 BGN (61 293 647.92 EUR)** or **92,94%** of the priority axis budget. Beneficiaries have been paid grants at the amount of **BGN 52 511 089.90 (26 848 493.94 EUR)** or **40.71%** of the priority axis budget.

Under the priority axis are financed activities related to improving the administrative capacity of the MA and the beneficiaries; information and publicity measures; OPT evaluation; introduction of Geographical Information Systems for the needs of NRIC and BPIC and the preparation of the Operational Programme for the programming period 2014 – 2020, including preliminary and ecological evaluation;. A significant amount of the funds were submitted for the preparation of projects for the new programming period, such as preparing the construction of third metro diameter; preparation of the railroad section Vidin – Medkovets (part of the construction of the railway Vidin – Sofia); preparation of railroad projects Sofia – Pernik – Radomir, Sofia – Dragoman; railway junction Sofia and Burgas through the instrument for the preparation of railroad projects along the TEN-T network.

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 31.12.2014.

3. Significant Problems Encountered and Measures Taken to Overcome Them

3.1. Problems encountered with the implementation of the Law on Public Procurement

1. During the reporting period, problems occurred with regard to the application of Art. 4, it. 4 of the Law on Public Procurement (LPP) after the amendments to the law published in SG, ed. 40/13.05.2014. Up till then archaeological excavations were assigned through the respective procedure specified in LPP. By the amendments from 13.05.2014 archaeological excavations were made equivalent to scientific research, thus were excluded from LPP's field of application. At first, the approach was to directly implement the provision, i.e. to exclude archaeological research from LPP's field of application and to assign them directly without a public procurement. Later, on 17.09.2014 the Public Procurement Agency published a Methodological Guideline stipulating that scientific research and development, including on-site archaeological research are not subject to public procurement where the contracting authority fully pays for that service, but the benefits



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arising from them do not remain the contracting authority's full property upon completion of its activity. PPA's analysis leads to the following conclusion: "In archaeological excavations, as far as the preservation of the Republic of Bulgaria's cultural and historical heritage is not part of the business of the construction site's contracting authority the latter's only benefit is only that the terrain is vacated for the purpose of performing that particular construction activity. Given this, the results from that research do not affect and are not required by the contracting authority in its future activities. Here, the benefits are only for the business of other persons as well as society as a whole, which does not meet the idea behind the respective condition. Given that the lawful implementation of the exception requires the cumulative presence of the three conditions under Art. 4, it. 4 LPP, it can be concluded that archaeological excavations related to the principal's investment activities are not excluded from the field of application of that law."

2. After the methodological guidelines were published, Ex-ante Department in the MA gave instructions to the programme beneficiaries as to the implementation of a public procurement under LPP in case the conditions under Art. 4, it. 4 LPP were met.

3. Another problem resulting from LPP's amendments published in SG, ed. 40/13.05.2014 was related to LPP's applicable procedures for public calls for tenders announced. Pursuant to the transitional and additional provisions of the Law on the amendment and complementation of LPP any public procurement initiated up to that law's becoming effective shall be finished in the manner valid so far. As regards the procedures under Chapter 8a the law shall come into effect immediately, since this is not a public procurement procedure. In that regard there occurred the question on how to finish any tenders already published. According to the adopted approach those public calls for tender which involve any infringements and do not meet the new rules should be terminated and a new call for tender which meets the new requirements should be published.

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

The main challenge for the programme implementation was the delay in the implementation of risky projects. As of the end of 2014, the following main problems that the two major beneficiaries NRIC and RIA encountered were identified.:

- Delay in the carrying out of land acquisition procedures within short deadlines.
- Delay in the carrying out of archaeological research.
- Delay in the coordination between the institutions involved in the coordination procedures during the preparation and implementation of projects funded under OPT
 - Unfavourable weather conditions consisting in heavy rainfalls and floods
 - Insufficiently effective management of construction contracts on the part of NRIC
 - Insufficient resources but also lack of long-term planning as regards NRIC's own contribution
- Dismissals and reorganizations at Directorate "Implementation of Projects under OP Transport and CF at RIA in December, 2014.

It is necessary to provide funds for the overall implementation of projects included under priority axes 1 and 2. The funds are necessary to implement and finish the projects in the volume approved by the European Commission;

In early 2015 OPT's MA developed an action plan for the finalization of projects within the programme period, which was discussed at a meeting with the Director-General of Directorate General "Regional and Urban and the deputy Prime Minister responsible for the management of



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EU funds. The main activities are related to increasing the co-financing from CF from 80% to 85%, as well as well as the transfer of funds between priority axes 1 and 2.

For any projects for which it is established that the delay cannot be compensated, it is planned to hold negotiations with EC's services on the phasing of those projects and their implementation during programme period 2014-2020. Also, for projects to be completed beyond the expenditure eligibility deadline (after December 2015), but before March 2017, it is planned to provide budget resources or resources of the respective beneficiary or a loan from EIB.

4. Changes in the Context of OPT Implementation in 2014

4.1 Changes in the indicative list of major projects

No changes in the list of major projects were made since the second amendment of OPT, approved by EC on 17.12.2013

5. Substantial modification pursuant to Art. 57 of Regulation 1083/2006

With Regulation (EU) No.539/2010 amending Council 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 simplification of certain requirements and as regards certain provisions relating to financial management an amendment was introduced to Art. 57 "Durability of Operations" of 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.“

According to Art. 57 of Regulation (EO) 1083/2006 in December 2014 and in January 2015 the MA performed sustainability on the spot checks on the „*Project for extension of Sofia*



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Metropolitan: Phase II, lot 1 – Obelya – Nadezhda and Lot 2 – Mladost – Tsarigradsko shose” and the „Extension of Sofia Metropolitan – Phase I - II metro diameter: Nadezhda Road Junction (MS 5-II) – Cherni Vrah Blvd. section”. In conclusion with regard to those, MA found that the results from the projects had not undergone any significant changes, the tangible and intangible assets acquired were being used as intended, their maintenance was ensured and their ownership had not been changed, as well as that the project results were being used as intended.

6. Complementarity with Other Community Instruments

6.1. Co-operation with JASPERS

In 2014 the cooperation with the JASPERS initiative and the international financial institutions (IFI) World Bank (WB) and the European Investment Bank (EIB) was mainly represented the implementation of measures and interventions for each of them laid down in the action plans.

The JASPERS Action plan approved by Decision No. 166 of the Council of Ministers for 2014-2020 included in 2014 a total of 11 interventions for projects planned to be funded during programme period 2014-2020, 9 of which were infrastructure projects (6 road projects, 2 railroad projects and 1 metropolitan projects) and 2 were for technical assistance (improving the capacity of the units implementing projects in NRIC and preparing an integrated transport strategy). The preparation of almost all of these projects is funded under OPT (except for the section Vratsa – Botevgrad, and the two railroad projects: Ruse – Varna and Karnobat – Sindel)).

In 2014 the aid under JASPERS was used to prepare only 5 of the projects included in the Action Plan (Lot 3 of Struma MW, completion of Hemus MW, line 3 of Sofia metro and the two technical assistance projects). In the infrastructure projects a review of available documents was performed – feasibility studies, cost-benefit analyses, EIA, etc.

Given that the projects concern preparation of projects for the new programme period, no Opinions declaring a project finished were issued. For the rest of the projects included in the action plan in 2014 no activities were performed together with JASPERS for their preparation due to insufficient resources to fund their implementation.

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

The **World bank action plan for 2014** contains only the 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 2015 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 were worked out under the project in 2014:

- Report on the assistance provided by the World bank with regard to the implementation of the Road Safety Action Plan;
- Report with proposed improvements in the administrative procedures for planning and budgeting of projects;
- Report on defining the scope of contracts on the basis of implementation, tender documents and follow-up events for the management of road assets;



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- Report related to a suggestion for improving traffic management;
- Report on estimating traffic and a Review of traffic statistic;
- Proposed standards of design and technical specifications.

The abovementioned reports have been improved by RIA and the rest of the strategic documents (Road Sector Strategy and Mid-Term Road Operational Programme) are subject to review by MRDPW and further approval by the Council of Ministers

The **EIB Action Plan for 2014** contains three 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 2015 as well according to the project schedule;
- 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;
- provision of EIB's strategic advisory assistance to OPT's MA for the successful completion of programme period 2007-2013. Pursuant to the project implementation schedule, it will be implemented up to August 2015.

8. Monitoring and evaluation measures and OPT Audits carried out

8.1. OPT Indicative evaluation plan update

In relation with the implementation of the assessment laid down in the Indicative Plan on the topic of "General evaluation of the progress and the overall implementation of OPT", tender documentation for the selection of a contractor was prepared in 2014 and on 04.06.2014 a public procurement was announced. In September 2014, by Decision of the Secretary General of MTITC the public procurement procedure was terminated on the grounds of Art. 39, para. 1, it. 6 of the Law on Public Procurement due to identified infringements in the opening of the procedure which could not be eliminated without amending the conditions of its announcements.

Given the delay in the above-mentioned procedure and its unsuccessful completion, in October 2014, an analysis was performed, respectively an update of the Indicative Evaluation plan was made which represented version 7 of the plan. When amending the evaluation plan, account was taken of the fact that a significant amount of infrastructure projects in 2014 were still being implemented, and it was planned for them to be completed in 2015-2016. Account was taken of the possibilities laid down in Council Regulation (EC) No. 1083/2006 – assessments shall be performed before, during and after the programme period, as well as good European-level practice where the assessment of the overall performance of programmes co-financed by the European Union is also made several years after the programme period. In that regard, it was proposed that the implementation of OPT projects' results and the impact on the transport system be considered and respectively performed after the completion of the programme period, when the implemented projects will already be commissioned, and respectively their direct and indirect benefits could be assessed.



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8.2. Sessions of the Monitoring Committee of the OPT in 2014

8.2.1. Sixteenth session of the Monitoring Committee of OPT

The sixteenth session of the Monitoring Committee of OP on „Transport” (MC of OPT) was held on 04-05 of June 2015. 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 (04.06.2014) 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 05.06.2014) the overall physical and financial progress under the programme was presented by the OPT MA. The Annual Implementation report of OPT for 2013 was accepted.

8.2.2. Seventeenth session of the Monitoring Committee of OPT

The seventeenth session of MC of OPT was held on 19-20 of November 2014. 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 19th) was organized as an expert session, at which the Beneficiaries reported on the implementation of the individual projects.

During the second day of the session (November 20th) the agenda and the protocol from the previous session were accepted. EIB's activities related to the railway sector in Bulgaria, the status of OPT implementation as well as the implementation of the Communication Plan and the Measures for Information and Publicity were also presented.

8.3 On-the-spot checks performed in 2014

A total of 40 on-the-spot checks of infrastructure projects under implementation were carried out in 2014. 34 of them were planned and 6 were ad-hoc (unplanned). The ad-hoc on-the spot checks were carried out after submitted applications for final payments of projects under Axis 5 “Technical Assistance” and taking into account the findings of the Audit Authority (“Audit of European Union Funds” Executive Agency).

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 have 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 expropriation procedures of land plots on the construction sites (lengthy appeals of decisions of the Council of Ministers);



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- Findings related to delays in signing of implementation contracts given lengthy appeals of tender procedures, including delays in issuing construction permits in already initiated implementation contracts;
- Findings related to extending the deadline for completion, given the requests made by contractors for such extensions;
- Findings related to the presence of archaeological sites blocking the performance of construction works and increasing the risk for the construction and assembly works to continue even after the expenditure eligibility deadline;
- Findings related to deficiencies/defects in the exploitation process – collapsed road section, landslides, wiped-off horizontal markings, subsidence and cracks, torn bird protection nets, etc. at certain road sections;
- Findings related to deficiencies/defects during temporary traffic organization;
- Findings related to reduced pace/lack of implementation of construction and assembly works due to reduced/lacking mobilization of contractors with mechanization and workforce;
- Findings related to delayed construction and assembly works due to problems with repositioning of engineering networks;
- Findings related to improvement of the construction documentation quality;
- Findings related to compliance with publicity requirements.

With regard to the high-risk projects the MA of OPT monitors the implementation of:

- 1) The risk management plans, prepared by the Beneficiaries for every project;
- 2) The action plans for any project that contain corrective measures with specific deadlines and responsible persons.

The implementation of the recommendations issued by the checks on-the-spot shall be monitored by the MA by every subsequent check on the spot and shall be reported by the monthly progress reports.

With regard to the high-risk projects the MA of the OPT holds operating meetings with the Beneficiaries on which the problems are discussed and corrective measures are planned. The high-risk projects are subject to checks on the spot also by the Manager of the MA of the OPT.

With 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 2014

8.4.1. Audits carried out by the Internal Audit Unit with the Ministry of Transport, Information Technology and Communications

In 2014 MA of OPT received 14 final audit reports from audits performed by the Internal Audit Team Directorate of MTITC. The recommendations and findings were submitted to the concerned parties and copies from the final reports were sent to the Certifying Authority. The audits are related mainly to the implementation of individual projects, check of eligibility of expenses and spending of funds under the 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 EU Funds” Executive Agency

- *A system audit to verify the efficient functioning of the management and control systems of the Certifying Authority.* The report was received in January 2014 and it had no recommendations addressing the MA of the OPT.
- *Audit of management and control system in the MA of the OPT under **Key Requirement 5** - “Adequate (sufficient) audit trail” and **Key Requirement 7** - “Necessary preventive and corrective action where systemic errors are detected by the audit”.* The final report was received in March 2014. There is a recommendation related to provision of analytical information for the verified expenses at the project's level. The MA of the OPT has provided to the Audit Authority on 14.10.2014 additional information and evidence on the implementation of this recommendation.
- *Operations audit under Operational programme on „Transport”* in relation to the expenses certified in 2013. Within the scope of the audit are payments performed under projects of beneficiaries - Metropolitan EAD, RIA, NRIC and MA of the OPT. In August 2014 an interim report was received. In the interim report the Audit Authority proposed imposing of financial adjustments. The MA of the OPT undertook measures under the recommendations provided in the interim report and provided its opinion an evidence in September 2014. In December the MA of the OPT received the final report. At the end of February the MA of the OPT provided to the Audit of European Union Funds Executive Agency evidence on the implementation of the provided recommendations.

8.4.3. Audits carried out by the National Audit Office

- *Audit “Preparation for management of the EU funds under the EU Common Strategic Framework during the new programme period 2014-2020”.* The audit report was received in April 2014. The MA reported on the implementation of the recommendations related to the Operational Programme “Transport and Transport Infrastructure (OPTTI) by letter No 15-00-80/17.07.2014. The implementation of the recommendations related to OPTTI is to be done by the Ministry of Transport, Information Technology and Communications according to the action plan received by the Central Coordination Unit (CCU) by letter No 03-00-504/ 16.07.2014.
- *Audit of the implementation of the OP Transport in its part on the building of the railway infrastructure under Priority Axis I for the period 01.01.2010 – 31.12.2013 - the audit is in progress.* The National Audit Office is expected to present a report.



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- *Audit: “Analysis of public procurement errors under the programmes co-funded by the Structural Funds”*. The audit is at the level of the Member States and aims preparation of an analysis of the errors upon assignment of public procurement. The audit covers the implemented public procurement and the expenses declared to the EC. The MA of the OPT provided the necessary information to the Audit Office. The audit is in progress.
- *Implementation audit “Administrative capacity of EU Funds management authorities”*. The MA of the OPT provided the necessary information to the Audit Office. The audit is in progress.

8.4.4. Audits carried out by the Directorate-General for 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. An interim audit report was received for which the MA presented its opinion in September 2012. In May 2014 the MA of the OPT received the final opinion and there are no open recommendations in relation to the concerned projects/beneficiaries.
- 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 conducted tender procedures and concluded agreements under projects implemented under the OPT. The MA of the OPT has prepared a statement on the report and sent it to the Permanent Representation of the Republic of Bulgaria to the EC and to Directorate-General for Regional and Urban Policy, European Commission on 03.10.2013. In April 2014 the EC position on the given comments was received by OPT MA. The recommendations concern mainly weaknesses of conducted public procurement procedures and a proposal for imposing a financial correction under a project of Metropolitan EAD. Official translation was received in the Representation of the Republic of Bulgaria to the EU on 31.07.2014. The Bulgarian party provided its opinion on both recommendations (SCADA - of Metropolitan and the procedure for Kardzhali - Podkova of RIA) by letter No 30-05-28/19.09.2014. By letter No 30-05-28/12.11.2014 the Bulgarian party provided an additional opinion (for SCADA).
- Mission of the EC within 29.09-03.10.2014. The purpose of the mission was to decide to what extent the EC authorities may rely on the activity of the Audit Authority and on the results of the audits implemented by it. For the OPT the subjects of the check were some projects of the NRIC and RIA. The MA received the preliminary report in February 2015 through Audit of EU Funds Executive Agency. The findings concern ascertained weaknesses on conducted public procurement and eligibility of expenses. The Bulgarian side is to come up with a common position on the recommendations given by the EC.



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

Inapplicable

10. Horizontal Issues

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

In 2014 the MA of the Operational Programme “Transport” 2007-2013 performed control on procedures for selection of contractors of public procurement in accordance with the provisions of the valid legislation and regulations in the country. The procedures stipulated in the valid Manual of Procedures for the Management and Implementation of Operational Programme on "Transport" 2007-201 were observed, as well as the Operating agreements for preparation, selection, management, implementation, supervision and control of projects/operations, financed under the programmes signed with the beneficiaries and the provisions of the concluded agreements for grant financing under the projects financed under OP Transport “Transport” 2007-2013.

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 Plovdiv - Svilengrad railway line of corridor IV and IX, Phase 2: section Parvomai-Svilengrad”:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for additional services was agreed - “Exercising independent supervision and FIDIC engineer until the project finalization”.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for execution of repair works on an old reception building on Dimitrovgrad Railway Station for meeting the energy efficiency requirements was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for design, building and commissioning of a power substation for the needs of the newly-built dispatch centre - Plovdiv, of feeder lines from Krumovo substation to the eight main line and compensation of reactive energy in Parvomay substation was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for design, building and commissioning of Krumovo sub-area with a rail connection to Krumovo Railway Station and the piping network in the area of Krumovo Railway Station was agreed.

- **Project „Rehabilitation Railway Infrastructure in sections of Plovdiv – Burgas Railway line”:**



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Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. A draft contract for restoration, repair and modernization of traction substations Stara Zagora and Nova Zagora and building systems for remote control of traction substations, sectional positions and sectional disconnecting devices from Central Dispatch Center Plovdiv was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft agreement for compliance assessment and construction surveillance for restoration, repair and modernization of five traction substations by differentiated positions was reconciled.

- **Project “Preparation of the project Rehabilitation of Plovdiv - Burgas railway section stage 2:”**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft agreement for implementation of the preparation of the project was reconciled.

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

- **Project “Construction of Maritsa Motorway”:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract was agreed for implementation of full rescue archaeological surveys of the route of the highway .

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for execution of refurbishment of existing gas ducts crossing the route of Lot 2 Dimitrovgrad - Harmanli was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft contract for execution of additional works related to the execution of Lot 2 Dimitrovgrad - Harmanli was reconciled of the highway from km 36+400 to 70+620 with differentiated sub-sites was agreed.

- **Project „Struma” Motorway, Lot 2 „Dupnitsa – Blagoevgrad”:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for defining a contractor for the execution of a rescue archaeological survey was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft contract for execution of further engineering-geological surveys, assessment of the stability of the slopes and technical proposals for crossing the route without going out of the approved plot sketch was agreed.

- **Project Struma Motorway Lot 4 - Sandanski - Kulata:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. Draft contract for execution of further construction works with four differentiated sub-sites: Sub-site I: Refurbishment of water Supply and Sewerage; Sub-site II: Refurbishment of optical and TT cables,



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Sub-site III: Refurbishment of electric conduits and Sub-site IV: Refurbishment of municipal and agricultural roads was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for implementation of consulting services in relation to the additional construction works was agreed.

- **Project: Road III-5004 “Gabrovo Bypass”:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft agreement for design of an extensive basic project for a tunnel under Shipka peak was reconciled.

- **Project: “Road II-18 Sofia Bypass Road”**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The project of an agreement for execution of further construction and assembly works was reconciled with two differentiated sub-sites:

1. Refurbishment of a water supply and sewerage with extended length, refurbishment of two highway heating mains and execution of additionally occurred construction and repair works.
2. Design and execution of sound-proof elements

- **Project: “Hemus Motorway”:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contracts for preparation of basic projects for further construction of Stage I, Stage 2 and Stage 3 of the motorway were agreed.

Priority Axis 3 „Improvement of Intermodality for Passengers and Freight”:

- **Project: Rehabilitation of Railway Stations along TEN-T network - Rehabilitation of the Railway Complex - Central Railway Station, Sofia; Rehabilitation of Railway Complex Burgas Railway Station, for Passengers; Reconstruction of Pazardzhik Station Building - II-nd stage.**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft contract for rehabilitation of the railway complex - Burgas railway station was agreed - category - passengers

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for performing compliance assessment and construction surveillance of Burgas railway complex station for passengers was agreed.

- **Project: Construction of Intermodal Terminal in the North Central Planning Region in Bulgaria - Ruse:**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for preparation of pre-project surveys, a basic project, spatial development plan and preparation of expropriation procedures for the terminal were agreed.



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

- **Project: "Establishment of River Information System in the Bulgarian part of the Danube River- BULRIS"**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract was agreed for implementation of a system for monitoring and examination of the river bed condition, stage 2, lot 3.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft contract for extension of the scope of the services and system was agreed.

- **Project: Improvement of the navigation systems and the topo-hydrographic measurements along the Danube River":**

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft agreement for purchasing floating and coastal navigation signs along the Danube River;

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for building a supporting GPS geodetic network along the Bulgarian coast of the Danube river and its connection with EUREF was agreed.

Priority Axis 5, "Technical Assistance ":

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract for **design and introduction of a resource planning and management system was reconciled in the State Enterprise National Railway Infrastructure Company** was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft contract on **"Developing a concept for the development of Bulgarian ports for public transport of national importance based on the expected passenger flows"** was agreed.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented. The draft contract was agreed for **selection of a contractor for drafting a spatial development plan and an engineering design for construction of a new railway buildings, stations and facilities for the projects: Modernization of the railway line Sofia - Dragoman - part of the trans-European transport network and "Development of Sofia railway complex"**.

Subsequent control on the protocols of the work of the committee for selection of a contractor and the decision for nominating a contractor was implemented and the draft agreement was reconciled **"Environmental Impact Assessment and Compliance assessment of the operating compatibility of the railway infrastructure"**.



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10.1.2 Implementation of the Public Procurement Act in the process of implementation of the OPT (identified problems/obstacles/ significant amendments in the Public Procurement Act concerning the implementation of the OPT).

With regard to the provisions of the effective legislation the Public Procurement Agency implements preliminary control on public procurement procedures financed fully or partially by EU Funds as follows:

- a) for construction works to the amount equalling or higher than BGN 2 640 000;
- b) for delivery or service equalling or higher than the value of the respective activity stated under art. 45 c, par. 2 under the Public Procurement Act.

The preliminary control exercised by the PPA comprises as follows:

1. The announcement for public works award;
2. The decision for opening a restricted procedure based on art. 76 par. 3, a negotiated procedure with notice or a buy smart procedure;
3. The methodology for assessment of the offers - considering the criterion for the economically most favourable offer.

The assignors of the public procurement shall send the listed documents to the PPA, which in a 10-day term shall prepare an opinion for compliance with the requirements of the Public Procurement Act and shall send it to the Assignor. Upon the ascertaining of non-compliances, the opinion shall have recommendations for their remedy. Provided the Assignor does not consider the recommendations, in the opinion it must send to the Agency its written arguments along with the announcing of the procedure.

The announcement shall be published by the Assignors and in a 10-day term from its publishing the PPA shall make compliance assessment of the recommendations made by it and shall prepare a final compliance report. The report shall be submitted to the Assignor, to the controlling authorities, and to the MA of the respective operating programme.

Pursuant to the valid regulations the MA of the Operational Programme “Transport” 2007-2013 implements supervision on the public procurement documentation, namely:

- Performs a preliminary review of the public procurement documentation and sends comments and recommendations to the Assignor.
- The Assignor shall prepare a revised version of the documentation as a result of the received recommendations by the MA and send it to the PPA for preliminary control, in case art. 19, para. 2, item 22 of the Public Procurement Act is applicable.
- The Assignor shall submit for subsequent control the documentation to the MA in its final version, in which it shall be sold/provided to the participants in a 15-day term after the publishing of the Public procurement announcement.

The control on the documentation from the assessment of the submitted offers is only subsequent (after entering into force of the decision for ranking of the participants and the selection of a contractor).

Amendments in the regulation framework:

By issue 40 of 13. May 2014 of State Gazette several main changes are introduced to the Public Procurement Act, as follows: With regard to the membership of the committees, selection criteria, the subcontractors, the preliminary control implemented by the PPA, the maintaining of the profile of the Buyer and the procedure pursuant to chapter 8a.



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The changes have several main purposes: To make the procedures under Public Procurement Act more transparent; to create possibilities for participation of more applicants in them and to reduce the red tape during the applying procedure. There are legal prerequisites for general reduction of the bureaucratic burden on the applicants and the participants in the procedures for public procurement assigning and avoiding the unnecessary formality. What is eased significantly is the proving of the correspondence between the financial and economic condition and the technical capabilities and/or qualification of the applicants and the participants with the requirements of the assignors. With the purpose of unification of the documents and facilitating the participants in the procedures upon the preparation of the offer the Public Procurement Act envisages under the Regulation for its implementation example samples of the offer and the appendices to it. This change facilitates the assignors as well. The publishing of the documentation for participation on the site of the assignor is obligatory. As at 1. October 2014 the Public Procurement Act introduces a prohibition for the assignor to request for the receipt of the documentation on the spot unless any of the potential applicants or participants do explicitly request for this. Not only this legislative solution facilitates the potential applicants and participants in the procedure, but it also reduces the risk of corruption.

Upon the preparation of a public procurement assignment procedure the assignors now must ensure that upon the preparation of the technical specifications, the methodology for assessment of the offers in the documentation for participation, considering the criterion of the economically most favourable offer, as well as the tender programmes of the tenders for a project, at least one expert is to participate who is professionally competent on the subject of the assignment. Should the Assignor not have employees who meet the requirements for professional competence, it shall provide external experts from the list under art. 19, para. 2, item 8 and other, through assignment in accordance with this act (art. 8, para. 7). The external experts could neither be included in the committee for conducting the public procurement assignment procedure, nor in the jury of a tender for a project, respectively, nor could they participate in the public procurement assignment procedure by their own or with other persons as applicants, participants, members of mergers-participants, sub-contractors or through related persons, unless the documents in which preparation they have taken part are changed in such way that they do not present to the participant any information which it could benefit from in comparison to the other participants in the procedure. (para.8).

The preliminary control under art. 19, para. 2, item, 22 already comprises as well the arguments for the specific selection criteria and the correspondence of the criteria with the requirements of art. 25, para. 5-7. (a new item 4 in art. 20 a, para 1). The opinion on compliance with the requirements of the Public Procurement Act shall already contain not only recommendations, but specific instructions.

The Assignors are obliged to keep a profile of the Buyer as a differentiated part of their webpage or from another Internet address, for which publicity is ensured. In the above profile of the Buyer in the form of electronic documents shall be published as follows: the preliminary announcements; the decisions for opening; the participation documentation; the decisions for change; the invitations for presenting offers upon restricted procedure, a buy smart procedure and negotiated procedure with notice; the protocols and the reports of the committees for conducting the procedures together with the appendices to them, the decisions for ranking, the information for the dates and the reason for releasing or keeping the guarantees for participation, the public procurement agreements, the subcontracting agreements, the framework agreements, the additional agreements for change of the contracts, information for the dates, the reason and the amount of



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every performed payment, incl. under the subcontracting agreements, incl. for the advance payments, as well as any other information indicated in art. 22 b. The deadlines for publishing the respective documents are also indicated.

As a selection criterion may be requested recognized experience with the respective section, but conditions or requirements related to the implementation only of public procurement or to the implementation of specifically indicated programmes or projects ; or to the specifying of financing sources or of specific number of completed agreements with a specific indication of their subject, etc., in case such conditions or requirements provide advantage or unreasonably restrict the participation in the public procurement, could not be included.

There are changes as well in the proving of the economic and financial condition of the applicants or participants. According to art. 50, para 1 the Assignors now have to set requirements to the financial and economic condition of the applicants or participants only if for the implementation of the assignment financial resource is needed for the provision of materials, consumables, funds for remunerations and the related taxes and insurances, etc. In these cases the Assignor shall set a requirement to the amount of the financial resource which the applicant or the participants has at its disposal, where this amount could not exceed 50 percent of the envisaged value of the public procurement.

To prove the technical capabilities and/or qualification of the applicants or participants the Assignor may request from them to provide documents according to the subject of the public procurement (art. 51, para. 1).

Related persons or related companies cannot be independent applicants or participants in one and the same procedure (art. 55, par. 7).

The one-off changes in the announcement and/or documentation under art. 27 can be now made not only by a proposal of a concerned party, but upon every signal for irregularity. A new art. 28 a. is included, which clarifies the obligations of the Assignor upon a selected criterion for assessment - "the economically most favourable offer".

Changes with regard to the membership of the assessment committees are introduced as well (art, 34, para. 2 and para. 3). The membership of the committee again must present one lawyer, and at least one half of the other members are persons having professional competence related to the subject of the procurement. The requirement for odd number of the members - at least five and in the cases under art. 14, para. 3 - at least three, remains in force. An assignor who does not have employees meeting the requirements for professional competence under para. 2 shall provide external experts pursuant to the list under art. 19, para. 2, item 8 and other by assigning in accordance with this act. Upon assigning of public procurement for construction at value equaling to or higher than BGN 9,779,000 the Assignors shall include as a member of the committee at least one external expert from the list under art. 19, para. 2, item 8.

It is envisaged that upon transformation of the contractor, the Assignor can conclude an agreement for prolongation of the public procurement agreement with its legal successor. This can happen only in case of a legal successor, with regard to whom the circumstances under art. 47, para. 1 and 5 are not available, the circumstances indicated by the Assignor under art. 47, para. 2 and the requirements on the selection criteria. By virtue of the agreement with the legal successor no changes to the Public Procurement agreement may be made. When upon the transformation the company of the first contractor is not winded up, it shall be liable jointly with the new contractor - legal successor). If upon the transformation of the contractor, the legal successor does not meet the above conditions, the public procurement agreement shall be terminated by default, as the contractor, the legal successor respectively, shall pay a compensation pursuant to the general procedure.



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Under art. 45 a. it is indicated that the participant selected as a contractor must conclude a subcontracting agreement with the subcontractors, indicated in the offer, but this does not release him from the responsibility for implementation of the public procurement agreement.

There are changes in Chapter 8 a as well which arranges the assignment of public procurement through a public invitation.

Pursuant to art. 101 b. the requirements to the financial and economic condition could not be defined by the invitation. The technical specifications and the draft agreement shall be enclosed to the invitation. The invitation shall be prepared pursuant to a template approved by the Executive Officer of the PPA.

10.1.3 Significant legislative changes in 2014 that affect directly the implementation of the projects financed under OPT

Territorial Development Act, promulgated in the State Gazette № 105/19.12.2014 №

The purpose of the changes is to reduce the regulatory burden in the field of investment design and construction. These include a number of measures to improve and streamline procedures relating to investment planning, construction and commissioning of buildings, including shortening the deadlines for these procedures. The changes aim to achieve effective protection of the public interests by guaranteeing the professional skills, qualifications and experience of those involved in the investment process and by improving the quality of investment projects through the active involvement of industry organizations. These are further specified and supplemented to ensure consistent interpretation and consistency with other laws.

State Property Act, promulgated in State Gazette № 105/19.12.2014.

The changes affect the procedure of forced expropriation of property - private property for state needs. The following amendments were made: Amendments in the notification procedure regarding the expropriation decision of the Council of Ministers; Changes in the procedure for payment of benefits; Changes in the procedure for appeals against the Decision on expropriation of the Council of Ministers; Changes in the procedure for entry into possession.

The changes aim to speed up the process of building national sites important for the society and sites that are of primary importance as well as to ensure the timely absorption of the EU funds while finding a balance between the protection of private property and the public interests without violating the rights of the owner's whose properties are alienated. The amendments to the State Property Act accelerate the procedure for expropriation of properties which delayed until now the commencement of the construction. There is also a possibility for an investor to take possession of a property before the expropriation deed has entered into effect in cases where preliminary execution of the expropriation deed has been admitted. This will be allowed where a detailed development plan has entered into effect which envisages building a national project and transfer of compensation to the rightful individuals as specified in the deed for expropriation.

Cadastre and Property Register Act, promulgated in State Gazette № 98/28.11.2014.

The changes are aimed at improving the legal framework for implementation of activities for development, approval and maintenance of the cadastral map and the cadastral registers, improving the services provided to natural and legal persons with cadastre data, protection against the bureaucratization of the process and implementation of anti-corruption practices.



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The discriminatory practice of allowing only Bulgarian natural and legal persons to become providers of services related to the cadastre and the property register is terminated in implementation of the provisions of Directive 2006/123/EC for provision of services in the internal market. The procedure for creating and completing the cadastral map and the cadastral registers is alleviated in order to shorten the deadlines and avoid possible errors. A possibility is introduced for receiving free data provided by the Geodesy, Cartography and Cadastre Agency through its information system.

Road Act, promulgated in State Gazette № 98/28.11.2014 The changes aim to ensure the conformity of Bulgarian legislation with European Union requirements to the effective implementation of the activities for public use of roads by regulating traffic, issue of permits and restricting the use of roads. The amendments to that act introduce the provisions under Article 1(2), Article 7a of Directive 2011/76/EU of the European Parliament and of the Council of 27 September 2011 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

Water Act, promulgated in State Gazette № 98/28.11.2014.

These amendments introduce the principle of "polluter pays" and statutory mechanisms to recover the resource costs and environmental costs within the cost recovery for water services for the widest possible range of services as part of the fulfilment of the preconditions for provision of financing from the European Union funds for the programming period 2014 2020. The shortcomings in the transposition of Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy are removed. The shortcomings in the transposition of Directive 2007/60/EC on the assessment and management of flood risks are removed. Some regulations to the law are repealed because of updating the legal framework and synchronization with the European legislation. The process of setting sanitary protection zones around water intake facilities for drinking water supply is accelerated.

Environmental Protection Act, promulgated in State Gazette № 98/28.11.2014.

The changes confirm the compliance with Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment. Article 30 of Directive 2012/18/EC on the control of major accident hazards involving dangerous substances is also transposed. Changes are proposed in the Liability for Preventing and Remedying Environmental Damage Act to ensure full compliance of national provisions with Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damages.



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 progress

Table 15: Physical Progress under Priority axis I - “Development of Railway Infrastructure along the Trans-European and Major National Transport Axes” in terms of quantifiable indicators on 31.12.2014.

The target values of all indicators do not include the baseline values.

| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Общо |
|---------------------------------------------------------------------------------------------------------------------------|-------------|------|------|------|------|------|------|------|-----------|------------------|--------|
| Priority axis I – Development of Railway Infrastructure along the Trans-European and Major National Transport Axes | | | | | | | | | | | |
| Time savings (railways) (thousand hours/year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | | 8 |
| | Target | | | | | | | | | 5 310 | |
| | Baseline | 0 | | | | | | | | | |
| Value of time savings (railways) (euro per year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 076 | | 38 076 |
| | Target | | | | | | | | | 13 060 000 | |
| | Baseline | 0 | | | | | | | | | |
| Reconstructed/rehabilitated railway lines (km) | Achievement | 0 | 0 | 0 | 2.3 | 27 | 108 | 164 | 234 | | 234 |
| | Target | | | | | | | | | 345 | |
| | Baseline | 450 | | | | | | | | | |
| Length of metro lines (km) | Achievement | 0 | 0 | 0 | 0 | 1,6 | 6,7 | 6,7 | 6,7 | | 6,7 |



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| | | | | | | | | | | | |
|------------------------------|-------------|-----|---|---|---|---|---|---|---|-----|---|
| | Target | | | | | | | | | 6,7 | |
| | Baseline | 9.9 | | | | | | | | | |
| Metro stations (number) | Achievement | 0 | 0 | 0 | 0 | 5 | 6 | 6 | 6 | | 6 |
| | Target | | | | | | | | | 6 | |
| | Baseline | 8 | | | | | | | | | |
| Projects under PA 1 (number) | Result | 0 | 0 | 1 | 1 | 4 | 5 | 5 | 5 | | 5 |
| | Target | | | | | | | | | 5 | |
| | Baseline | 0 | | | | | | | | | |



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9 grant contracts were signed by the end of 2014 under the priority axis for provision of grant assistance for the total amount of **BGN 1,378,137,007.05** (EUR 704,630,262.88) or **106.76%** of the axis budget. The eligible costs of the contracts under the priority axis of OPT are BGN **1,321,197,388.11** (EUR **675,517,498.00**). Beneficiaries have been paid **BGN 960,746,390.01** (EUR **491,221,829.17**) or **74.43%** of the priority axis budget. The total amount of verified costs under the priority axis at the end of 2014 is BGN **1,014,952,914.61** (EUR **518,937,185.04**), of which grant awarded to the amount of BGN **892,438,655.33** (EUR **456,296,638.94**) and BGN **122,514,259.28** (EUR **62,640,546.10**) own contribution.

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 project for electrification and reconstruction of the railway line Svilengrad - Turkish border has been completed, project for establishment of Stage II of Metropolitan Subway and the railway section Mihailovo - Kaloyanovets from the project for rehabilitation of the railway line Plovdiv - Burgas has been completed. 18 km lines have been rehabilitated and 6.7 km metro lines with 6 metro stations have been constructed as a result of the two completed projects.

- Project **BG16IPO004-1.0.01-0002 "Electrification and reconstruction of railway line Svilengrad - Turkish border"**

The grant awarded under the project is BGN 58,274,218 (EUR 29,795,135). The payments including advance payments amount to BGN 52,217,727.70. (EUR 26,698,500.23), of which CF - BGN 41,774,182.16. (EUR 21,358,800.18) and national co-financing - 10,443,545.54 (EUR 5,339,700.05). Verified expenditure under the project is to the amount BGN 41,950,396.90. (EUR 21,448,897.35).

Physical implementation of construction works was completed in the end of 2012, as confirmed by the signing of Deed № 15 on 14.12.2012. Protocol Form № 16 was signed on 07.05.2013 to establish the fitness of the construction for use and Permit for Use was issued on 08.05.2013. On 07.06.2013 the Project Engineer issued a Certificate of Approval for the entire site under the terms and conditions of the FIDIC contract for construction and design № 3219/25.05.2009. On 28.06.2013 the Contractor submitted to the Engineer a report of completion under sub-clause 14.10 of the contract. In 2014 the Contractor for the works submitted several documents relating to the interoperability, but they were not approved by the Beneficiary and were returned for additions and corrections. On 23.12.2014 the Beneficiary sent for the last time its remarks on the documents submitted by the Contractor and requested submission of correctly compiled and full documentation for interoperability under the project.

Annex № 6/30.09.2014 to the grant contract under the project was signed on 30.09.2014 to extend the deadline of the grant contract not later than 30.03.2015.

- Project **BG16IPO004-1.0.01-0005 "Reconstruction and electrification of railway line Plovdiv-Svilengrad along Corridors IV and IX, Phase 2: section Parvomay-Svilengrad"**

The grant awarded under the project is BGN 281,279,749 (EUR 143,816,052) The EC approved the AF on 22.12.2011. The payments including advance payments are BGN 146,782,981,13 (EUR 75,048,946.55) of which CF - BGN 66,375,825 (EUR 60 039 157,24) and national co-financing BGN 29,356,596.23 (EUR 15,009,789.31) The verified expenditure under the projects amounts to BGN 119,029,878.99 (EUR 60,859,010.75).

The total physical progress under the project on 31.12.2014 is 60% and includes:



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Position 1: "Reconstruction and electrification of railway section Dimitrovgrad - Harmanli" - progress 71%

Position 1 is divided provisionally into 4 sections as follows: **Section I** - Station Dimitrovgrad, base station Dimitrovgrad and overpass Dimitrovgrad; **Section II** - Dimitrovgrad - Simeonovgrad; **Section III** - Station Simeonovgrad; **Section IV** - Simeonovgrad - Harmanli. The works are concentrated mainly in Section I, II and IV since there are building permits for those sections. No building permits have been issued for Section III. It is divided into three subsections in order to start work in the subsections where there are no properties for alienation and thus the other subsections with such problems will not be delayed. The status of construction works is as follows:

- **Section I** - The buildings and crossings at station Dimitrovgrad are finished. The works on the railway and installation of posts for power network in the station are at the stage of 91%. The station has yet to be drained. The reconstruction of the pedestrian underpass at the station was 95% completed. Pedestrian overpasses in the station (2 overpasses) were approved with Deed Form 16 and were issued a permit for use. The works on overpass Dimitrovgrad continue. There are two lots: the plate for the road overpass is finished and the formwork and reinforcement of footpaths is underway; for the circular bridge around the existing water tower - the pillars of the circular section and part of the road slab are poured and the walls have been waterproofed.
- **Section II** - The large and small facilities in the section are 97% finished; the two bridges are being finished. A rail way has been 40% finished, while the mounting of the power line posts has been 68% finished. Coarse fraction was used near River Maritsa to armour and secure the railway. Building permit is issued by Municipality Dimitrovgrad for the crossing of the high-voltage power line at the plant of Neohim. The permit entered into force in September 2014, however the works will be executed in the summer of 2015 during the maintenance period of the plant. The reception room of the station of Nova Nadezhda has finished and the railway has been mounted. The section in the area of station Simeonovgrad is problematic because of the delay of the alienation of properties.
- **Section III** - The works related to the crossings of high-voltage lines have been finished.
- **Section IV** - The earthworks at the excavation at station Preslavets continue. This is the section with the largest volume of earthworks compared to other areas. No railway has been mounted. The large facilities are 73% finished, the small ones - 100% finished. The crossings are 96% finished.

The work at the archaeological sites has been completed and the track has been released for construction works.

On 08.06.2014, the Contractor submitted a request for extension of the time for completion of the construction works under the contract with an analysis of the causes delaying the execution of the works and reported the inability to complete the works within the deadline for completion - 14.08.2014.

At the beginning of September 2014 the Beneficiary submitted to the MA for opinion and approval draft Additional Contractual Agreement № 1 to extend the time for completion with 14 months and 29 calendar days - until 11.11.2015. No additional agreement was signed by 31.12.2014.

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 60 %



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Position 2 is divided provisionally into 6 sections as follows: **Section I** - Lyubimets - Svilengrad; **Section II** - railway station Svilengrad; **Section III** - station Lyubimets; **Section IV** - Harmanli - Lyubimets; **Section V** - railway station Harmanli; **Section VI** - Svilengrad - Greek border.

Construction works are under way in Sections I, II, III, IV and V. The railway is rehabilitated in Section VI and the catenary posts are to be constructed. Building permits have been issued for all sections.

The following types of works are underway in the sections:

- **Section I** - The large facilities have been finished, the railway and the catenary posts have been mounted. The facilities are 95% finished. There is still work on the catenary system and the optical cable.
- **Section II** - railway station Svilengrad. The facilities are almost finished - 95%. The new railway is mounted in the passenger and loading station and the following has been done as a whole: three new tracks were mounted in the loading station, two new tracks - in the passenger station. 30% of the catenary posts have been mounted. The buildings in the station are 85% completed - there are still finishing works to be done for the buildings of the base station in the passenger station while the others are finished. The planned metal structure gangway has also been finished. The lighting posts in both parts of the building have been mounted.
- **Section III** - station Lyubimets - The section is at an early stage of building because its building permit entered into force at the beginning of October 2014. Road underpass at km 286+620 is being constructed. Two tracks in the railway station are dismantled and the units are being decomposed. A temporary track is mounted outside the railway station in the direction of Svilengrad.
- **Section IV** - This section has the largest amount of excavations and embankments. The earthworks (67% completed), the laying of the railway (20% completed) and the mounting of catenary posts (46% completed) continue. The small and large facilities are completed. A new platform was built at railway stop Biser.
- **Section V** - station Harmanli - The crossings are nearly completed (95%). 2.3 km railway have been reconstructed. The earthworks are 40% completed. Backfill works are performed for the platforms of railway stop Harmanli. The reconstruction of an existing railway bridge with a metal structure has been completed. Road junction "Topolovgrad" is almost finished.
- **Section VI - Svilengrad - Greek border** - rehabilitated railway in the whole section; a catenary network of approximately 1,500 m will be constructed.

The work at the archaeological sites has finished and the track is released for construction works.

The physical progress for Position 2 is 60%.

On 08.06.2014, the Contractor submitted a request for extension of the time for completion of the construction works under the contract with an analysis of the causes delaying the execution of the works and reported the inability to complete the works within the deadline for completion - 14.08.2014.

At the beginning of September 2014 the Beneficiary submitted to the MA for opinion and approval draft Additional Contractual Agreement № 1 to extend the time for completion with 13 months and 30 calendar days - until 13.10.2015. No additional agreement was signed by 31.12.2014.



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Position 3: „Construction of new power substations in Simeonovgrad and Svilengrad and expansion of the existing traction substation in Dimitrovgrad” – progress 49.5%.

Works are under way in the following sub-sites - Duty station Svilengrad, Traction substation Simeonovgrad, Access road to traction substation Simeonovgrad and Terminal field Lyubimets. No building permits have been issued for the other sub-sites yet because their alienation procedures have not been finished. Substation Svilengrad is fully completed, but can not be supplied with electricity due to the lack of a building permit for the high-voltage power line.

The building of Traction substation Simeonovgrad has been almost finished and finishing works are under way. The switchyard is almost completely constructed. The metal structure for the facilities has been mounted. Electrical installation works started in the command room and the room for Dynamic compensation as well as extension of control cables in cable channels from the switchyard to the building of traction substation.

The access road to Traction station Simeonovgrad consists of two sections - one is along the route of existing municipal road and the other is a new one. Both sections of the road are under construction and the Contractor plans to finish all works by February 2015.

The problems of Traction substation Dimitrovgrad with the unclear ownership of the property were resolved and the property is to be entered in the name of NRIC.

The structure of the building of Duty point Svilengrad has been finished and the finishing works are at an advanced stage.

Phase Systems - progress 66 %.

The room for safety equipment has been repaired, the posts for Information Boards at platforms 2 and 3 and the internal equipment for Telecommunications at station Dimitrovgrad have been mounted. Equipment for heated bushes in station Dimitrovgrad, on the side of Yabalkovo, was installed.

The installation of external facilities of safety equipment at station Dimitrovgrad and station Svilengrad continues.

The manufacturer's takeover of the software for safety equipment for the station of Krumovo, station Nova Nadezhda, station Dimitrovgrad and station Harmanli and the automatic telephone exchange for station Svilengrad has successfully finished.

The installation of internal equipment of safety equipment at station Nova Nadezhda has finished.

The GSM-R towers in stations Generalovo, Svilengrad, Dimitrovgrad, Lyubimets and Nova Nadezhda were constructed. The equipment of base stations Lyubimets, Generalovo and Svilengrad and Dimitrovgrad has been installed.

The laying of optic cable in the section of Phase 3 to the Turkish border has finished.

SCADA equipment was installed in the stations of Nova Nadezhda and Dimitrovgrad and traction substation Dimitrovgrad.

The completion of the contract for construction of the Systems depends entirely on the provision of access to the sub-sites under the construction contracts. In this regard the expected completion of the works under the contract is March 2016 and the outstanding activities will be financed from the budget.

- 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 provided under the project is BGN 456,219,816 (EUR 233,261,488). The EC approved the application form on 01.07.2011.

The beneficiary "Metropolitan" EAD was paid a grant of BGN 453,166,986.45. (EUR 231,700,601.00), of which CF - BGN 362,533,589.16. (EUR 185,360,480.80), and NF - BGN 90,633,397.29. (EUR 46,340,120.20). The verified expenditure of the grant was BGN 564,031,570.67. (EUR 288,384,762.82).

Both lots of the section were commissioned - lot 1 on 31.08.2012 and lot 2 on 25.04.2012. 6.7 km of metro lines with 6 metro stations were constructed.

The final project report was approved and the final payment was made.

Information of a completed "major" infrastructural project:

- Project title: BG161PO004-1.0.01-0006 „Extension of Sofia Metropolitan: Stage II Lot 1 „Obelya– Nadezhda” and Lot 2 „Mladost 1 - Tsarigradsko shose”
- Date finished: 31.08.2012

Information of the total amount of investment cost under the project in EUR according to item H2.2 of Annexes XXI and XXII to Regulation 1828/2006

| Total amount of investment cost in EUR - financing sources | | | | | For information |
|------------------------------------------------------------|----------------------|------------------------------|-------------------------------|---------------|--------------------|
| Total amount of investment cost | Community Assistance | National public contribution | National private contribution | Other sources | Loans from EIB/EIF |
| 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 |

- Output indicators - 6.7 km metro lines constructed; 6 metro stations constructed;
- Result indicators - number of trips by metro 18.18 (18,187,503) million in 2014.
- "key" (core) indicators: other population served by similar public transport (number) - 179,565.
- Significant problems in the process of project implementation and measures taken to overcome them - no significant problems were encountered in the implementation of the project.

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

The grant awarded under the project amounts to BGN 343,182,673. (EUR 175,466,514). The project was approved by EC on 01.07.2011. The payments under the project including advance payments amount to BGN 238,999,434.34. (EUR 122,198,470.39), of which CF - BGN 191,199,547.47. (EUR 97,758,776.31), and national co-financing - BGN 47,799,886.87. (EUR 24,439,694.08). Verified expenditure under the project is to the amount of BGN 222,707,475.81. (EUR 113,868,524.26).

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

The section was completed in compliance with Permit for Use № CT-05-566/14.04.2014. An Additional agreement for the completion of the construction work contracts is to be signed on the grounds of the clauses on the basis of which a provisional certificate for approval and financial



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completion of the project will be issued. The procedure for commissioning in connection with the interoperability continues.

The physical execution of the contract is 100%.

Position 2 - „Rehabilitation of railway sections Stara Zagora – Zavoi – Zimnitsa”

90% of the construction and repair works under part "Railway" and 70% of the works under part "Catenary System" have been completed at **station Stara Zagora**, the railway neck on the side of Kalitinovo.

Works under part "Railway" and works under part "Catenary System" and part "Safety installations" were completed in the section **Nova Zagora - Zimnitsa**. The movement of the trains in the section Nova Zagora - Zimnitsa was restored on 13.08.2014.

There are works to be completed on the security equipment in the stations of Stara Zagora, Nova Zagora, Konyovo, Bezmer, Yambol and the catenary system in the stations of Stara Zagora stations, Konyovo, Kermen. The works under part "Buildings" have to be also finished.

Since the deadline for completing the contract is 15.05.2014 the Contractor submitted a request on 27.03.2014 to extension of the deadline to 07.04.2015. In May 2014 the Beneficiary prepared and submitted a draft Additional agreement to the MA with a request to extend the deadline to 21.03.2015. Correspondence was exchanged between the MA, the Beneficiary and the Contractor under the contract in the period May - November 2014. The last opinion of the Engineer was submitted in November 2014. The Unit for Management and Execution of Projects "Plovdiv-Burgas" submitted its opinion on the extension of the time for completion by 321 days (until 29.03.2015). No additional agreement has been signed by 31.12.2014.

The physical execution of the contracts is 91 %.

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

The works at station Tserkovski (fifth track) and its continuation in the distance between stations Tserkovski - Karnobat road № 2 under part "Railway" and part "Catenary System" were completed and the train movement was restored on 22.5.2014.

The works along the third track at station Chernograd under part "Railway" were finished.

50% of the works under part "Catenary System" were completed in the distance between stations Chernograd and Aitos.

The works under part "Railway" and part "Safety Installations" were finished in station Aitos.

50% of the works under part "Railway" were completed in the interstation distance Vladimir Pavlov - Burgas road № 1 and road № 2.

The works on the railway and the catenary system are to be finished yet.

The works on the safety equipment in the stations of Tserkovski, Karnobat, Chernograd and Balgarovo are to be finished.

The construction works in four of the stations under the contract - station Karnobat, station Bulgarovo, station Druzhba and station Dolno Ezerovo - has not been started by 31.12.2014.

The planned works were not finished within the extended deadline of the construction contract according to Addendum № 2, i.e. 06.11.2014. No other Addendum has been signed by 31.12.2014 to extend the deadline.

The physical execution of the contract is 74%.



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In view of the delay under Position 3, the project was identified by MA as a high risk project in August 2014. Therefore, the highest possible number of inspections of the project - 3 inspections - were laid down in the Annual Plan for on-the-spot inspections for 2015.

- ***Rehabilitation of the railway infrastructure along sections of the railway line Plovdiv - Burgas - reconstruction, repair and modernization of traction substations Stara Zagora and Nova Zagora and building a system for remote control of traction substations, sectioning points and sectional disconnectors from central dispatch centre Plovdiv***

A contract was signed on 05.09.2014 with a contractor of the works and a contract for construction supervision was signed on 16.10.2014. The date for beginning of the execution of the activities under the two contracts is 01.11.2014.

The Contractor works on the preparation of a communication plan, a safety and health plan, a quality management plan, an environmental and waste management protection and a plan for management of interactions. The Contractor designs traction substation Stara Zagora, traction substation Nova Zagora and SCADA according to the contractual conditions.

The tender procedure for public procurement "*Rehabilitation of the railway infrastructure along sections of the railway line Plovdiv - Burgas - reconstruction, repair and modernization of traction substations Burgas, Karnobat and Yambol*" was stopped at the end of July 2014 on the basis of complaint lodged with the CPC. After the CPC did not grant the complaint, the procedure was resumed by Decision for Change № 67/06.10.2014 of the Directorate General of NRIC with deadline for submission of tenders by 27.10.2014 inclusive. The committee for evaluation of tenders commenced work on 28.10.2014 and the evaluation process of the tenders was under way on 31.12.2014.

The project is expected to be finished in October 2015.

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

The grant awarded under the project amounts to BGN 200,000,000. (EUR 102,258,376). The AF was approved by the EC on 16.01.2012. The payments including advance payments are BGN 67,644,007.19. (EUR 34,585,831.69), of which CF - BGN 54,115,205.75. (EUR 27,668,665.35), and national co-financing to the amount of BGN 13,528,801.44. (EUR 6,917,166.34). Verified expenditure under the project is to the amount of BGN 54,082,756.50. (EUR 27,652,074.31).

Position 1 - section Septemvri – Pazardzhik - progress 35%

The major construction works in 2014 were in the interstation distance between stations Septemvri - Pazardzhik along railway 2 and station Pazardzhik. The temporary track at km 106+690 near the stop of Kovachevo along road 1 was completed before the works on railway 2 started and the movement along rail road 1 was restored. The construction of a three-span reinforced concrete bridge at km 106-701 next to the temporary track started along rail road 2. A 2.4 km rail road and 184 catenary posts were constructed in the interstation along road 2.

The works in station Pazardzhik continue: the third track and the platform after the reception room of the station were completed. The works on the second track and the pipe and channel network continue. Temporary platforms for the safety of passengers were constructed. The



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reconstruction of the existing pedestrian underpass is at an advanced stage - the works on the structure of the new part of the underpass and the connection with the old part continue.

An additional agreement was signed in February 2014 with the Contractor under the contract and the leading partner undertook the obligation to fulfil the contract because the other partner in the consortium was declared bankrupt.

Position 2 - section Pazardzhik - Stamboliiski - progress 25%

Works are under way along the road 2 in the two interstation distances Pazardzhik - Ognyanovo and Ognyanovo - Stamboliiski and station Ognyanovo. The dismantling and construction of the earth bed in the station and interstation distances has been finished. The rehabilitation of the small facilities in the interstations has been finished. The pipe and channel network and the drainage construction at station Ognyanovo has been completed.

The reconstruction of an existing bridge at km 135+000 has started.

Position 3 - section Stamboliiski - Plovdiv - progress 41%

The works in interstation Stamboliiski - Todor Kableskov along the track of rail road 1 has been completed. Disassembly works and excavations for drainage along the track of rail road 2 in the interstation have been started. The pedestrian underpass and the structure of the platforms have been completed at stop Kadievo in the interstation and the catenary network has been mounted.

The works in interstation Todor Kableskov - Plovdiv along the track of rail road 1 are 60% completed. The drainage works have finished, the pipe and channel network has been constructed, the earth bed is 90% finished and the 1.709 km of rail road have been laid.

A new pedestrian underpass is constructed at railroad station Todor Kableskov, a pipe and channel network is constructed and railroad switches are mounted. The rail road along the track of road 1 is laid down.

The disassembly and demolition works of the existing structure at Traction station Proslav have finished as well as the dismantling of the existing equipment of the substation. The construction of the new building has been started.

- Position 4 - "Design and construction of signage systems in the section Septemvri - Plovdiv and telecommunications Sofia - Plovdiv"- 36%

Building permit № PC-32/18.06.2014 was issued and entered into force on the basis of the projects prepared and coordinated in phase "Technical Project". A large number of the supplies have been delivered and the factory acceptance tests of equipment continue.

Works under part "Telecommunications" have started in the section Sofia - Septemvri. Four foundations of GSM-R base stations were constructed, one GSM-R controller has been installed and 4 km optic cable has been laid.

Works under part "Telecommunications" have started also in the section Septemvri - Plovdiv. Foundation for container for RLI (Route-relay interlocking) was installed at railway station Todor Kableskov.

Foundations for 15 light signals were installed under part "Signalisation".

The total physical progress under the project on 31.12.2014 is 36%.

The project is expected to be finished in October 2015.



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Problems under the project and undertaken actions: Out-of-court agreements has been signed with the contractors under Position 1 and Position 3 with regard to the claims submitted by them in connection with the late commencement of the works contracts.

The designs and evaluations of the properties for compensations for the 4 overpasses were submitted to the Contracting Authority. The alienation and the tender procedure for their execution have not started yet.

Since the project has been identified as a high-risk project, the MA exercises enhanced monitoring of the project by organizing operational meetings with the Beneficiary and plans to carry out a 3 on-the-spot checks a year. Three on-the-spot checks were conducted in 2014 - in March, in June and in October 2014.

- Project BG161PO004-1.0.01-0009 „*Technical assistance for preparation of project "Modernization of the Sofia - Plovdiv railway line: railway sections Sofia-Elin Pelin and Elin Pelin-Septemvri"*

Physical execution:

A Grant Contract was signed for the project between MTITC and the National Railway Infrastructure Company (NRIC) on 03.01.2014.

One of the main **10 activities through which the project is implemented** is the coordination of the preparation of technical projects and the assessment of the conformity with the essential requirements to construction projects for project "Modernization of Sofia - Plovdiv railway line: railway sections Sofia-Elin Pelin and Elin Pelin-Septemvri". The contract was signed on 10.07.2013 and is in progress. A Risk Management Plan, a tender strategy for project preparation and cost optimization programme have been approved. Partial amendment of the concept design was approved by an Expert Technical Council intended to take into considerations the remarks to the EIA report for the section Elin Pelin - September. The elaborated technical specifications for the preparation of the project and the safety report were coordinated with EA "Railway Administration".

An open procedure was announced on 25.06.2014 for award of public procurement contract with subject: "Preparation of a detailed development plan and technical designs of traction substations, section units and power lines to power the contact network for project "Modernisation of Sofia - Plovdiv railway line: railway sections Sofia-Elin Pelin and Elin Pelin-Septemvri". The three duly submitted offers were opened on 29.08.2014. The procedure was cancelled on 18.11.2014 by decision of the Contracting Authority; no complaints have been submitted and the decision has entered into force.

An open procedure was announced on 26.06.2014 for award of public procurement contract with subject: "Preparation of a detailed development plan and technical designs for project: "Modernisation of Sofia - Plovdiv railway line: railway sections Sofia-Elin Pelin and Elin Pelin-Septemvri" by lots". On 02.12.2014 the ranking of the participants was announced by decision of the Contracting Authority. All participants were disqualified under position 1 on the grounds that the offers did not meet the conditions previously announced by the Contracting Authority but there are selected contractors under position 2 and position 3. No complaints were filed within the statutory deadline and the decision has entered into force.

Public discussions were held in the period 18-24.07.2014 regarding the Report on the Environmental Impact Assessment (EIA) and the Impact Level Assessment (ILA). MEW issued EIA Decisions № 6-6/2014 on 05.09.2014. A judgment by the Supreme Administrative Court on



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the complaint against the EIA Decision is pending. The proceeding is rescheduled from 14.09.2015 to 09.02.2015 at the request of the Contracting Authority.

The total physical progress under the whole project on 31.12.2014 is 13.24%.

The deadline for execution of the project is 31.03.2016. After the procedures for nomination of contractors for development of technical projects have been announced, the Beneficiary will set a feasible time limit for the execution of the project.

Problems under the project and undertaken measures

It was found that the deadlines originally planned for the execution of some key activities cannot be achieved, namely the award of contracts for preparation of detailed development plans and technical projects. The Beneficiary is expected to update the deadlines for execution on the basis of the actual commencement of the activities for preparation of detailed development plans and technical projects and actions for coordination with the MA of the OPT to amend the Grant Contract are to be undertaken if necessary.

1.2. Significant problems with the preparation and execution of projects under the priority axis and undertaken measures

The significant problems related to the preparation and execution of projects under the priority axis in 2014 included mainly

- Too long alienation procedures;
- Delay due to archaeological studies;
- Delay of the coordination between the institutions involved in the coordination procedures for preparation and execution of projects funded under OPT;
- Unfavourable weather conditions such as heavy rains and floods;
- Insufficient funding in the form of own contribution of the NRIC.

The following steps were undertaken to overcome the problems:

- Planned and ad-hoc on-the-spot checks performed by the OPT MA;
- Senior management operational meetings with beneficiaries and site inspections;
- Preparation of timetables and risk management plans and monitoring of their implementation;
- OPT MA cooperations with the EIB whose experts provide technical assistance in relation to the risk projects of NRIC;
- Amendments were made with joint efforts to the State Property Act to accelerate the alienation procedures.



2. Priority Axis II – „Development of road infrastructure along the Trans-European and Major National Transport”
2.1 Achievement of goals and analysis of progress

Table 16: Physical progress under priority axis – „Development of Road Infrastructure along the Trans-European and Major National Transport Axes”” by quantifiable indicators on 31.12 2014
The target values of all indicators do not include the baseline values.

| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|---------------------------------------------------------------------------------------------------------------------------|-------------|------|------|------|------|------|------|------------------|---------------|----------------|---------------|
| Priority Axis II – „Development of the road infrastructure along trans-European and major national transport axes” | | | | | | | | | | | |
| Time savings (thousand hours/ year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 3 037 | 4 263 | | 4 263 |
| | Target | | | | | | | | | 29 584 | |
| | Baseline | 0 | | | | | | | | | |
| Value for time savings (euro/year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 23 577 110 | 32 916 127 | | 32 916 127 |
| | Target | | | | | | | | | 216 813 133 | |
| | Baseline | 0 | | | | | | | | | |
| New roads (km) | Achievement | 0 | 0 | 0 | 0 | 0 | 82 | 141 | 175 | | 175 |
| | Target | | | | | | | | | 335 | |
| | Baseline | 0 | | | | | | | | | |
| Reconstructed/rehabilitated first-class roads (km) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 16 | | 16 |
| | Target | | | | | | | | | 21 | |
| | Baseline | 0 | | | | | | | | | |
| Projects under PA 2 (number) | Achievement | 0 | 0 | 0 | 1 | 5 | 6 | 9 | 10 | | 10 |
| | Target | | | | | | | | | 9 | |
| | Baseline | 0 | | | | | | | | | |



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15 grant contracts were signed under the priority axis with total value of **BGN 1,719,428,084.23 (EUR 879,129,619.77)** or **96.65%** of the priority axis budget. The eligible expenditure of the contracts concluded under the OPT for execution of the priority axis amounts to **BGN 1,675,036,977.45 (EUR 856,432,807.28)**. The beneficiaries were paid **BGN 1,171,511,660.92 (EUR 598,984,400.96)** or **65.85 %** of the priority axis budget. The amount of the verified expenditure under the priority axis at the end of 2014 is **BGN 1,079,097,198.90 (EUR 551,733,636.82)** or 60.66 % of the axis budget. Grant contracts were signed for 9 infrastructural projects, 5 of which "major" ones. The EC has approved the application form for four of the "major" projects.

The execution of the projects for "Completion of Trakia Motorway, Lots 2, 3 and 4", the connection of Hemus Motorway to Sofia Ring Road and Lot 1 of Struma Motorway, "Kardzhali - Podkova" and the project "Ring road of Vratsa - Road I-1 (E79)" have been completed under the priority axis. 175 km of new roads were built and 16 km of existing roads were rehabilitated as a result.

- Project **BG161PO004-2.0.01-0004 "Completion of Trakia Motorway, Lots 2, 3 and 4"**

The grant awarded under the project is BGN 503,410,743.96 (EUR 257,389,826.29). The EC approved the AF on 21.12.2010.

The payments including advance payments are BGN 503,410,743.96 (EUR 257,389,826.29) of which CF - BGN 402,728,595.17 (EUR 205,911,861.03) and national co-financing BGN 100,682,148.79 (EUR 51,477,965.26). Verified expenditure under the project is to the amount of BGN 503,410,743.96. (EUR 257,389,826.29).

Lot 2 "Stara Zagora - Nova Zagora" (31.8 km) and Lot 3 "Nova Zagora - Yambol" (35.7 km) are in operation since 2012.

Under Lot 4 „Yambol – Karnobat” (47.7 km) 100 % of the project construction works have been implemented. Section I with length of 14.800 km was commissioned on 02.01.2013 and section II with length of 34.280 km was commissioned on 15.07.2013.

The implementation of the project has finished and the final report on the project was approved in December 2013. The final payment under the project was approved on 21.03.2014.

Information of a completed "major" infrastructural project:

- Project title: BG161PO004-2.0.01-0004 "Completion of Trakia Motorway, Lots 2, 3 and 4"
- Date finished: 15.07.2013

Information of the total amount of investment costs under the project in EUR according to item H2.2 of Annexes XXI and XXII to Regulation 1828/2006

| Total amount of investment expenditure in EUR - sources of financing | | | | | For information |
|----------------------------------------------------------------------|----------------------|------------------------------|-------------------------------|---------------|--------------------|
| Total investment cost | Community Assistance | National public contribution | National private contribution | Other sources | Loans from EIB/EIF |
| a=b+c+d+e | (b) | (c) | (d) | (e) | (f) |
| 268 161 803,37 | 205 911 861,04 | 51 477 965,26 | 0 | 10 771 977,07 | 0 |



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- **"key" (core) indicators:**
 - New roads (km) - 116.5³
 - New TEN roads (km) - 116.5
 - Travel time savings (roads) (EUR/year) for 2014 - 18,691,199
- Significant problems in the process of project implementation and measures taken to overcome them - no significant problems were encountered in the implementation of the project.

- **Project *BG16IPO004-2.0.01-0006 "Construction of Maritsa Motorway Lot 1 and Lot 2"***

The grant provided under the project amounts to BGN 329,586,573.59 (EUR 168,514,939.23) The EC approved the AF on 22.12.2010.

The payments including advance payments amount to BGN 232,972,572.62 (EUR 119,116,984.92), of which CF - BGN 186,378,058.10. (EUR 95,293,587.94), and national co-funding - BGN 46,594,514.52. (EUR 23,823,396.98). Verified expenditure under the project is to the amount of (EUR 101,616,255.03).

- **Lot 1 "Orizovo – Dimitrovgrad", from km 5+000 to km 36+400 - progress 64.91%**

An addendum was signed to the works contract on 24.09.2014 extending the deadline for execution of the project to 30.06.2015. The cause for extension of the contract was the force majeure circumstances due to excessive rain in the spring of 2014.

A procedure was opened in November in connection with a report of an expert committee under the Ministry of Culture for additional award pursuant to Article 90(1), item 8 of the PPA with subject: "Selection of contractor for conducting archaeological study of the southern part of site № 6 from km 24+220 to km 24+460 along the route of "Maritsa" Motorway". At the end of 2014 the Contracting Authority reported that the negotiation has finished and the opinion of the Public Procurement Agency is awaited for conclusion of a contract.

According to the last revised TCP approved by the Contracting Authority the project was to be executed in eighteen stages ((I, IA, II to VI, VIA, VII to X, XA, XI to XV). The contractor has finished the construction and installation works by stage XI. At the request of the Contractor the Contracting Authority has expressed its opinion in principle to stop the deadlines of stages XII and XIII. At the end of December 2014 the Contracting Authority reported the execution of activities under stages XIV and XV.

- **Lot 2 "Dimitrovgrad - Harmanli", from km 36+400 to km 70+620 - progress 88.37%**

Due to force majeure circumstances and the execution of additional CIW under the project an addendum was signed on 14.11.2014 to the works contract to extend the deadline for execution of the project to 01.06.2015. The gas pipelines have been realigned. According to the new approved technological and construction programme the construction work will take place in twenty-two stages (I to IX, IXA, X to XXI). The Contractor has finished the construction and installation works until stage XVIII. By the end of December 2014 the Contracting Authority has reported the execution of activities under stage XIX.

A contract was signed on 13.12.2014 after an open procedure for negotiation with notice for award of public procurement contract for additional CIW as a result of deficiencies found in the main project and need to execute the following activities: strengthening the trench sections;

³ The indicator covers also output



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reconstruction of power lines; reconstruction of facilities for irrigation, drainage and anti-filtration measures for dam "Fortress"; construction of a reinforced embankment of road link "Haskovo-Kapitan Andreevo" of road junction "Dimitrovgrad"; design and construction of road lighting for the road junctions; construction of an additional protective trench at km 46+100 and design and construction of noise protection screens. A consultancy services contract was signed on 10.12.2014 in connection with the above additional activities.

The construction works under the project are expected to be finished in June 2015.

Problems and undertaken measures:

- It is necessary to increase the rate of execution of the site on the part of the Contractors of Lot 1 in order to finish it within the extended deadlines.
- The Contracting Authority has undertaken measures to report information on the project.

The "Maritsa" Motorway project, Lot 1 and Lot 2" has been identified as high-risk by MA of OPT. The motorway is subject to intensive monitoring by the MA. Operational meetings are held to identify the problems and discuss options for their resolution. An extraordinary on-the-spot check was conducted on 14.10.2014 besides the three on-the-spot checks planned for 2014.

- Project **BG161PO004-2.0.01-0007 "Hemus Motorway", section „SRR – Yana road junction” - progress 99.66%**

The grant awarded under the project is BGN 44,244,408.06. (EUR 22,621,806.63). The payments including advance payment amount to BGN 39,819,967.25 (EUR 20,359,625.96), of which CF - BGN 31,855,973.80 (EUR 16,287,700.77), and national co-financing - BGN 7,963,993.45 (EUR 4,071,925.19). Verified expenditure under the project is to the amount of BGN 39,811,634.19 (EUR 20,355,365.34).

A findings report (form 15) was signed for the part "direct route" of the project on 19.08.2013 in compliance with Ordinance № 3/31.07.2003 for establishing the fitness of the construction and the route for operation. The remaining works amount to 0,34% of the construction and installation works. These include construction of sites outside the direct route which cannot be executed because they fall outside the area alienated for the needs of the infrastructural project. Therefore no Deed Form 16 has been issued for the site. In connection with the Resolution of the Council of Ministers issued in December 2013 for alienation of parts of private property for state needs until the whole project is completed, affected owners brought actions in 2014 and the proceedings are scheduled in the period from March 2015 to June 2015.

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

The grant awarded under the project is BGN 54 107 918 (EUR 27 664 939). The payments out under the project including advance payment amount BGN 47,361,448.82. (EUR 24,215,524.26), of which CF - BGN 37,889,159.06. (EUR 19,372,419.41), national co-financing - BGN 9,472,289.76. (EUR 4,843,104.85). Verified expenditure under the project is to the amount of BGN 42,821,666.63. (EUR 21,894,370.49).

The site is divided in two sections:

Section 1 “Kardzali – Djebel junction” – rehabilitation and reconstruction, length 8.2 km, in operation since the end of 2012.



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Section 2 “Djebel junction – Podkova” – new construction from 24,2 km and road connection for the village of Fotinovo from 2,4 km Deed Form 15 was signed on 03.02.2014 for section 2 under the main contract. The movement along section 2 was restored on 04.02.2014.

Additional order: 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 Varbitsa 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*” According to Order № ПД- 02-14-1293/21.12.2013 to the Building Permit report form 2A was signed on 21.12.2013 for the following types of construction works: retention walls, underpasses and bridge over the river of Varbitsa. Deed Form 15 was signed on 27.01.2014 for the following types of construction work under the additional order: retention walls, underpasses and bridge over the river of Varbitsa. An additional agreement was signed on 17.02.2014 to contract № ПД-33-22/18.10.2013 for extension of the deadline of the contract due to need to complete alienation procedures concerning properties within the scope of the additional agreement. The deadline will be extended after the issue of the forthcoming building permit for those areas. Additionally, all owners of properties for alienation under the additional order who had not been found were notified through the State Gazette and after the expiry of the 14-day period for appeal the payment was announced on 10.12.2014. The period for payment is three months. A request can be filed for issue of a building permit for the remaining activities from Stage V for 8 days after the payment procedure and the proceedings for appeal have been finished.

Physical execution of the additional contract: 65.96%.

The project is expected to be finished in September 2015.

- **Project BG161PO004-2.0.01-0009 "Struma" Motorway, Lots 1, 2 and 4"**

The grant awarded under the project is BGN 538,031,140.30 (EUR 275,090,953.87). The application form was approved by the EC on 27.02.2013. The payments under the project including advance payment amount to BGN 250,532,975.26 (EUR 128,095,476.22), of which CF - BGN 200,426,380.21. (EUR 102,476,380.98), and national co-financing - BGN 50,106,595.05. (EUR 25,619,095.24). Verified expenditure under the project is to the amount of BGN BGN 216,383,668.44. (EUR 110,635,212.90).

Lot 1 "Dolna Dikania – Dupnitsa"

As of 31.12.2013 physical progress of construction works is at 100%.

The section next to Dupnitsa North was opened and commissioned for temporary operation on 23 July 2013. The remaining 3 km for which Deed 15 was issued on 30 August 2013 are to be issued documentation for the issue of Deed 16 for the whole section of the motorway - after the alienation procedure has finished. The documentation for the actual completion of Stage 1 for information and publicity under the contract is to be prepared.

Lot 2 „Dupnitsa – Blagoevgrad”



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Stages I, II, III and IV of the Technological and Construction Programme have been finished. Stages V, VI, VII and XII have been partially finished. There is intense work to execute the small facilities, the embankments and the large facilities in all sections for which there are building permits with approved technical designs. The main layers and bitumen works are being executed. The building of the tunnels continues - the incoming and outgoing gate of the right tube of tunnel 1 have been completed, the primary cladding of tunnel 2 is under way, the hydroinsulation and the secondary cladding have been completed.

There is considerable progress in the construction of the facilities: 18 out of 38 facilities have been completely finished. The archaeological excavations along the route are ongoing.

The physical execution of Lot 2 is 43%.

The project is expected to be finished in October 2015.

Lot 4 „Sandanski – Kulata”

Stages I, II, IV, VI, VII and VIII of TCP have been completed. The excavation and backfilling activities to the level of zone A have been executed. The small facilities of the site are constructed. The main structure of 13 out of 19 large facilities has been finished. The understructure of the remaining 6 large facilities has been finished and the works on the upper structure continue. 6 out of the 12 water pipelines planned for re-alignment have been re-aligned. 4 out of the 5 planned re-alignments of domestic sewage pipelines have been partially re-aligned. All electrical re-alignments have been executed.

The physical execution of Lot 4 is 56.4%.

Expected completion - 31.07.2015.

Since the project is identified as a high-risk project by the MA, it is subjected to enhanced monitoring. Operational meetings with the Beneficiary are held to identify the problems and discuss the options for their resolution. All three planned on-the-spot checks under the проект were conducted as well as one ad-hoc on-the-spot check to establish the quality of the physical implementation.

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

Annex № 1 to grant contract № ДООИТ-1/17.01.2013 was signed on 24.09.2014. The cost of the project was decreased and the new total cost based on current and forthcoming procedures amounts to BGN 2,372,567.44.

The project involves modernization of the existing Road I-1 by building a road with gauge G28 and crossings at two or more levels and redirection of the traffic outside the settlements.

The following sections are subject to design:

- Section № 1: Vidin – Dimovo from km 3+757 to km 39+480;
- Section № 1: Dimovo – Bela - Ruzhintsi from km 39+480 to km 61+750;
- Section № 1: Ruzhintsi – Montana from km 61+750 to km 102+060;
- Section № 1: Montana - Vratsa from km 111+305 to km 140+008;

The contract with the Contractor for designing the sections "Vidin - Dimovo" and "Dimovo - Bela - Ruzhintsi" has been executed since July 2013. On 14.05.2014 the Beneficiary has officially submitted an initial version of the preliminary design for coordination with the Municipality of Dimovo. An Expert Technical and Economic meeting was held at RIA on 02.07.2014 and it was



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decided to drop the construction of road junctions "Dimovo" at km 39+910 and „Oreshets“ at km 51+590. The designer has submitted the revised version of the concept design for coordination with the Municipality of Dimovo in accordance with the decision of the Contracting Authority. After exchange of correspondence between the Contracting Authority and the municipality, Municipality Dimovo refused to coordinate the provided version of preliminary design in sections: Road I-1 „Vidin – Dimovo“ and "Dimovo - Bela - Ruzhintsi" due to the drop out of the above mentioned two road junctions.

The contract with the Contractor for designing the sections "Ruzhintsi - Montana" and "Montana - Vratsa" has been executed since July 2013. On 05.08.2014 the Beneficiary held an Expert Technical and Economic meeting to review the designs submitted by the Consultant for the first interim stage of phase "Preliminary Design". The designs were approved by the Beneficiary in August 2014.

Contracts were signed with Contractor to auditing the road safety at phase "Preliminary Design" and "Technical Design" on 23.07.2014. A Contractor was selected to elaborate a Report on the Environmental Impact Assessment (EIA) and the Impact Level Assessment (ILA) under a Framework Agreement. RIA and Dango Proekt Konsult Ltd. signed contract №Д-64/30.10.2014 for award of public procurement contract with subject: "Elaboration of Reports on the Environmental Impact Assessment (EIA) and the Impact Level Assessment /assessment of compatibility (RILA) for project "Road I-1 /E-79/ Vidin - Vratsa".

Reply was received on 19.11.2014 from the National Archaeological Institute with Museum (NAIM) that as a result of the analysis of the available data base of archaeological sites and the maps and routes of road versions sent by RIA there are 3 /three/ archaeological sites jeopardized by the construction of the speed way Vidin - Vratsa. It is necessary to conduct preliminary studies along the route for the selected option in order to determine the actual number of the jeopardized valuable archaeological cultural sites. Specific measures to protect each threatened site will be identified as a result of the studies.

The project is expected to be finished in July 2015.

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

The grant awarded under the project amounts to BGN 16 358 704,29. (EUR 8,364,072.69). The payments including advance payment amount to BGN 12 768 700,91 (EUR 6 528 533,11) of which CF - BGN 10 214 960,73 (EUR 5,222,826.49), and national co-funding - BGN 2,553,740.18. (EUR 1,305,706.62). Verified expenditure under the project is to the amount of BGN 11 060 279,05. (EUR 5,655,030.88).

The construction works ended on 25.06.2014 and Deed Form 15 was signed. Deed Form 16 was signed on 03.07.2014 and permit for use № CT-05-1034/3.07.2014 was issued.

The Beneficiary prepares the documents for the administrative completion of the project.

Annex № 1 to the grant contract was signed on 23.12.2014. According to it the date for completion is not later than 31.08.2015 and the budget of the project is revised from BGN 17,138,700.13, VAT included, to BGN 16,358,704.29, VAT included.

The physical execution of the project is 100%.

Expected final payment under the project - by 31.08.2015.



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

The grant awarded under the project is BGN 48,355,218.11. (EUR 24,723,630.43). The payments including advance payment amount to BGN 10 627 351,18. (EUR 5,433,678.38), of which CF - BGN 8,501,880.94. (EUR 4,346,942.70), and national co-funding - BGN 2,125,470.24. (EUR 1,086,735.68). Verified expenditure under the project is to the amount of BGN 7,325,337.31. (EUR 3,745,385.49).

The project deadline which expires on 30.05.2015 cannot be met. The reasons for that are the facilities operated by "Irrigation Systems" JSC which have not been noted on the investment design and the incompleting alienation procedures (delayed also due to Resolution № 6 of the Constitutional Court of 15.07.2013) for reconstruction of water pipelines, sewer collectors, gas pipelines, telephone and optic cables. A draft detailed territorial plan is being elaborated to resolve the problem: it is a plot plan containing the required reconstructions of the affected engineering networks. The draft is elaborated in implementation of the provisions of the Territorial Act. The issue with "Irrigation Systems" JSC facilities is expected to be solved by the end of 2014. After that the areas requiring change of the purpose of use of agricultural land and territory that will be imposed a regime of limited use /servitude/ will be specified. The Contractor was requested to provide an updated TCP which was submitted to RIA and is in a process of approval.

The physical execution of the project is 22.92%.

The project is expected to be finished in September 2015.

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

The grant awarded under the project amounts to BGN 64,236,872.00. (EUR 32,843,791.13). The payments including advance payments amount to BGN 44 129 358,55. (EUR 22,562,982.75), of which CF - BGN 35,303,486.84. (EUR 18,050,386.20), and national co-funding - BGN 8,825,871.71. (EUR 2 657 782). The verified expenditure under the project is to the amount of BGN 37 152 965,70. (EUR 18,996,009.72).

The project consists of two sections with total length of 8.5 km. The motorway section is 3 km long. Two road junctions with 2 trestles and 2 bridges above river Kakach are under construction. The execution of the project is divided into 6 construction stages.

- **Lot 1, Section 1** - from km 59+400 to km 61+629.18 and from km 0+000 to km 0+780 (from Lyulin Motorway to river Kakach), length 3.01 km.

Stages 1, 2 and 3 of a total of 6 stages have been completed. Stage 4 has been suspended due to incomplete alienation procedures of properties falling within its scope. The direct road from "Filiposvsko Shose" to road junction "Slivnitsa" is almost entirely covered with binder. The traffic is along the right-hand incoming road. Road junction "Tsaritsa Yoanna" is also almost ready, the restricting and noise protecting fences are to be mounted.

The physical execution of section 1 on 31.12.2014 is 65%.

The initial deadline for execution of the construction works according to the contract - 12.07.2014 - was extended with 262 days to 31.03.2015 with an additional agreement signed by the Contractor and Contracting Authority on 10.07.2014. There are objective preconditions for another extension of the deadline for the construction works in view of the meetings scheduled for the period February - June 2015 under the proceedings before the Supreme Administrative Court in connection with complaints filed by interested parties against decision of the CM for alienation of



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properties within the project scope. According to the Beneficiary the CIW may be completed by **September 2015**.

An expert committee was formed by order of the Minister of Culture which found an archaeological site in a report dated 02.09.2014 consisting of "a necropolis and items from the iron age" at km 0+190 to km 0+270 which must be fully studied in the unexcavated zone of the route. A contract was concluded at the end of January 2015 between RIA and the National Archaeological Institute with a Museum under BAS.

An contract was concluded on 03.10.2014 for award of public procurement with subject: "Selection of Contractor to perform additional construction and installation works at site: Road II-18 Sofia ring road in the section from km 59+400 to km 61+629.18 and from km 0+000 to km 0+780 with 2 (two) sub-sites: Sub-site I: Reconstruction of water pipeline and sanitation pipeline with increased length, reconstruction of two main heat pipelines and implementation of additional CIW; Sub-site II: Design and execution of noise reduction elements:

- **Lot 1, Section 2** from km 0+780 to km 6+309 (from river Kakach to Northern speed tangent) with length 5.5 km.

The procedure for selection of contractor was announced for a third time on 30.09.2014. The period for execution of the construction is shortened to 10 months. The submitted offers were opened on 11.11.2014. By 31.12.2014 the evaluation commission is still working.

The decision of the Contracting Authority to select consortium "Sofia West 2013" in the open procedure for **consultancy service in connection with the construction of the site** was appealed before the CPC by one of the participants. The CPC rejected the complaint by decision dated 20.11.2013. The decision of the CPC was disputed before a higher instance.

The procedure for alienation of land for section 2 is under way. It is expected that the alienation procedure will be finished by August 2015 and the selected Contractor will have full access to the construction site.

In view of the alienation problems the project was identified by OPT MA in August 2014 as risky.

The project is expected to be phased and section 2 will be executed under OPTTI.

- Project **BG161PO004-2.0.01-0017 „Bypass route for Gabrovo"**

The grant awarded under the project amounts to BGN 98,562,050.88. (EUR 50,393,976.41). The payments including advance payment amount to BGN 26 361 333,52. (EUR 13,478,335.81), of which CF - BGN 21,089,066.82. (EUR 10,782,668.65), and national co-financing - BGN 5,272,266.70. (EUR 2,695,667.16). The verified expenditure under the project is to the amount of BGN 19 362 656,40. (EUR 9,899,969.02).

A contract for construction and additional design was signed. It started on 26.06.2013 and the period for construction is 18 months. The site is divided into 4 sections and a stage connection:

First section - from km 0+000 to km 7+670 - is fully rehabilitated and has been commissioned for temporary operation since December 2013.

Second section - from km 7+760 to km 10+940.74 (with total length of 3.27 km) - is intended both for rehabilitation and new construction; road junctions "Sevlievo - Veliko Tarnovo" and "Kazanlak - Gabrovo" from road junction "Popovtsi" are under construction and currently the execution of CIW has been stopped with Deed Form 10.



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Section 3, 4 and stage connection do not have building permits and the construction activities have not started yet. These sections are intended entirely for new construction - 12 km new road will be constructed, two road junctions, four bridges/viaducts and one tunnel with length of 540 m. The detailed territorial plan - Plot Plan (DTP-PP) is approved, a resolution by the Council of Ministers is awaited for alienation of the properties, the procedure for serving the notices of alienation is currently under way (the owners are approximately 700). The Beneficiary considers that the notices will be served within a period of about a month and a half and that a building permit will be issued by August 2015 and the CIW in the sections will commence.

A contract for elaboration of an extended preliminary design was signed on 25.06.2014 for site: "Bypass road of Gabrovo" from 0+000 to km 31+000 – a tunnel under summit Shipka with length 3220 m from km 24+400 to 27+620". The Contractor has prepared and submitted a concept design for a tunnel under summit Shipka - 1st stage of design.

The physical execution of the project is 14.5%.

In case the construction starts in June 2015 it will be finished by the end of 2016.

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

A contract was signed on 02.07.2013 with the selected Contractor "Infra-Mist-DOPRAVOPROEKT".

The physical execution of the activity is 100%.

Activity "Preparation of preliminary design"

The execution of the activity is divided into 3 stages.

Stage 1 Hemus Motorway - Yablanitsa to road II-35 (Pleven-Lovech)

A contract was signed on 16.04.2014 for stage I with contractor "Hemus 2020" consisting of "Transconsult - 22" Ltd., "Rutex" Ltd., "Trafik Holding" Ltd. The period for execution of the contract is by 13.05.2015. The Contractor must provide the following reports and documents under the contract: an inception report, a draft report on the preliminary design, a concept design report, a report on the reference design and a final report. The inception report was approved by the Contracting Authority. In November 2014 the Contractor submitted a draft report on the concept design within the contractual deadlines. The report was reviewed by NCSIP and the non-compliances found in the report will be removed by the Contractor in the process of preparation of the concept design report.

Stage 2 Hemus Motorway - from road II-35 to road E-85 (Ruse - Kardzhali)

A contract was signed on 22.07.2014 at Stage II with Contractor "EGIS - IKP" consisting of "Egis Bulgaria" JSC, "Egis International" JSC and "Ingconsultproekt" Ltd. The period for execution of the contract is by 15.09.2015. The Contractor must provide the following reports and documents under the contract: an inception report, a report on the conceptual design, a draft report on the concept design, a concept design report, a report on the reference design and a final report. The inception report was approved by the Contracting Authority. In October 2014 the Contractor submitted a report on the conceptual design within the contractual deadlines. In December 2014 the Contractor submitted new corrected documents that were approved.

Stage 3 Hemus Motorway - from road E-85 to Belokopitovo



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A contract was signed on 11.11.2014 at Stage III with Contractor "AM Hemus stage III - 2020" consisting of "Mott McDonald Limited", UK, "Logistika 21" Ltd., Bulgaria and "CONTROLS" Ltd, Bulgaria with time limit for execution 294 days. The Contractor must provide the following reports and documents under the contract: an inception report, a report on the conceptual design, a draft report on the concept design, a concept design report, a report on the reference design and a final report. In December 2014 the Contractor submitted an inception report within the contractual deadlines. The report was approved by the Contracting Authority.

The physical execution of the activity is 12%.

Activity "Preliminary archaeological studies for the completion of Hemus Motorway"

NAIM-BAS provided information regarding affected archaeological sites along the route of Hemus Motorway and a bill of expenses for the field research. No contract has been signed for that activity yet. On 12.12.2014 the Beneficiary started a procedure for award of public procurement contract with a public call with subject: "Preliminary archaeological studies - search for archaeological sites in order to complete Hemus Motorway (stage 1)."

The physical execution of the activity is 0%.

The physical execution of the project is 48%.

The project is expected to be finished in June 2015.

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

Physical execution:

Subactivity 1 - "Preparation of a preliminary design of Struma Motorway Lot 3 „Blagoevgrad – Sandanski”

The Contractor has submitted the final version of the Concept Design Report under part "Roads". The Contracting Authority is concerned about the progress of the work of the Contractor for development of the design under part "Tunnels" and has sent a letter with directions for its development.

- 1.1 "Updating the traffic forecasts and cost-benefit analysis for Lot 3 of Struma Motorway and preparation of an application form" - The contract was signed on 28.08.2014 with time limit of 13 months. The cost is BGN 254,545.20. A report updating the traffic forecasts was submitted in December 2014.
- 1.2 *Audit of the traffic safety of the concept design for Lot 3 of Struma Motorway for part "Roads" and part "Tunnels"*. The procedure for award of the public procurement through a public call has been completed and submitted to the MA for subsequent control.
- 1.3 *"Determination of the equivalent monetary compensation and technical intermediation in the procedure for forced alienation of the properties need for the construction of Struma Motorway Lot 3"* A contract was signed on 30.10.2014 with "Consortium 2014 for STRUMA Motorway" with time limit for execution 308 days. The contract enters into force on 03.11.2014.
- 1.4 *"Elaboration of a variant solution for Lot 3 of Struma Motorway in the area of Kresna Gorge"*. After procedure for selecting a contract a contract was signed on 22.08.2014 with "PATPROEKT 2000" Ltd. with time limit for execution of 35 days. The Contractor has submitted the final report for the variant solution for Lot 3.2 of Struma Motorway. The report was approved and the contract was completed.



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1.5 *"Preliminary engineering and geological surveys for Struma Motorway in Kresna Gorge"*. After procedure for selecting a contract a contract was signed on 22.08.2014 with "BONDIS" Ltd. with time limit for execution of 63 days. The Contractor has submitted the final report which was approved and the contract was completed.

1.6 *"Environmental analysis of the variant solution of Lot 3 of Struma Motorway in the area of Kresna Gorge."* The procedure for selection of contractor was conducted and a contractor was selected. The Commission for Protection of Competition received a complaint on 30.12.2014.

The physical execution of the sub-activity 1 is 35%.

Subactivity 2 - Provision of environmental consultancy services in connection with the construction of Struma Motorway Lot 3 "Blagoevgrad - Sandanski"

The environmental consultant works on the versions of the concept design report under part "Roads" and on the concept design report under part "Tunnels".

The physical implementation in 54%.

Subactivity 3 - "Consultancy services as a strategic consultant for the construction of Struma Motorway Lot 3 „Blagoevgrad – Sandanski”

The Contractor has submitted an opinion on the fire safety and health report for tunnel "Kresna" prepared by the designer of the concept design and an opinion on the statistical calculations of the pavement in the tunnels. Reports on the review of the concept design under part "Roads" and the reference design under part "Roads" were submitted within the deadlines. An opinion was also submitted on the risk analysis of the tunnels "Kresna" and "Zheleznitsa".

The physical implementation in 30%.

Subactivity 4 - "Geological study for the construction of Struma Motorway Lot 3 „Blagoevgrad – Sandanski”

A procedure for the selection of contractor of geological surveys was conducted. Consortium "Geops-Geotechnika-Consult" was selected as Contractor. The Contractor performed additional inspection of the route at tunnel "Zheleznitsa". The main drilling was finished on 13.09.2014. The Contractor has submitted Reports on the geotechnical surveys for tunnel "Zheleznitsa" and tunnel "Kresna". After reviewing the reports the Contracting Authority sent a letter to the Contractor with comments and remarks.

The physical execution of the contract is 30%.

Subactivity 5 - "Preliminary archaeological research for the construction of Struma motorway Lot 3 „Blagoevgrad – Sandanski”

The activities on the prior archaeological studies to establish with non-destructive techniques and methods the absence or presence of archaeological and other cultural objects have finished - the exploration activities in the registered 9 sites subject to exploration are completed.

The physical implementation in 100%.

Subactivity 6 - Monitoring, analysis and evaluation of the mortality of species in the area of E-79 (I-1) passing through protected areas "Kresna" and "Kresna - Ilindentsi"

In September 2014 the Contractor checked the track and recorded the dead animals on the road lanes according to pre-submitted timetable for carrying out these studies.

The physical implementation in 60%.



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Subactivity 7 - Monitoring of the traffic of road E-79 (I-1) passing through protected areas "Kresna" and "Kresna - Ilindentsi"

This sub-activity ended in 2013 - 100% execution.

2.2 Significant problems with the preparation and execution of projects under the priority axis and undertaken measures

The significant problems related to the preparation and execution of projects under the priority axis in 2013/2014 included mainly with:

- Too long alienation procedures;
- Delay due to archaeological studies;
- Delay of the coordination between the institutions involved in the coordination procedures for preparation and execution of projects funded under OPT;
 - Unfavourable weather conditions such as heavy rains and floods;
 - Redundancies and re-organization of Implementation of Projects under OPT and CF Directorate of RIA in December 2014

The following steps were undertaken to overcome the problems:

- Planned and ad-hoc on-the-spot checks performed by the OPT MA;
- Senior management operational meetings with beneficiaries and site inspections;
- Preparation of timetables and risk management plans and monitoring of their implementation;
 - Amendments were made with joint efforts to the State Property Act to accelerate the alienation procedures.



3. Priority Axis III - "Improving intermodality in transporting passengers and cargos "

3.1 Achievement of targets and analysis of the progress

Table 17: Physical progress of Priority Axis III - "Improving intermodality in transporting passengers and cargo" on quantifiable indicators to 31.12.2014

The target values of all indicators do not include base values

Target indicator values *"Time savings for travel by Metro lines in thousands of hours per year," "Time savings for travel by Metro lines in euros per year" and "Number of trips by metro lines"* account the overall result of the project for the metro extension implemented on priority Axes 1 and 3.

| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|------------------------------------------------------------------------------------------|-------------|--------|------|------|------|------|---------------|---------------|---------------|---------------|---------------|
| Priority Axis III - Improving intermodality in transporting passengers and cargos | | | | | | | | | | | |
| Time savings (metro under PA1 and PA3) (thousand hours/ year) | Achievement | 0 | 0 | 0 | 0 | 0 | 2 169 | 7 618 | 7 424 | | 7 424 |
| | Target | | | | | | | | | 13 678 | |
| | Baseline | 0 | | | | | | | | | |
| Value for time savings (metro under PA 1 and PA3) (euro/year) | Achievement | 0 | 0 | 0 | 0 | 0 | 10 512 962 | 37 101 631 | 36 278 188 | | 36 278 188 |
| | Target | | | | | | | | | 65 375 947 | |
| | Baseline | 0 | | | | | | | | | |
| Number of trips (metro under PA 1 and PA3) (thousands/year.) | Achievement | 0 | 0 | 0 | 0 | 0 | 9 916 | 31 798 | 34 939 | | 34 939 |
| | Target | | | | | | | | | 69 100 | |
| | Baseline | 25 550 | | | | | | | | | |
| Capacity of intermodal | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |



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| | | | | | | | | | | | |
|---------------------------------------------------|-------------|--------|---|---|---|------|-----|-----|-----|--------|-----|
| terminals (number of TEU/year) | Target | | | | | | | | | 4 000 | |
| | Baseline | 5 200 | | | | | | | | | |
| Capacity of intermodal terminals (pcs.TEU / year) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| | Target | | | | | | | | | 57 600 | |
| | Baseline | 26 000 | | | | | | | | | |
| Length of metro lines (km) | Achievement | 0 | 0 | 0 | 0 | 5.39 | 6.5 | 6.5 | 6.5 | | 6.5 |
| | Target | | | | | | | | | 14.1 | |
| | Baseline | 9.9 | | | | | | | | | |
| Metro stations (pcs) | Achievement | 0 | 0 | 0 | 0 | 4 | 7 | 7 | 7 | | 7 |
| | Target | | | | | | | | | 14 | |
| | Baseline | 8 | | | | | | | | | |
| Built intermodal terminals (number.) | Achievement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| | Target | | | | | | | | | 1 | |
| | Baseline | 0 | | | | | | | | | |
| Projects of PA 3 (pcs) | Achievement | 0 | 0 | 1 | 1 | 2 | 3 | 3 | 4 | | 4 |
| | Target | | | | | | | | | 3 | |
| | Baseline | 0 | | | | | | | | | |



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6 grant contracts were signed by the end of 2014 under the priority axis for provision of grant assistance at the amount of **BGN 650 892 879.81 (EUR 332 796 244.98)**, or **99.88%** of the budget of the priority axis . The eligible costs of the contracts under the priority axis of OPT are **BGN 639 317 896.46 (EUR 326 878 049.96)**. Beneficiaries have been paid **BGN 541 517 365.58 (EUR 276 873 432.55)**, or 83.10% of the priority axis budget. The total amount of verified costs of the priority axis at the end of 2014 is **668 021 600.67 BGN (341 554 020.88 euros)**, of which grant awarded to the amount of BGN 529 138 117.52 (EUR 023.52 270 544) or 81.20% of the axis budget and own contribution to the amount of BGN 138 883 483.15 (EUR 71 009 997.37).

Grant 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 the subway in Sofia: I Stage - II metro diameter: section "Nadezhda junction" (MS 5-II) - Cherni vrah Boulevard (MS 11-II)"**

The grant awarded amounts 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 to the amount of 185 193 384.63 euros. Verified cost of the project amounts to 247 145 295.97 euros, the amount of 157 414 376.94 euros from which are from the ERDF, and national co-financing is to the amount of 27 779 007.69 euros and financed by the beneficiary in the amount of 61 951 911.34 euros. Certified project costs amounting to 247 149 086,93 euros, of which European co-financing is to the amount of 157 416 791.50 euros.

On 31.08.2012, both sections of the project are put into operation. The project was completed with a final payment to the contractors. As a result of the project 6.5 km subway lines and 7 subway stations.

Information on complete "major" infrastructure project:

- Project name: "Project for expansion of the subway in Sofia: I Stage - II metro diameter: station" Nadezhda junction" (MC 5-II) - Cherni vrah Boulevard (MS 11-II)"
- Date of completion: 31.08.2012

Information on investment total project costs in euros, according item H2.2 of Annex XXI and XXII of Regulation 1828/2006.



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| Total investment costs in euros - sources of funding | | | | | For information |
|------------------------------------------------------|-----------------------------|------------------------|----------------|------------------------|-----------------|
| Total investment costs | Community Help | Total investment costs | Community Help | Total investment costs | Community Help |
| a=b+c+d+e | (b) | (c) | (d) | (e) | (f) |
| 296 574 355,17 | 157 414 376,94 ⁴ | 139 159 978,23 | 0 | 0 | 0 |

- Output indicators - built 6.5 km. subway lines; built 7 subway stations;
- Result indicators - number of trips made by Metro lines 16.7 million for 2014
- Core indicators: additional population served by improved public transport (number) - 259 051
- Significant problems in the process of project implementation and measures taken to overcome them - in the implementation of the project no significant problems were encountered.
- Project BG161PO004-3.0.01-0004 *"Technical assistance for the construction of an intermodal terminal in the North Central Planning Region of Bulgaria Ruse"*

Physical performance:

The main project activities are divided into six phases:

- Phase 1 - Preparation of feasibility studies, conceptual design, detailed plan preparation and land acquisition procedures;
- Phase 2 - Preparation of the EIA (if necessary);
- Phase 3 - Archaeological studies;
- Phase 4 - Preparation of Application Form to build IMT Ruse;
- Phase 5 - Information and publicity;
- Phase 6 - Collection of documents on coordination activities for project preparation.

The process of appeal of the tender for selection of contractor for Phase 1 - carrying out feasibility studies, preliminary design, detailed plan and land acquisition procedures ended with Decision №13141/04.11.2014, SAC. By letter dated 12.29.2014, the MA OPT has agreed documents relating to public procurement and the draft contract with the selected contractor.

The Activities of the other phases are related to the implementation of Phase 1 and not started.

- Project BG161PO004-3.0.01-0005 *"Extension Project of Sofia Metro: Stage III Lot 1" Tsarigradsko Shosse - Sofia Airport "Lot 2" Mladost 1 district - Business Park Mladost 4"*

The grant awarded amounts to EUR 215 141 300, BGN (eur 110 000 000). EC has approved the AF of 14.12.2012

⁴ The difference between the awarded grant (EU share) and the certified payments (EU share) is due to difference in the the fixed rate of (BNB 1.95583 BGN / euro) and the exchange rate of the ECB (1.9558 lev / euro)..



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The payments including the advance payment amount to 165 243 673.45 BGN (84 487 748.65 euros), of which ERDF - 140 457 122.43 BGN (EUR 71 814 586.36) and national co-financing to the amount of BGN 24 786 551.02 (EUR 12 673 162.30). The verified expenditure under the project is to the amount of BGN 155 803 643,82 (EUR 79 661 138,15).

The section is of 4.95 kilometres length and includes the construction of four stations - 2 underground and 2 on the ground. The section is divided into three lots, for which the contractors are selected. On all three positions in a constructive plan the tunnel sections and subway stations are completed, trestle is covered, and most of the tracks are installed. In metro stations the architectural works, coatings, linings and other finishing work are implemented. The construction of the railway stop "Druzhba" - track reconstruction is completed, the activities on painting of the existing metal structure at the platform are being undertaken and roof panels are coated. The construction works on the apron pavement and installation of poles for overhead lines are in progress. A road junction over the subway route of and Metro station 20 in "Druzhba" district is implemented from the intersection of "Krusty Pastuhov" Str. and "Captain Dimitar Spisarevski" Str. to "Obikolna" Str., as well as the two pedestrian underpasses.

In the whole area, architectural finishing works; installation of electrical installations, equipment and other systems; reconstruction of roads and sidewalks; vertical planning are mostly performed. **Physical progress for Lot 1 is 85.98%.**

-Lot 2 section "Mladost I district - Business park in Mladost IV "

The length of the section is 2.6 km with 3 metro stations and is divided into two lots for which contractors are selected. The construction of underground stations and tunnels of the two lots are fully completed and most of the tracks are installed . Finishing architectural works; installation of electrical installations, equipment and other systems; reconstruction of roads and sidewalks; vertical planning are implemented. **The physical progress of Lot 2 is 76.17%.**

Overall progress of the project - 82.36 %.

The expected completion of the project is in June 2015

| PHYSICAL PERFORMANCE | 82,36% |
|---------------------------------------------------------|---------------|
| <i>Lot 1 Tsarigradsko Shosse Blvd.. - Sofia Airport</i> | 85,98% |
| <i>Lot 1</i> | 84,19% |
| <i>Lot 2</i> | 87,97% |
| <i>Lot 3</i> | 86,74% |
| <i>Construction of the road junction</i> | 73,70% |
| <i>Lot 2 Mladost 2 - Business Park Mladost 4</i> | 76,17% |
| <i>Lot 1</i> | 79,66% |
| <i>Lot 2</i> | 70,20% |

- Project BG161PO004-3.0.01-0007 **"Construction of intermodal terminal in South Central Planning Region in Bulgaria - Plovdiv"**

The grant awarded amounts to BGN 7 038 721.55 (EUR 3 598 841.18). The payments including the advance payment amount to BGN 529 606.06 (EUR 270 783.28) from the ERDF - 423 684.85 BGN (EUR 270 783.28) and national co-financing - 105 921.21 BGN (EUR 54 156.66). The verified expenditure under the project is to the amount of 1 029 606.06 BGN (526 429.22 euros).



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Physical performance:

On 23.04.2014, a contract for provision of grant funding was signed. On 23.05.2014 the contracting authority concluded a contract for "Evaluation of the investment project conformity with the essential requirements for construction and construction supervision for the site. On 23.05.2014 the contracting authority concluded a contract for "Construction of intermodal terminal in South Central Planning Region Bulgaria - Plovdiv". The site is provided to be offered for the concession after its completion.

The contractor for design and construction has submitted the technical design of all parts. The project was approved by Contracting Authority, with specific recommendations for the next phases.

On the territory of the Kableshkov station after preliminary agreement an informative billboard on the project was placed .A project to build a project leader office was agreed with Rodopi municipality and permission for placement was received .

Activities are carried out expropriation of property within the territory of the terminal. SAM in order to receive all private property except for one case which is scheduled for April 2015 At its meeting of 12.23.2015, the Municipal Council of Rodopi municipality has decided on awarding MTITC of municipal property within the territory of the terminal.

Physical implementation of the project is 5.4%.

Estimated project completion – 06.11.2015

- Project BG161PO004-3.0.01-0008 *"Rehabilitation of interlocking complex of TEN-T network - Rehabilitation of the station complex in Sofia Central Station", "Rehabilitation of station complex railway station Burgas, travel", "Reconstruction and renovation of the entrance building station Pazardzhik - II-nd stage "*

The grant awarded amounts to BGN 62 260 198.45 (EUR 31 833 133.99). The payments including the advance payments amount to BGN 13 487 540.60 (EUR 6 896 070.01) from the ERDF - 11 464 409.51 BGN (5861 € 659.51) and NF – BGN 2 023 131.09 (EUR 1 034 410.50). The verified expenditure under the project is to the amount of BGN 10 548 322.17 (EUR 5 392 71.49).

- **Central Railway Station Sofia** - Tender procedures were held under the PPA. were signed two contracts on 22.8.2013 - for design and construction and construction supervision. Remission for construction of № PC - 3 / 13.3.2014, the (entered into force on 04.01.2014) and Act Minutes № 2 of 16.04.2014 on the opening of the construction site. Construction works on site are in full swing, as the activities are technologically divided into two stages, so not to stop operating activity at the station. It is expected the project to be put into operation **till. November 2015**

Physical performance to 31.12.2014 is 27.45%.

- **Railway Station Burgas** - Tender procedures were held under the PPA. Once completed appeal procedures in the CPC and the Supreme Administrative Court of 15/07/2014 were signed two contracts - for design and construction and construction supervision. Contractually defined period design is 4 months, and construction - 16 months. In November and in December 2014 were issued permits for construction and prepared the opening of the construction site for the facility (Signing of Protocol Model 2 for opening



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the construction site and the building line and level for the rehabilitation of station complex railway station Burgas, travel - in the January 2015). Currently beneficiary has reported an expected completion and commissioning **by the end of March 2016 Physical performance to 31.12.2014 is 0%.**

- **Railway Pazardzhik station** - project is completed and put into operation in September 2014 (Act Form 16 for entering the facility into operation was signed on 09.10.2014, from NCSD was granted permission to use the site № CT-05-1308 / 09.12.2014)

Physical implementation of railway Pazardzhik station is 100%.

Expected completion of the project - to March 2016

3.2 Significant problems in the preparation and implementation of projects under the priority axis and measures taken

The priority axis are identified significant problems in the preparation and implementation of projects.



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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 of priority axis IV „Improvement of the maritime and inland-waterway navigation” by quantifiable indicators to 31.12.2014

Target values of indicators include baseline values (where such are set).

| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|-----------------------------------------------------------------------|-------------|------|------|------|------|------|------|------|----------------|-------|-------|
| Priority IV - Improvement of the maritime and inland waterways | | | | | | | | | | | |
| Supervised coast length (nautical miles) | Achievement | 24,7 | 35 | 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 | 471,5 | | 471,5 |
| | Target | | | | | | | | | 471,5 | |
| | Baseline | 24 | | | | | | | | | |
| Implementation of the VTMISS - Phase 3 (number) | Achievement | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 ⁵ | | 1 |
| | Target | | | | | | | | | 1 | |
| | Baseline | 0 | | | | | | | | | |
| River information system (number) | Achievement | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 ⁶ | | 1 |
| | Target | | | | | | | | | 1 | |
| | Baseline | 0 | | | | | | | | | |
| Projects under PA 4 (number) | Achievement | 0 | 0 | 0 | 0 | 1 | 2 | 3 | 3 | | 3 |
| | Target | | | | | | | | | 3 | |
| | Baseline | 0 | | | | | | | | | |

⁵ In implementation.

⁶ In implementation.



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At the end of 2014 there are 5 grant contracts signed under the priority axis at the amount of **BGN 75 907 647.79 (EUR 38,810,964)** or representing **111.69%** of the budget of the priority axis. The eligible expenditure of the contracts concluded under the OPT for execution amounts to **BGN 66 307 660.37 (EUR 33 902 568.41)**. The beneficiaries were paid **38 722 939.01 BGN (19 798 724.33 euros)**, or **56.97%** of the budget of the priority axis. At the end of 2014 the total amount of the verified expenditures under the priority axis is **BGN 33 485 602.95 (EUR 17 120 916.93 euros)**, which is **49.27%** of the axis budget.

The three main investment projects, financed by the priority axis are in progress. In relation with the delay of the implementation of the project for improvement on maritime conditions on the Danube river for the next period, 122, 1 million EUR were transferred from priority axis 4 to priority axis 3. The transfer of funds was approved by Commission Decision dated 17.12.2013, in connection with the second amendment of the program.

- Project **BG161PO004-4.0.01-0003 "Establishment of River Information System in the Bulgarian part of the Danube river- BURRIS"**

The grant awarded amounts to BGN 31,304,190 (EUR 16,005,578). The payments including advance payment amount to BGN 20 234 115.17 (EUR 10 345 538.81), of which ERDF - BGN 17 198 997.89 (EUR 8 793 707.99) and national co-financing – BGN 3 035 117.28 (EUR 1 551 830.82). The verified expenditure under the project is to the amount of 15 442 946.29 BGN (EUR 7 895 853.06).

Implementation of the project is divided into three phases, each phase is divided into two types of activities: "Preparatory activities" and "Activities execution." The status of their execution is as follows:

Physical performance:

Implementation of the project is divided into three phases, each phase is divided into two types of activities: "Preparatory activities" and "Activities execution." The status of their implementation at 31.12.2014 is as follows:

Development of river system.

Phase 1 - On 03.01.2014 the final acceptance protocol to adopt River Information System in the Bulgarian part of the Danube river- BURRIS. By signing the protocol the system is put into operation and started to run the warranty period of twelve months. In May 2014 by MA of OPT was organized spot check concerning the completion of Phase 1, the MA experts visited most of the stations of the system.

As of 31.12.2014 the total physical progress in the implementation of Phase 1 of the objects from the River Information System is 100%.

As of 31.12.2014 total physical progress in the implementation of phase 2, Lot 1 is 100%, including:

- Construction of the railway crossing the street "Port" with constant traffic organization - 100%;
- Construction, equipment and furnishing of the building RIS centre Ruse - 100%;
- Perform reconstruction of the existing quay wall - 100%;
- A permission for use from December 5, 2014 to the three above mentioned subprojects as well as the photovoltaic plant on the roof of the administrative building of the RIS centre in the town of Ruse.



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Phase 2, Lot 2, (Activity 6) "Expanding the scope of services and the system" A contract № EMD-20 from 11.14.2013, with the subject: Development of river system in the Bulgarian part of the Danube - BULRIS PHASE 2 Lot 2 - expanding the range of services and the system. "Completed Stage 2 - A system design and database model (NtS, ERI, NRDMS, RIS portal); subsystem wireless network environment WLAN; presented and approved working projects; were carried out deliveries of equipment / software which signed transceivers and finding records.

For most of the objects in phase 2 Lot 2 have been issued building permits from: Silistra port, the port of Nikopol, Svishtov port Svishtov TVR, Tutrakan port TVR Oryahovo, Oryahovo port Silistra TVR, Tutrakan TVR, RIS Center Ruse - Ruse and new TVRS .

The overall progress is 46%.

The deadline for completion is May 2015

Phase 2, Lot 3 (Action 7) "Enforcement activities"

A contract EMD № 4 / 04.28.2014, with the Artist with the subject: *"Implementation of a system for monitoring and recording the condition of the riverbed. "Carry out active work on delivery of the vessel and Testing in the town. Ruse.*

To 31.12.2014 the total progress in the implementation of Phase 2, Lot 3 (Action 7) is 90%. The site will be completed in the month. May 2015

Phase 3 "Implementation of new technologies in accordance with the newly adopted EC Regulations"

An Annex № 1 with registration ДЮИТ № 40 of 10/12/2013 was signed, according to which Phase 3 will not be implemented in this programming period due to delay in publication of new EU Regulations. With the successful implementation of Phase 1 and 2 will be achieved the main goal of the project - "Harmonization of information services to support traffic management and inland waterways" in accordance with Directive 2005/44 / EC.

Overall implementation of the project: 79%.

- Project **BG161PO004-4.0.01-0005 "Information Management System Vessel Traffic (VTMIS) - phase 3"**

The grant awarded amount to BGN 32 724 314 (EUR 16 731 676). The payments including advance payment amount to BGN 17 020 676.88 (EUR 8 702 533.90) from the ERDF - BGN 14 467 575.35 (EUR 7 397 153.82) and national co-financing – BGN 2 553 101.53 (EUR 1 305 380.09). The verified expenditure under the project is to the amount of BGN 16 974 894.46 (EUR 8 679 125.72).

The project includes the following activities:

Activity 1: "Expanding the scope and functions of the system for vessel traffic management / VTS /". Activity 2: "Establishing a national centre for electronic document maritime transport ("one stop shop ").Activity 3: "Upgrading and expansion of the transmission medium (RRL) and technological modernization of the communication system (GMDSS)". Activity 4: "Building a centre for coastal management and information services to shipping Burgas". Activity 5: "Building a centre for coastal management and information services to shipping Varna". Activity 6: "Supervision in activities 1, 3, 4, 5". Activity 7: "Technical Assistance".

On Activity 1, 2 and 3 of 12.13.2013 was concluded a contract for "Supply and installation of equipment and execution of works for the project" Information management system for vessel traffic (VTMIS) - Phase 3 ". The supplies have been carried and the test equipment required for the



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objects within the scope of the project has been tested. MRD issued a building permit for 17 sites included in the scope of the project for construction of technical infrastructure of the project. In December 2014 started the installation of electronic equipment supplied by the Contractor and the preparation of premises to perform installations.

Activity 4 and 5 of 24/06/2013, was contracted to "Design and construction (engineering) and furnishing of buildings coastal management centres and information services to shipping Burgas and Varna Project: Management Information System of vessel traffic vessels (VTMIS) - Phase 3 ". On 27.03.2014 a building permit to build a coastal centre - Burgas was issued. On 04.07.2014 was issued a building permit for the construction of coastal centre of Varna. Act form № 14 was signed on 24.9.2014 on both coastal centre. BC Varna was completed, leaving some finishing work on environmental infrastructure will then be issued statement form № 15. In BC Burgas most works are completed. Work on the glazing of the building in the curtain wall, a fire alarm system in raised floors and suspended ceilings in interior joinery and construction of the external relations of the building.

All construction contracts, including the contract for "Supervision of works and implementation consulting services for construction projects in the "Vessel Traffic Management Information System (VTMIS) - Phase 3 "for the implementation of projects are concluded and implemented.

Physical implementation of the project is 74.9%.

Estimated project completion - 30.06.2015.

- Project **BG161PO004-4.0.01-0007 "Improving the systems for navigation and topohydrographic measurements Danube river "**

The project includes four main activities:

- **Activity 1** "Building support GPS geodetic network along the Bulgarian bank of the Danube River and its connection with EUREF "- after the appeal process of tendering of 09/24/2014 a contract at the amount of 395 535.60 BGN was signed. The date of contract completion is 04.15.2015. There are 142 of 198 total envisaged number of geodetic points. GNSS measurements were performed (global navigation satellite systems) near the towns of Rousse and Tutrakan.

Physical implementation to 31.12.2014 is 45%.

- **Activity 2** "Purchase and installation of automatic hydrologic and meteorological stations" - the contract has been completed and installed 9 automatic hydrometric stations, 9 meteorological stations and 9 information boards. For all stations are carried out 72-hour samples and conducted training of IAPPD to work with them.

Physical performance - 100%.

- **Activity 3** "Purchase of floating and coastal navigation signs along the Danube river"- the contract with the selected contractor was signed on 28/07/2014. The amount of the contract is BGN 2.0646 million and the date of completion is 24/04/2015. The contractor has produced an experimental version of the floating mark (buoy), which has undergone tests and adjustments. On 10/23/2014, the final buoys prototype was



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approved. The preparation of materials for all coastal signs has been made and the signboards for them has been produced.

Physical implementation is 55%.

- **Activity 4** "Purchase of specialized vessels for hydrographic survey" – after a decision of the CPC, the Contracting Authority terminated the procedure for selecting a contractor. Documentation is processed and Decision № 50 / 04.10.2014 of the Executive Director EA EMDR has launched a new open procedure. On 09/30/2014 a decision to classify the performers, which is under appeal was signed.

Expected completion of the project according to the signed grant contract - May 2015

4.2 Significant problems in the preparation and implementation of projects under the priority axis and measures taken

No significant problems in the preparation and implementation of projects are identified on the 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 of priority axis V - "Technical Assistance" for quantifiable indicators to 31.12.2014

| Indicators | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|--------------------------------------------------------------------------------|-------------|------|----------------|------|-------|------|------|------|-------|-------|-------|
| Priority V - "Technical Assistance " | | | | | | | | | | | |
| General transport master plan (number) | Achievement | 0 | 0 | 0 | 1 | 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 | 1 | | 1 |
| | Target | | | | 1 | | | | | 1 | |
| | Baseline | 0 | | | | | | | | | |
| Communication plan implementation (number) | Achievement | 0 | 1 ⁷ | 1 | 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 | | 1 |
| | Target | | | | 1 | | | | | 1 | |
| | Baseline | 0 | | | | | | | | | |
| Trained people according to training programmes (%) | Achievement | 0 | 4.2 | 8.2 | 8.6 | 57 | 79 | 81 | 83,61 | | 83,61 |
| | Target | | | | 100 % | | | | | 100 % | |
| | Baseline | 0 | | | | | | | | | |
| Publicity actions at national level (number) | Achievement | 4 | 11 | 16 | 19 | 24 | 31 | 33 | 35 | | 35 |
| | Target | | | | 9 | | | | | 24 | |
| | Baseline | 0 | | | | | | | | | |

⁷ Approved – in implementation.



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At the end of 2014 under the priority axis 81 grant contracts/orders at the amount of **BGN 119 879 955.41 (EUR 61 293 647.92)**, or **92.94%** of the budget of the axis. Beneficiaries were paid **BGN 52 511 089.90 (EUR 26 848 493.94)**, or **40.71%** of the budget of the priority axis. At the end of 2014 the total amount of the verified expenditures under the priority axis is **BGN 52 282 950.73 (EUR 26 731 848.23)**, which is 40.53% of the axis budget.

- Project **BG161PO004-5.0.01-0030 "Technical assistance for preparation of investment project for third metro line of the Sofia Metro" Knyajevo district - TSGCH - Botevgradsko shosse Blvd.for realization as a "light metro"**

The project has been completed in July 2014. The final request for payment has been approved by MA.

- Project **BG161PO004-5.0.01-0059 "Design and implementation of Geographic Information System (GIS) for the management of port infrastructure"**

Implementation of the project is in the stage of completion as planned thirteen project activities have been completed. The final report and the final payment made on the project are expected to be submitted and approved at the beginning of 2015.

The main activities of the project (from activities 5 to 12) **to build a GIS system of port infrastructure in Bulgaria have been completed** till 04.08.2014 according to the contract and the beneficiary has accepted the work of the Contractor with final acceptance performance protocol.

From 22.08.2014 geographical information system for management of port infrastructure is in place for use by all employees on address: <http://gis.bgports.bg> .

- **Project BG161PO004-5.0.01-0063 "Technical Assistance to study the possibility of implementation of an investment project" Super Burgas- Public Access Area "**

The aim of the project **BG161PO004-5.0.01-0063 "Technical assistance for feasibility study of the investment project" Super Burgas - Public Access Area "** is defining the scope of the investment project by:

- study the opportunities for funding under OPT of all activities provided for inclusion in the investment project and investigate the potential for development;
- realization of preliminary studies relating to the acceptability of the future investment project and its subsequent development. Achieving this goal allows for preparation of necessary documentation for financing acceptable and realistic projects in OPT and other donor program.

Physical performance: 100% (Note: *The specifics of the performed activities is in generating documents such as legal and economic analysis, concept development, feasibility studies, etc., To investigate opportunities for investment intentions, the percentage measurement is provisionally estimated*).

The project ended on 31 October 2014 after approval of the final report and final request for payment.



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- Project **BG161PO004-5.0.01-0078 "Technical assistance to improve the efficiency of the road sector in Bulgaria"**

Activities within the scope of the Agreement with the International Bank for Reconstruction and Development (IBRD):

- **Activity 1 - Overview of strategy for the road sector** - both of the sub-actions have been accepted by the Contracting Authority. The third sub-activity should be carried out by the Consultant within three months after the environmental assessment of the selected contractor.
- **Activity 2 - Strategic business plan** - under consideration by the Contracting Authority.
- **Activity 3 - Developing a Plan of Action on Road Safety 2013-2020** - the two sub-activities approved by the Contracting Authority.
- **Action 4 - Preparation of Medium Road OP** - one sub-activity was partially approved by the Contracting Authority and the other is in the process of acceptance by the working group of the Contracting Authority.
- **Activity 5 - Implementation of processes for managing road assets** - one sub-activity is approved by the Contracting Authority and the other is in the process of approval by the Contracting Authority.
- **Activity 6 - Provide operational assistance to units of RIA** - six of the seven sub-activities have been accepted by the Contracting Authority and one sub-activity should be carried out by the Consultant within three months after completion of the survey and availability of data from an external contractor.
- **Activity 7 - Report on IT strategy** is approved by the Contracting Authority.

Tendering for other activities within the project:

On 10/07/2013, a contract "Selection of a contractor of publicity and communication activities on the project" was signed. On 06/19/2014, a contract for environmental assessment of Mid-operational program to implement the Strategy for development of road infrastructure in Bulgaria 2014-2020 was signed. Pending the conclusion of two agreements with external contractors. The necessity of signing an agreement for satisfaction survey of road users has dropped out.

Physical implementation of the project is 56%.

Estimated project completion - 31.12.2015

- BG161RO004-5.0.01-0079 project **"Technical Assistance to cover the cost of designing and implementing a system for planning and management of resources in the Enterprise" National Company "Railway Infrastructure" - beneficiary of the Operational Programme "Transport" 2007-2013 "**

Physical performance:

According to the developed and approved application form for the project the following activities are scheduled to be completed:

- **Activity 1:** Project management of the Contracting Authority;
- **Activity 2:** Analysis of the current situation in SE NRIC;
- **Activity 3:** Monitor and control the performance of the "Design and implementation of a system for planning and resource management (SPRM) in SE NRIC"



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- **Action 4:** Preparation of a detailed concept for implementing (BLUEPRINT) of the SPRM;
- **Activity 5:** Delivery and installation of hardware and software infrastructure;
- **Activity 6:** Construction, installation, configuration and integration of the entire system;
- **Activity 7:** Acceptance tests of the system in real operation;
- **Activity 8:** Training of staff;
- **Action 9:** Implementation of measures for information and publicity.

In Activity 2 a Contract № 3964 / 17.04.2012 was signed, with the subject "Technical specification for selection of contractor for the project:" Design and implementation of a system for planning and resource management (SPRM) in DP "NRIC" with "ABEATUS". The contract was completed.

A Contract № 4752 / 10.02.2014 on Action 3 was signed, with the "BG Business Solutions" subject to "Monitoring and control of the implementation of the agreement" Design and implementation of a SPRM in SE NRIC. "

A Contract № 4592 / 20.03.2014 with Obединение ADNES was signed for the Activities 4, 5, 6, 7, 8 and 9 on the subject "Design and implementation of a system for planning and resource management (SPRM) in State Enterprise" National Company Railway Infrastructure ".The following activities have been implemented:delivery and installation of hardware and software infrastructure (according to Action 5); preparation of a detailed concept for implementing (BLUEPRINT) of SPRM (according to Action 4) and part of the information and publicity measures (under Activity 9).The activities carried out are accepted by the Contracting Authority (Beneficiary) with the necessary documents under the contract.

Annex № 1 (DOPT-25 / 16.09.2014) to the grant contract, which extends the term of the contract to 31.12.2015 and make financial redistribution of costs was signed .

Physical implementation of the project is 47.94%.

Estimated project completion - 31.12.2015

- Project: BG161RO004-5.0.01-0096 *"Preparation of the project "Rehabilitation of the railway section Plovdiv-Bourgas-Phase 2 "*

Activities 1 and 2 / Preparation of construction and change of use of land and preparation for expropriation / On 24.7.2014 agreement was signed with "Thrace consult" totalling 3 million BGN without VAT with subject "Preparation of project "Rehabilitation of the railway section Plovdiv - Burgas - Phase 2". The contract term is 18 months.

Stage I is being implemented: "Feasibility study and selection of scenarios". In December 2014 the Contractor has submitted part of the developments of Phase I of the contract. Developments are under consideration by the operational divisions of SE NRIC.

Activity 5 / Conformity assessment of all parts of the investment projects /

Within the period from March to May 2014 the procedure for the award of public procurement "Conformity assessment of all parts of the investment projects" was conducted. The decision to select a contractor was appealed to the CPC in October 2014. SAC revoked the CPC decision to dismiss the appeal and ordered a retrial in the CPC.

Physical implementation: 4%.

Expected completion: January 2016



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- Project: **BG161R0004-5.0.01-0097 "Design of construction of the Vidin-Sofia: update of the project and preparation of railway station Vidin-Medkovets"**

The scope of the project includes the following distinct actions: 1) "Planning the preparation and implementation of the project" Modernization of the Vidin-Sofia "and 2)" Update of preliminary design and preparation for construction of the project "Design of the construction of the railway line Vidin Sofia: update of the project and preparation of railway station Vidin-Medkovets".

For the performance of **activity 1** on 05.02.2013 a contract with a subject "Analysis of the preliminary design and preparation of technical specifications for preparation of project" Modernization of the railway line Vidin - Sofia " was concluded .The contract was implemented and on 25.11.2013 the final protocol for its implementation was signed.

Tender procedures:

1. A tender procedure for the *"Assessment of conformity with the essential requirements for construction of a technical design for the project" Design of the construction of the railway line Vidin - Sofia: update of the project and preparation of railway station Vidin - Medkovets* " was implemented. By decision of the Director General of SE NRIC from 04.09.2014 on public procurement contractor is selected "El trans engineering - VM". The decision was appealed to the CPC. The case before the SAC is scheduled to 10. 03.2015, after which the court must rule within the statutory deadline.

2. On 16.05.2014, by the Decision № 27 a tender procedure under the PPA for the selection of contractors for "Update preliminary design and preparation for construction of the project" Design of the construction of the railway line Vidin - Sofia: update of the project and preparation of rail the Vidin - Medkovets "in lots (OP) was declared :

- 1: Update and optimization of the preliminary design for the railway sections Medkovets - Russian White and Russian White - Stolnik.
- 2: Update of preliminary design and detailed master plan and design railway the Vidin - Medkovets.

Lot 1 includes the implementation of Activity 3 *Updating and optimization of the conceptual design for the railway sections Medkovets - Ruska Byala and Ruska Byala - Stolnik* and

Lot 2:

- **Activity 2 Update conceptual design and cost optimization for a railway stretch Vidin - Medkovets;**
- **Activity 4 Preparation of technical design elements for rail infrastructure along the railway section Vidin - Medkovets;**
- **Activity 5 Preparation of technical passports of existing buildings and facilities within the railway station Vidin - Medkovets;**
- **Activity 6 Change the use of land and preparation of land acquisition procedures for the Vidin-rail Medkovets.**

On 07.11.2014, the Commission for review and evaluation of tenders determined by Decision № 42 / 11.07.2014, the qualifiers of the first candidates. After the expiry of the statutory period for appeal documents necessary for signing the contracts were sent to the MA for approval. After approval procedure follows the signing of a contract with contractors entities.

Contracts:



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1. Contract for *"Appendix to EIA on the project" on design "Design of the construction of the railway line Vidin - Sofia: update of the project and preparation of railway station Vidin - Medkovets."* After review and evaluation of bids by specially appointed committee on 09.26.2014, by Decision № 36 / 26.09.2014, the Director General of SE NRIC is selected contractor "Dango Project Consult Ltd" and signed a contract № 4823 / 26/11/2014, the value of 94 370 BGN without VAT. The contract is directly tied to the performance of the design (actions 1-6) and will begin after written notification from the Contracting Authority.

**Physical implementation of the project is 10%.
Expected completion under DOPT - 31/07/2015**

- Project: ***BG161RO004-5.0.01-0098 "Instrument for Preparation of Railway Projects under the Trans-European Transport Network"***

The contract for the preparation of the EIA report for railway Sofia railway junction is finished. The contract for the preparation of the EIA report for railway line Sofia - Dragoman been suspended and will be renewed after being drafted new options for realignment, the deadline for the submission of revised EIA MoEW has been extended until the end of 2015

MPP has received opinions and orders issued for authorization to the imported assignments to create complex designs for investment initiative.

The tender procedure with subject "Preparation of technical rehabilitation project for the Development of railway junction Burgas" have not appeared any candidates. The other four procedures for procurement for the preparation of technical projects for the rehabilitation of the railway sections and reconstruction of existing buildings Station, bus stops and buildings, and preparing technical projects and permission for modernization of railway stations and construction of new buildings Station, there are solutions for the selection of contractors to be concluded contracts in the event that no appeals.

The consultant on the project has imported six quarterly report approved by the Contracting Authority.

**Physical implementation of the project is 23.08%.
Estimated project completion - 03/31/2016, the**

- Pproject BG161RO004-5.0.01-0099 ***"Technical assistance for the formation of tariff policy on access and use of railway infrastructure" National Company "Railway Infrastructure" - a beneficiary of the Operational Programme "Transport" 2007 - 2013 "***

The project is included as one of the activities in support of the transport sector in the implementation of the Memorandum of Cooperation between the Government of the Republic of Bulgaria and the European Investment Bank (EIB). It provides development of a new mode of access to rail infrastructure and new methodology for calculating the components of the infrastructure charges, which collects the railway infrastructure manager from railway operators, consistent with the latest recommendations and requirements in accordance with relevant European legislation and national legislation - Directive 34 / 2012, Directive 2001/14 / EC of the European Parliament and of the Council of 26 February 2001 (on the allocation of railway infrastructure



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capacity and the levying of charges for the use of railway infrastructure) Decree № 41 for access and use of railway infrastructure as well as legislative changes at EU level.

The contract for the preparation of the methodology for the calculation of infrastructure charges was signed between the EIB and the selected consultant on 09/01/2014. Its implementation started in the same month. A project Inception Report was prepared and approved. The activities on data collection and analysis of the existing system, as well as market research and planning are completed. In progress are activities on task 3 "Review and analysis of basic methodological approaches for implementing the tariff policy."

Physical performance is 37.33%.

The work of the consultant team should be completed by 30.10.2015.

5.2 Significant problems in the preparation and implementation of projects under the priority axis and measures taken

The priority axis no significant problems were identified.

6. Use of technical assistance

With funds from priority axis "Technical Assistance" the activities related to improving the administrative capacity of MA and beneficiaries are supported; measures for information and publicity are taken; evaluation of OPT; preparation of the operational program for the programming period 2014 - 2020, including preliminary and environmental assessment; implementation of Geographic Information Systems for the needs of NRIC and BPIC.

Funding is provided for preparation of projects in the new programming period in preparation of the third metro line construction; preparation of railway section Vidin - Medkovets (part of the railway line Vidin - Sofia); preparation of railway Projects Sofia - Pernik - Radomir, Sofia - Dragoman; railway junction Sofia and Burgas by Preparation Facility railway projects in TEN-T network, preparation of phase 2 of the project for the rehabilitation of the railway sections along the line Plovdiv - Burgas. In the road sector is prepared Lot 3 of "Struma" motorway "Hemus" motorway and the road Vidin - Montana. In progress is the project "Technical Assistance to improve the efficiency of the road sector in Bulgaria" with beneficiary RIA. Implementation of the project is in conjunction with the signed in October 2012 Agreement between the RIA and the International Bank for Reconstruction and Development. In 2014, the consultant has developed a report on assistance provided by the World Bank assistance in the implementation of the Action Plan on Road Safety report with proposed improvements of administrative procedures for planning and budgeting of projects, a report on the scope of the contracts based on performance tender documents and subsequent events management of road assets report on the proposal to improve traffic management, report forecasting traffic and view statistics on traffic and proposed design standards and technical specifications .

On 03.31.2014, an Agreement was signed between the Ministry of Transport and Communications and the European Investment Bank to support the implementation of the project "Provision of strategic consulting assistance from the European Investment Bank to the Managing Authority of OP" Transport "2007 - 2013 on the successful completion of the programming period 2007 - 2013". It is intended to take concrete action for the successful implementation and completion of railway infrastructure projects in OPT, identified as "at risk" and support the Managing Authority of OP "Transport" for hiring external consulting assistance in the preparation for closure of the revenue-generating projects, according to Article 55 of Regulation (EC) № 1083/2006.



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7. Administrative capacity of MA and beneficiaries and measures for its improvement

In execution of training plans for 2014:

- About 55% of the employees of MA of OPT are trained on topics related to the themes of the overall management of European programs and projects: evaluation and monitoring, verification, financial management and control and audit procedures;
- About 11% of the employees of MA of OPT are trained on topics related to the management of public procurement;
- About 10% of the employees of MA of OPT are trained on topics related to "cost-benefit" analysis;
- About 13% of the employees of MA of OPT are trained on topics related to state aid;
- About 11% of those who served in MA of OPT are trained on topics related to publicity;
- About 5% of the MA staff of OPT are trained on topics related to risk management when dealing with EU funds.

In connection with the requirements of the Procedures Manual for management and implementation of the Operational Programme "Transport" 2007 - 2013, in 2014 the information about the administrative capacity of the beneficiaries of the program is collected and summarized for the periods since the beginning of the year to 06/07/2014 and from 07.06.2014 until the end of the year. On the basis of information collected and analysed it is clear that the measures taken to improve the administrative capacity of the beneficiaries are related to participation in trainings and seminars for training, providing resources for additional material stimulation providing introductory training and instructions to new employees , analyses of administrative and functional structures, etc.

8. Preparation of the Operational Programme "Transport and Transport Infrastructure" 2014 - 2020

Operational Programme "Transport and Transport Infrastructure" 2014-2020, approved officially by the Commission services of 19/12/2014

Financial allocation between the different priorities and measures for funding

OP "Transport and Transport Infrastructure" 2014-2020, includes the following priority areas:

| Name of priority axis | Euro EU budget | Budget euro NF | Total euro (EU + NF) |
|-----------------------------------------------------------------|---------------------|----------------|----------------------|
| 1. "Development of railway infrastructure along the" main "TEN" | 572 343 631.00 (CF) | 101 001 818. | 673 345 449.00 |
| 2. "Development of road | 572 343 630.00 | 101 001 818.00 | 673 345 448.00 |



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| infrastructure along the" main "TEN" | (CF) | | |
| 3. "Improving inter-modality in the transport of passengers and goods and the development of sustainable urban transport" | 361 300 000.00 (ERDF) | 63 758 824.00 | 425 058 824.00 |
| 4. "Innovation management and services - Implementation of a modernized infrastructure for traffic management, improving safety and security of transport" | 57 944 591.00 (ERDF) | 10 225 517.00 | 68 170 108.00 |
| 5. "Technical assistance" | 40 517 316.00 (ERDF) | 7 150 115.00 | 47 667 431.00 |
| Total | 1 604 449 168.00 | 283 138 092.00 | 1 887 587 260.00 |

The projects are intended to be financed under priority axes are as follows:

Priority Axis 1 "Development of railway infrastructure along "core" trans-European transport network

- Rehabilitation of the railway line "Plovdiv-Burgas" - Phase II
- Modernization of the railway section "Sofia-September" (Priority section Elin Pelin, Ihtiman Ihtiman-September)

Priority Axis 2 "Development of road infrastructure along the the "core" and "comprehensive" Trans European transport network"

- Struma" Lot 3 "Blagoevgrad-Sandanski"

Investments in infrastructure along the other TEN-T corridors, as Hemus stage 1 (Yablanica-road II-35) and the tunnel under Shipka will be discussed for funding OPTTI only in case of availability of funds in the program budget.

Priority Axis 3 "Improvement of intermodal transport services for passengers and freightss and development of sustainable urban transport"

- Construction of Intermodal Terminal in North Central Planning of Regional Development in Bulgaria - Ruse
- Reconstruction of key station complexes (Stara Zagora, Nova Zagora and Chirpan);
- Construction of a third underground metro line in Sofia (Botevgradsko shosse Blvd. - Vladimir Vazov Blvd. -Central city part - Ovcha kupa district)
- Extension of the second metro diameter from MS "James Boucher" to the crossroad of Cherni vrah Str. and "Henrik Ibsen"Blvd. and "Srebarna" Str,

Priority Axis 4 "Innovation in management and services – establishment of modern infrastructure for traffic management and traffic safety"

Under this priority axis projects to develop information systems in shipping, upgrading existing systems and those under construction, supply of specialized vessels, development of information systems management traffic, modernization and construction of facilities for the



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reception and treatment Waste in Bulgarian ports of national importance, raising the quality of aeronautical data and information and improving environmental management in the field of civil aviation, the development of systems for railway traffic management - construction of GSM-R network shall be implemented.

Priority Axis 5 "*Technical Assistance*"

The priority axis will support activities related to the completion of the 2007-2013 programming period, strengthening and increasing the administrative capacity of MA and beneficiaries in the 2014-2020 programming period; activities for effective preparation, implementation, monitoring, control, evaluation and promotion of investment in transport; activities in preparation of the programming period 2021-2027

9. Measures for information and publicity, Communication Plan implementation

Communication Plan of OP "Transport" 2007-2013 was approved by the European Commission on 13.08.2008. Its main goal is to popularize the Operational Programme "Transport" 2007-2013 and emphasize the Community support for the development of transport infrastructure in Bulgaria. The main goal continues to be implemented under the measures for information and publicity in 2014, which represent strategically planned and interrelated communication activities. In 2014, different activities were carried out in the implementation of 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 types 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 2014 are integrated in an integral process, observing the condition to conduct at least one large information campaign (and / or event) per year.

On the occasion of Europe Day the European Union flag was raised before the premises of the Managing Authority for a week from starting on 9th May (under Regulation 1828/2006) and was given a special campaign in the print media.

9.1 Information and advertising campaigns in the media

The data from national representative surveys performed so far show that on national level OP Transport 2007-2013 is fairly well known – more than half the Bulgarians over 15 years of age are familiar with the programme, and 68% approve it.

In order to reach biggest possible audience and to maintain the high levels of awareness and approval of the programme reached so far, an overall strategy has been developed for a media campaign on national and regional level.

On national level, the campaign covers all the national televisions and radio stations where various types of media products are prepared – broadcasting of television and radio clips, special television and radio-rubrics, rubrics with questions for the listeners.



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The main task of the media campaign is to increase the degree of awareness of various target groups on actual and significant topics related to the Operational Programme; to build trust and to emphasize on the role played by the European Union in the funding of the projects under the programme.

Individual approach has been applied to each radio and television aiming to ensure the diversity of prepared and broadcasted rubrics in terms of journalist style, own character and accents.

Most of the specially prepared radio and television rubrics, as well as the radio-clips which present the various projects and the Operational Programme on Transport 2007-2013 in general have also been published on the official website of the programme (www.optransport.bg), so that they can reach the maximum number of listeners and viewers.

9.1.1 Radios

In order to popularize the Operational Programme of "Transport 2007-2013" among the direct beneficiaries in the different regions of the country the following contracts have been successfully completed during the reporting period with some of the most listened regional radio stations, with maximum coverage in the country.

During the reporting period the following **radio-rubrics, radio-spots and rubrics with questions for the audience have been prepared and broadcasted jointly with the radio stations:**

- 1 **Radio "Darik": 120** themed, 15-minute radio-rubrics, which cover major projects and program themes.
- 2 **Radio "Focus": 12** themed 5-minute **radio-rubrics** and **475 radio-spots** (30 sec.).
- 3 **Radio "Bulgaria on Air": 52 original** 5-minute **radio-rubrics** and **102 repetitions** of them in the regional radio-stations.
- 4 **Bulgarian National Radio (regional stations): 80 pieces** themed 5-minute **radio-rubrics** and **14 pieces of summary**, 15-minute **radio-rubrics**, as well as **1 347 radio-spots** (30 sec.).
- 5 **"BTV" Radio: 100 radio-spots** (30 sec.) and **30 specially prepared, themed, one-minute radio-rubrics.**
- 6 **Radio "Z-Rock": 100 radio-spots** (30 sec.) and **7 specially prepared themed, one-minute radio-rubrics.**
- 7 **Radio "N-JOY":**
 - **100 radio-spots** (30 sec.);
 - **7 of specially prepared, dedicated, one-minute radio-rubrics;**
 - **150 promotional announcements** (20 sec.) and **60 tags** (10 sec.) for **radio-rubrics with questions for listeners** on various projects, the OPT 2007-2013



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In the radio-rubrics have been presented topics related to the overall performance and results of OP "Transport" 2007-2013. Radio listeners have been acquainted with the major projects funded under the program and the preparation of priority projects for the new programming period.

Through the broadcasted radio-rubrics the audience has received timely and accurate information on the amount of EU co-financing, the volume of contracts, the share of paid funds and the physical progress of the program.

9.1.2 Television

During the reporting period contracts with the following national and regional TV stations were signed and successfully completed:

1. National television:

- **TV "on Bulgaria Air": 70 (30 sec.) TV spots and 72 (60 sec.) TV spots** were broadcasted;
- **"Nova TV", 65 (30 sec.) TV spots and 26 (60 sec.) TV spots** were broadcasted;
- **"Bulgarian National Television", specially designed themed 5-minute TV broadcasts - 8 original sections and 24 of repetitions** were jointly prepared with television and broadcasted;
- **Television "bTV": specially designed together with TV themed 13 TV spots and 3-minute themed, informative TV programs** were prepared and broadcasted

2. Regional television:

- **TV "Cherno More" in the town of Varna 512 (30 sec.) TV spots and 278 (60 sec.) TV spots** were broadcasted;
- **TV "POT" in the town of Plovdiv 618 (30 sec.) TV spots** were broadcasted;
- **TV "KANAL 0" in the town of Burgas: 362 (30 sec.) TV spots** were broadcasted;
- **TV "KIS 13" in the town of Ruse 757 (30 sec.) TV spots** were broadcasted;
- **TV "TV MONT 7" in the town of Montana: 736 (30 sec.) TV spots** were broadcasted;
- **TV "TV Shumen" in the town of Shumen: 874 (30 sec.) TV spots** were broadcasted;
- **TV "ETV" in the town of Haskovo: 519 (30 sec.) TV spots** were broadcasted;



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- **TV "Rodopi"** in the town of Kardzhali: **489 (30 sec.)** TV spots were broadcasted;

In the television rubrics have been presented actual topics related to specific projects under OP "Transport 2007-2013"

9.1.3 Print Media

After an open public procurement tender procedure "Publication of materials on topics related to the Operational Programme" Transport "2007-2013 Internet editions" a contract № D-15/15.04.2014 was signed with the selected contractor DZZD "DIGITAL NEST - MITRA IP.

- **Information campaign during the period May - July 2014**

Starting information campaign on the web, which is a pilot of its kind in OPT, was held in the period from May to July 2014, as part of the implementation of the Communication Plan of the Operational Programme "Transport" 2007-2013

The campaign included a total of 41 Internet publications, including:

- ✓ 35 information site,
- ✓ 4 news agencies and
- ✓ 2 sites for the delivery of an email service,

where banners have been published, as part of the overall information campaign to ensure the necessary level of public awareness in the Republic of Bulgaria on the projects financed under OP "Transport" 2007-2013 popularization the promotion among individuals and legal entities with the potential to implement activities under this operational program and raising the level of awareness of target groups on topical and important public topics related to program, build trust and support for the activities of the Managing Authority of Operational Programme "Transport 2007-2013", highlighting the role of the European assistance for financing projects under the program in the form of promotional and information materials, publication of analyses, commentaries and reports on the Internet.

- **Information campaign in September 2014**

In September 2014 an upgradeable campaign in internet issues was held, the following forms were included in the timetable of the campaign:

- Publication of available banners OPT and a new banner with floating elements in Internet websites;
- Publication of information materials (reports, interviews, etc.) on topics related to OPT in Internet websites;
- Branding of websites.

The campaign included a total of 29 Internet publications, of which 23 information sites, 4 information agencies and 2 sites for the delivery of an email service.



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➤ **Information Campaign for the period October - December 2014**

In the last three months of 2014 was held upgradeable information campaign on the web, which is by its nature and objectives is a continuation of the previous campaigns in the Internet space.

The campaign included a total of 41 Internet publications, including:

- ✓ 35 information site,
- ✓ 4 news agencies and
- ✓ 2 sites for the delivery of an email service,

where banners were published, as part of the overall information campaign to guide the audience to the website of the OPT www.optransport.bg and ensure the necessary level of public awareness in the Republic of Bulgaria on the projects financed under OP "Transport" 2007 -2013 Publication of specially designed materials - texts for the projects implemented under the program further highlighting the role that the European Union has in financing the program, raise the level of awareness of target groups on topical and important public topics related to program, building trust and support the activities of the Managing Authority of Operational Programme "Transport" 2007-2013.

9.2 Average attendance, maintenance and updating of the OPT websites

9.2.1 Statistics of the traffic on the OPT website

www.optransport.bg

- Total number of visitors per year - 83,728 number;
- Unique visits (number of visits of different users within one day 00-24 h.) - 76 968 visits;
- Impressions (number of page loads) - 247 676;
- Maximum number (peak) online users accounted per a day – 31

9.2.2 Maintaining and updating the OPT website

In 2014, the OPT website are being published 53 posts in the section "News", as the information on the progress of the projects of the program has been constantly updated. Media relations have been supported by producing and spreading press releases about the program and its implementation.

9.3 Printed promotional and informational materials

In 2014 11,400 copies of these promotional and informational materials were made :

- metal pen
- Business card holder -classifier
- Business card holders - personal
- 8 GB of flash memory
- Thermocup
- Foldable umbrella
- Large umbrella
- Raincoat
- Set Roller pen / pencil



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- Lighter - metal
- Organizer
- Baseball hat
- Eco-bag
- Sunblind
- Elegant bag holder
- Anti-stress Cube
- Conference folder
- Mouse Pad with 4 Port USB hub
- Solar Charger
- CD case for car
- Pocket knife multifunctional
-
- Work calendar
- Desktop calendar
- Laptop Back
- 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 an information network between experts in publicity MA of OPT and beneficiaries

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

9.5 The organization of public events

Table 16: Organized and implemented public events in 2014

| | Date | Location | Event | Target groups |
|--|-------------|----------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------|
| | 20.01.2014 | Michaylovo – Plovdiv | Inspection of railway station "Mihailovo - Kaloyanovets" | Media Wide public Beneficiaries Project executors |
| | 03.02.2014 | Plovdiv | Ceremony for start of soft construction of the railway section "Stambolijski - Plovdiv" | Media Wide public Beneficiaries Project executors |
| | 11.03.2014 | Sofia | Public presentation of the | Media |



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|--|-----------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| | 014 | | conceptual design of Lot 3 of "Struma". | Wide public Beneficiaries Project executors |
| | 27.03.2 014 | Sofia | Conference "Strategic Infrastructure Bulgaria 2014" | Media Wide public Beneficiaries Project executors |
| | 03.04.2 014 | Sofia | "First dig" ceremony for the modernization of the Central Railway Station in Sofia | Media Wide public Beneficiaries Project executors |
| | 03- 05.04.2 014 | Velingrad | Training seminar for officers of the MA of OPT and representatives of beneficiaries under the program for behaviour in media | MA of OPT Beneficiaries |
| | 15.04.2 014 | Mihaylovo | Official ceremony for opening modernized railway section "Mihailov – Kaloyanovets" | Media Wide public Beneficiaries Project executors |
| | 16.04.2 014 | Burgas | Official ceremony „First dig" of new coast port centre of Burgas | Media Wide public Beneficiaries Project executors |
| | 24.04.2 014 | Boboshevo | Inspection of Lot 2 and Lot 4 of Struma motorway | Media Wide public Beneficiaries Project executors |
| | 24- 26.04.2 014 | Sandanski | Inspection of Lot 2 and Lot 4 of Struma motorway | Media Wide public Beneficiaries |
| | 09.05.2 014 | Sofia | Inspection of Lot 2 and Lot 4 of Struma motorway | Media Wide public Beneficiaries |
| | 09.05.2 014 | Sofia | Presentation of the Operational Programme "Transport" 2007-2013 to the wide public | Wide public |
| | 23.06.2 014 | Dupnitsa - Blagoevgrad | Inspection of Lot 2 of Struma motorway | Media Wide public Beneficiaries Project executors |
| | 24.06.2 014 | Pazardzhik | Inspection of "Maritza" motorway | Media Wide public |



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|--|-----------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| | | | | Beneficiaries Project executors |
| | 26.06.2 014 | Sofia | Papazov Inspection of Central Railway Station, Sofia metro construction and construction of Western arc of Sofia ring road | Media Wide public Beneficiaries Project executors |
| | 30.06.2 014 | Orizovo – Harmanli | Inspectionthe construction of Maritza motorway | Media Wide public Beneficiaries Project executors |
| | 04.08.2 014 | Sofia | Ceremony for start of construction of management systems of railway traffic on the line "Sofia - Plovdiv" | Media Wide public Beneficiaries Project executors |
| | 18.08.2 014 | Septemvri – Plovdiv | Minister Nikolina Angelkova: "Accelerating work on the railway track "Parvomay - Svilengrad" Inspection of railway Septemvri – Plovdiv | Media Wide publicBeneficiaries Project executors |
| | 19.08.2 014 | Parvmay– Svilengrad | Minister Nikolina Angelkova: "Accelerating work on the railway track "Parvomay - Svilengrad" Inspection of railway "Parvomay - Svilengrad " | Media Wide publicBeneficiaries Project executors |
| | 29- 30.09.2 014 | Borovetc | Ttraining seminar for officers of the MA of OPT and representatives of beneficiaries under the program for behaviour in media | Beneficiaries MA of OPT |
| | 30.09.2 014 | Sofia | Presentationof OP "Transport and transport infrastructure"2014-2020 to representatives of NGOs, business and local government | Media Wide publicBeneficiaries Project executors |
| | 04- 18.11.2 014 | Sofia | Exhibition of OPT projects | Media Wide public Beneficiaries |