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OPERATIONAL PROGRAMME
“ENVIRONMENT 2007 – 2013”



European Union
European Regional
Development Fund
Cohesion Fund

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Minutes

Of the seventh meeting of the Monitoring Committee of the Operational Programme “Environment 2007 – 2013”

27 November 2009, “Alexander” hall, Radison SAS hotel

The meeting was opened by the chairperson of the Monitoring Committee of Operational Programme “Environment 2007 – 2013” and deputy minister of environment and water **Mrs. Ivelina Vasileva**. Before the discussion of the documents, **Mrs. Vasileva** briefly presented the progress of Operational Programme "Environment 2007 - 2013" (OPE). She announced that the contracted amount is 781 million lv which represents 22,18% of the total financial resource, including the advance payments. The actually spent amount represents 0.49% which poses the need for accelerate the process. **Mrs. Vasileva** wished the participants successful and constructive discussions that would lead to the common goal – to put the funds of OPE in use in the most effective, economically profitable, expedient and lawful way. She gave the floor to **Mr. Valeri Natan**, DG REGIO, European Commission (EC).

Mr. Natan welcomed the participants in the meeting and expressed the satisfaction of the EC of the fact that the new team of the Ministry has taken measures in order to correct previous mistakes. EC is very pleased with the succession at expert level. The Commission expresses their support for the actions undertaken by the Ministry of environment and water and regarding the measures towards the already approved projects, they expect concrete results and actions. EC insists on undertaking urgent measures mostly regarding those projects that pose risk of written up prices. Measures should be such as specific audit activities and financial corrections if needed. **Mr. Natan** underlined the three main priorities of EC regarding project financed by the European Union (EU). At first place, it is the condition of the investments to be strategic, at second place, the investments should be economically and financially expedient and at third place, the projects should be lawful. The documents presented to Monitoring committee meet these priorities, the Commission supports them in common, but has several small remarks. **Mr. Natan** expressed support on the introduction of the co-financing by the municipalities, which will lead to greater responsibility from their part.

After checking the quorum, **Mrs. Vasileva** proposed for voting the minutes from the sixth monitoring committee which was approved with consensus. She also proposed for voting the agenda of the meeting which was also approved with consensus.

Mrs. Vasileva proceeded to the **first item on the agenda: Actions taken to guarantee the good financial management of projects with signed grant contracts**, giving

the floor to **Mrs. Malina Kroumova**, acting director of “Cohesion policy for environment” directorate.

Mrs. Kroumova welcomed the participants and announced that she would raise the attention on the three priorities important for the EC and for the Ministry as well. Regarding the strategic investments the results up to now is a good basis and in relation to that, the attention of the participants will be drawn to the mechanisms for management of Priority axis 1 and Priority axis 2. Regarding the economic and financial expedience, she underlined that the current experience shows some mistakes subject to correction currently. In relation to the above all the contracts under OPE were subject of screening. Meetings are held with representatives from the municipalities aiming to present the identified gaps and disparities as well as to let the Managing authority know what difficulties they meet during the implementation of their projects. Regarding the 29 infrastructure projects this process is towards its end and the preliminary analysis shows that 13 of them can proceed with their implementation with minimal changes regarding the deadlines. Some of the projects, after conversations with the municipalities, will be annexed which will include at first place legislative changes, as well as procedure changes within the Managing authority. The procedure changes aim to ease the process and at the same time to guarantee the necessary control regarding the implementation of the investments. Another aspects of the annexes is change of the scope where needed. **Mrs. Kroumova** pointed out that the approach from now on will be to work in intense dialog with the EC and the beneficiaries. She announced that on 25th of November 2009 an audit of the transactions had been assigned to 15 contracts with actual payments and implementation. This audit aims to guarantee that the contracts had been implemented in accordance with the legislation. At the same time Internal audit directorate made 2 other audits, first of which is presente. The results will be presented to the EC and the members of the Monitoring committee at the next meeting.

Mrs. Vasileva thanked **Mrs. Kroumova** and gave the floor to the participants for questions and comments. The floor was given to **Mr. Valeri Natan**, who once again mentioned that the actions, undertaken by the ministry are fully in compliance with the agreements. Results of the screening are expected before the next meeting of the Monitoring Committee.

Mrs. Vasileva gave the floor to **Mr. Botyo Tabakov**, representative of the Bulgarian chamber of mining and geology, who stressed on the instruction to temporarily discontinue with the public procurement procedures. In his opinion this will bring difficulties to the municipalities that had already opened their procedures or are currently contracting. The recommendation of the Managing authority will not be treated as a force majeure.

Mrs. Kroumova made clear that the instruction refers to starting new procedures. She explained the reason for this measure – if any changes in the project scope are about to be made there should be changes in the contracts as well, and this would lead to difficulties for the municipalities facing changes of the public procurement contracts. She underlined that the instruction does not refer to cancellation of already signed contracts or already started procedures. The Managing authority has only recommended. Moreover, the municipalities can start public procurement procedures, but on their own risk. **Mr. Tabakov** replied that it should be written correctly in the text, because in his opinion there are unclear moments, and **Mrs. Kroumova** assured him that this will be taken into account.

The floor was given to **Mrs. Katerina Rakovska**, representative from Blulink. She asked for clarification on the preparation of the annexes of the so called “risky contracts” – whether the new criteria will be taken in consideration for them as well. **Mrs. Kroumova** pointed out that the new criteria will be taken into consideration where it is possible. Currently the Managing authority is reviewing with the municipalities cases with doubt for written up prices in order to clarify the reasons for that. Sometimes the reasons can be geographical and relief features. In some cases the Managing authority will recommend new contracting at lower prices.

Mrs. Vasileva gave the floor to **Mr. Viktor Serov**, representative from the Bulgarian Industrial Capital association (BICA). He raised the question on the participation of the Bulgarian business in the implementation of the funding within Operational Programme "Environment 2007 - 2013". The opinion of BICA is that the small and medium enterprises have a narrow access to the funding within the programme. The enterprises are forced to meet ecological requirements and must make considerable investments. He addressed the management of the ministry with request part of the funding to be redirected towards the business. The proposal of **Mr. Serov** was to redirect 7 to 10% of the funding within (in his words) priority 1 – air quality. He expressed the support of BICA for the actions of the ministry for expedient and economically effective use of the programme funding. **Mrs. Vasileva** made clarification that the objectives of the programme are oriented towards the construction of ecological infrastructure in order to comply with the national commitments. At the same time, she reminded of other financial instruments for the small and medium enterprises such as Operational Programme “Competitiveness of the Bulgarian economy”. **Mr. Serov** added that the payments within this operational programme are currently suspended and in his opinion ecological projects are hard to be financed. **Mr. Natan** confirmed **Mrs. Vasileva’s** words that the priorities, the types of activities and the beneficiaries are completely different, the available financial resource is highly restricted having in mind the needs of the water and waste sectors, and so there is no chance for reallocation of funding within the programme. He made the clarification that the objective of Priority axis 3 is preservation of biodiversity and nature protection, not improving the air quality. The comment could be taken into account within the other operational programme.

Mrs. Vasileva proceeded to the next item on the agenda - **Mechanism for Management of Priority Axis 1 of the Operational Programme “Environment 2007–2013”**; **Approval of the project selection criteria for priority axis 1** – and gave the floor to **Mrs. Svetla Ivanova**, state expert in Governance and evaluation department in Cohesion policy for environment directorate.

Mrs. Svetla Ivanova presented in details the Mechanism for Management of Priority Axis 1 of the Operational Programme “Environment 2007–2013”. At first place she presented the necessity of introduction of new requirements and evaluation criteria, as well as complying with the whole investment strategy of the Water sector. **Mrs. Ivanova** underlined the restrictions, the main elements and the current situation. She presented the prioritization criteria of the agglomerations, analysis of the readiness, determination of the scope of infrastructure projects, the eligible components and the technical assistance criteria. As stipulated in the mechanism of OPE beneficiaries will be developed examples of documents such as assignments for design and technical specifications in order to ease their applications within OPE. For the successful implementation of projects it is foreseen broad cooperation of all stakeholders and active participation of water supply companies.

Mrs. Ivanova presented as well the main comments received from the members of the Monitoring committee and the European Commission. The first comment from the EC refers to the exclusion of the prioritization criterion “project readiness” and it said that the ecological benefits and urgent needs should not be influenced by the readiness of the project. The Managing authority accepts the remark. The opposite remark had been received by the National association of municipalities in Republic of Bulgaria. **Mrs. Ivanova** clarified that the project readiness will be taken into account after the prioritization of the projects and it will make dependence on whether they should receive technical assistance or not. Another comment by the Association refers to the prices cited in Table 5 and in their opinion those prices are lowered. **Mrs. Ivanova** announced that these prices are indicative and are subject of actualization after the revision of the project proposals.

Mrs. Vasileva thanked **Mrs. Ivanova** and called the participants to comment or pose additional questions.

The floor was given to **Mrs. Assya Dobrudzhalieva** from the Bulgarian association of municipal environmental experts. At first place she expressed the support of the association for the mechanism for management of priority axis 1 and at the same time made a proposal regarding the scope of the projects to be financed, i.e. the municipalities have difficulties with financing of the external infrastructure related to the WWTP and it would be good if this kind of infrastructure could be included as eligible and it should be added to the mechanism as well. **Mrs. Dobrudzhalieva** expressed her gratitude for the preparation of type documents related to the Public Procurement Act. **Mrs. Vasileva** confirmed that these documents will be published on the internet site of the ministry as well as a summary of the most recent problems. Regarding the infrastructure related to the WWTP, she explained that infrastructure serving the WWTP is eligible for financing.

Mr. Natan took the floor to complete reviews by the Commission. Firstly, he noted that, having in mind the changes in the Water Act, the Commission is optimistic that the new system will be operational by 2012. He insisted that the Managing authority determined an indicative limit of financial resources to be given within this mechanism in order remaining funds (reserve) to be reallocated after the adoption of the management plans according to the Water act (the indicative deadline is 2012). In case of delay in the implementation of the Water Act, the limit may be increased and all funds under priority axis 1 can be utilized. Another important milestone for the Commission is the responsibility of the beneficiaries and their financial contribution, the European Commission insists a mandatory contribution by the beneficiaries set in the mechanism for priority axis 2 and the same thing to be incorporated in the mechanism for priority axis 1 of OPE. Mr. Nathan explained the insistence of readiness of the projects not to participate in the prioritization of projects, namely, that readiness should not be confused with the priority of agglomerations. After determining the priority agglomerations it is necessary to identify strategic investments in the short deadlines for implementation of the commitments of the country. As a next stage it would be good to determine the degree of readiness of each of these strategic investments and to assess whether or not the project need technical assistance. In this sense no special arrangement of the technical assistance projects is necessary. Mr. Nathan found confirmed the active role of water supply companies in the preparation of all projects.

Mrs. Malina Kroumova took the floor to reply, expressing the consent of the MA for a limit on the amount and expressed the hope that by 2012 there will be existing master plans, based on which projects can be approved. Regarding to the co-financing by beneficiaries, the

fact that it is not mentioned in the text is a technical error, and the specific amount depends on the adoption of the budget for next year and the text will be included in the final draft of the mechanism. **Mrs. Kroumova** agreed with the fact that the prioritization of projects in terms of technical assistance it is not necessary, provided that the readiness of the project is not part of the prioritization for allocation of grants for infrastructure, thus this should be removed from the final version of document. The need of technical assistance will be assessed individually and if needed it will be provided under the technical assistance criteria. She also underlined the importance of the role of water supply companies in developing the projects.

The floor was given to **Mrs. Yvette Baeva**, representative of the Administration of the Council of Ministers, who asked the Managing authority to give guarantees that the sanctions for the country for non-complying with the commitments will be minimal. She expressed doubt that the criteria are reasonable and do not provide relief in respect of the sanctions. She wished to know on what basis the sanctions are determined – by PE, WWTP and other in order to guarantee minimal sanction and in this relation her concern is the criterion for project readiness is not part of the prioritisation. **Mrs. Vasileva** confirmed that the purpose of the mechanism is to minimize the possible sanctions to be imposed on Bulgaria, having in mind the limited financial resources. It should be remembered that "Operational Programme "Environment 2007 - 2013" is a tool that supports the implementation of these measures and the implementation of national policy in compliance with environmental legislation. **Mrs. Malina Kroumova** added that the removal of the project readiness from the prioritization does not mean that it will not be taken into account, on the contrary - projects that are not ready are going to receive technical assistance, and the prepared project are going to be reviewed and if necessary, and they could be modified in the light of the new methodology. In terms of achieving the requirements of the legislation, **Mrs. Kroumova** recalled that the Directive states that where there is sufficient concentration of population and a sewerage system, waste water should not be discharged without treatment. She stated that within the available financial resources, it should not be expected that the program will achieve all the requirements of the Directive, the amount of sanction will depend on the success with which the MA deals with the implementation of the mechanism. We must not forget also that Operational Programme "Environment 2007 - 2013" should complement national efforts, not replace them.

Mr. Natan wanted to comment that the main purpose of this document is to minimize the possible sanctions. He also underlined that the Commission holds on the project readiness, but equally important is to ensure a maximum and efficient put in use of the funds. **Mr. Natan** noted that the sanctions shall be determined ad hoc and will depend on the measures taken by Member States to cover the relevant legislation, he also mentioned that the provided documents is a guarantee that the sanctions will be minimal. In support of the above an opinion expressed also **Mrs Stavroula Pelekasi**, EC. She confirmed that the EU funds intend to complement national ones. With respect to sanctions, she confirmed that they will occur and should be consistent with the state's efforts, such as the prioritization of the 124 agglomerations over 10 000 PE, performed in the mechanism is the first important step towards meeting the identified needs. **Mrs. Kroumova** said that at present 124 detailed schedules for project implementation, are prepared that will take into account the project readiness.

The floor was given to **Mr. Dimitar Dimitrov**, a representative from the Ministry of Health (MoH), who informed that Bulgaria has already reported on the implementation of drinking water directive and the directive on bathing waters, adding that the MoH has one of

the largest monitoring systems to control water. He expressed the view that not enough attention is being paid to the drinking water. In terms of prioritization of projects, in his opinion, what should be considered is whether the project contributes to the achievement of other acquis such as the directive on bathing water, the objectives on which must be achieved by 2014. The issues which Bulgaria has in respect of bathing waters are directly related to problems with the sewerage systems. Regarding the prioritization according to WWTP presence the Directive for bathing waters (2006) and its objectives. **Mrs. Vasileva** confirmed that an integrated approach is extremely important, although in priority funding will be provided for WWTP and sewerage networks. She informed that currently a working group is being established with representatives from the Ministry of Environment and Water (MOEW), Ministry of Finance (MF), Ministry of Regional Development and Public Works, and its goal is to develop mechanisms for additional resources and borrowed funds for investments in the water sector. **Mrs. Vasileva** said that the proposal for complying of the directive on bathing water will be taken into account.

Mrs. Vasileva gave the floor for a comment to **Mr. Valentin Yovev**, the Union for Economic initiative, who expressed doubt that the document presents a new approach. In his opinion there is no need to provide mechanisms, and the "new approach" to be renamed as "strong will to ..." **Mrs. Kroumova** explained that the new first time a direct grant.

Before submitting the document for approval, **Mrs. Vasileva** gave the floor for comment to **Mrs. Assya Dobrudzhalieva** who expressed her concerns regarding criterion number 13 "The applicant has provided sufficient available funds in order to effect payments related to the project implementation, prior to their reimbursement", namely, what documents should be submitted. **Mrs. Kroumova** explained that the funds should first be spent and then reimbursed. In this case, it refers to sound financial planning. **Mr. Tabakov** added that municipalities are allowed to borrow not more than 25% of their assets. In response to **Mrs. Kroumova** invited **Mr. Tabakov** if he has a proposal, he should submit it in writing, adding that it is necessary to make difference between "securitization" and "assuring" and the documents of proof are the same as they were required before, budget sample, FLAG intention. The need of such criterion arises from the logic of financial aid on operational programmes - costs must be made first and subsequently reimbursed.

Mrs. Katerina Rakovska made a proposal the criterion for economic efficiency to be set aside as a separate criterion. In response **Mrs. Kroumova** explained that had not been done for two reasons. At first place, the economic efficiency is part of the conditions which the beneficiary must meet, before the Managing authority makes the call. The second reason is that this criterion is being consulted with the beneficiary a priori. Another reason is that setting a specific amount imposes restrictions on some very important projects.

Mrs. Dobrudzhalieva made a proposal to change the criterion to "the candidate is committed to provide ..." because in case of multi-year projects this condition cannot be met because of the municipal budget adoption rules. In response, **Mrs. Svetla Ivanova** proposed the criteria to remain in this form, since the MA must ensure that the beneficiary is able to make payments before the funds are reimbursed.

The floor was given to **Mr. Tomislav Donchev**, Mayor of Gabrovo and representative of the Regional Council for Development of North Central region, which noted that the same issues was discussed and at the previous meeting of the Monitoring Committee and the same conclusions were reached.

Mrs. Vasileva proposed for approval the Criteria for selection of projects under Priority Axis 1, which were adopted by consensus.

A technical pause was made. Before proceeding to the next item on the agenda, **Mrs. Vasileva** welcomed the Minister of Environment and Water **Mrs. Nona Karadjova** and gave her the floor for a welcoming speech. **Mrs. Nona Karadjova** congratulated the participants and wished to inform them of the current reform within Operational Programme "Environment 2007 - 2013", both in terms of the programme priorities, and in terms of procedures and rules which will allow closer contact with the beneficiaries and more transparent rules, and in her opinion, these objectives are largely achieved. She underlined that Operational Programme "Environment 2007 - 2013" can not be considered as a source of funding at any price, but as a financial instrument for achieving national priorities and for implementation of important national policies. This will lead to accelerating the implementation of the Treaty of Accession of Bulgaria to the EU, and a rapid environmental impact. **Mrs. Karadjova** thanked the committee members for their presence and active attitude, **Mrs Malina Kroumova**, **Mrs. Yoana Hristova**, **Mrs. Ivelina Vasileva** and the colleagues from MEW, stressing that the human resource is fundamental to the programme. She informed already active communication with the specialized Directorates - Management of Water and Waste Management - and expressed a special gratitude for the assistance in the review of the projects. **Mrs. Karadjova** informed that after the review of priority projects a schedule for their implementation will be finalized in order to have predictability for both the municipalities and to contractors. **Mrs. Karadjova** stressed the importance of transparency in the process and therefore indicative guidance, tender documentation, technical specifications are being prepared to help municipalities and as well as that a process of simplification of rules for reporting is in process. She informed that every Thursday meetings with representatives of municipalities are held. The answers are being summarized and are available to all stakeholders. **Mrs. Karadjova** determined the direction of Operational Programme "Environment 2007 - 2013" as correct, and the delays will be overcome with everyone's efforts and any, even informal advice is valuable. **Mrs. Karadjova** wished success to the event and offered to proceed to the next item on the agenda.

Mrs. Vasileva, in turn thanked **Mrs. Karadjova** for the support. **Mr. Valeri Natan** welcomed the Minister and expressed gratitude for the high level of willingness to finance cost-effective and legitimate projects and the rapid turnover of work. He expressed again the support of the EC.

Mrs. Vasileva proceeded to the next agenda item **Revision of the Mechanism for Management of priority axis 2 of the Operational Programme "Environment 2007 – 2013" related to Council of Ministers Decree 209/2009**. The word was given to **Mrs. Lyuba Hristova**, junior expert in Governance and evaluation department in Cohesion Policy for Environment Directorate, who presented in details the changes in the mechanism for management of priority axis 2 and the reasons which prompted them. She drew the attention to legislative changes, operational changes and the creation of a reserve fund. **Mrs. Hristova** expressed the position of the MA in terms of some of the comments received. One of them concerned the project of Sofia and in particular its budget, which was set entirely in the previous mechanism. She stated that Decree 209 / 2009 ensuring that all project financial deficits will be covered by the program and the state budget. **Mrs. Hristova** also informed that the budget of the project will be listed separately, as if presented in a table with the other 22 projects, this will cause changes in the amounts. She assured the participants that the amounts will remain unchanged and an increase is possible in case of well-recognized need.

Regarding the financing of the closure of regional landfills, **Mrs. Hristova** said that such funding would be possible if the new landfill site is very close or coincide with the old site and there is a cost-effective integration of the two projects.

The floor was given to **Mr. Valeri Natan**, which stated that the exclusion of Sofia from the table with all the other regional systems is made at the insistence of the EC, because in previous versions of the mechanism, the budget of the project did not meet the actual cost of the project. The project has already reached a high degree of readiness and in this sense is more appropriate to include the real value of this most priority project in the sector, having in mind the already launched infringement procedure against Bulgaria. With regard to the financial reserve fund, the Commission's main concern is that it would affect negatively the discipline of the beneficiaries. The Commission is willing to accept the arguments of the MA that the reserve fund allows greater flexibility. **Mr. Natan** commented the possibility for financing the closure of regional landfills. He agreed that in certain cases integration of such projects is appropriate, but gave a recommendation to change the proportion of funding provided, namely to increase the national one. In response **Mrs. Kroumova** explain the reason for the existence of the reserve, namely the need for adjustments in some of the actual amounts during the preparation of feasibility studies. She assured the participants that there should not be problems with the discipline of the municipalities, since the MA is in continuous dialogue with them, discussing the exact scope of the facilities, financial analysis and considerations of social tolerance. Regarding the closure she informed that the situation occurs only in a few cases in which the old and the new facility are on the same site. **Mr. Natan** clarified that this is the case for a commitment by Bulgaria that the activities related to closing landfills will be covered by the national budget. **Mrs. Karadjova** added that this closing is important to be effectuated, and an approach is being discussed, in which part of the process will be taken by the municipalities. She stressed that one of the reasons leading to inefficient projects and it had not been subject to review and evaluating during the approval of projects. She assured that the new approach; each project must be reviewed in terms of bills of quantities and applicable technology, being more modest, but leading to meeting the requirements of environmental protection instead of the use of more expensive technology, which reaches extremely high standards. An important issue, according to **Mrs. Karadjova** is to achieve the necessary results with minimized resources without affecting quality.

The floor was given to Mr. Tabakov. He noted that attention should be paid to the use of words “recycle” and “reusing” as we talk of indicative goals. He specified that at this stage we talk of reuse, but not of recycle, which is a goal for the year 2020.

He also mentioned that the installations in The National program for managing of waste activities are 23, but not 55. **Mr. Tabakov** said also, that if we limit our goals to catching up the goals, there will be installations without capacity in 2013. He also asked if the municipalities are allowed to apply for technical assistance activities for separation and projecting additional cells to the functioning depots. **Mr. Tabakov** wanted to know if it is attended the applying activities for priority axes 2 to be issued, as they were for priority axes.

Mr. Tabakov reminded the need of simplifying of the public-administrative procedures, which are some of the conditions for EU-financing. He asked for concrete measures that have been taken for projects within priority axes 1 and 2.

The floor to answer was given to **minister Karadzhova**. She explained that after depleting the current capacity, all municipalities are doing to receive grant for infrastructure

and technical assistance only once for their regional systems. During the incoming periods the municipalities are going to build their systems on their own, because this is a policy of the regional management.

The minister spoke her disagreement with the existing unfair practice, the incomes from taxes to be collected and redistributed from the state and emphasized that such projects have to be financed from the municipalities on their own. This year, as an exception, some of the 25 municipalities, which have depleted their capacity, will be financed.

Regarding the procedures in the framework of the ecological legislation, measures are already taken. Specially, for the outdated Regulation No7 are taken measures after a conversation between **minister Karadzova** and the minister of health, he agreed that the Regulation have to be in accordance with the actual legislation until January 2010.

Minister Karadzova introduced a change in the Law for Environment (waiting to be accepted), which consists in prolongation with 15 days of the term for evaluating the quality of the reports for Assessing the influence over the environment (AIE), as one of the most important steps in the process. It is also planed more active engaging of the regional units of the Ministry of health.

The floor was given to **Mr. Doncho Ivanov**, representative of Alliance of the united NGO “Vitosha - 2002”. He asked about the measures taken against municipalities and regional managing authorities, which do not follow the guidelines, given by the Ministry and the OPE. He explained that some of the municipalities refuse to close their landfills and to take part in regional alliances for waist-treatment.

The second question of **Mr. Ivanov** is about the Decree 209 and how it helps the small municipalities, which do not have capacity to close the not registered landfills. The case is that they are not allowed to use the now existing landfills, the new will be ready after 2013 and they can not generate income from increasing taxes.

Because of the political meaning of the first question, the answer was given by **Minister Karadzova**. She explained that changes in the Act for water and the Act for waste are in preparation. There is a sanction mechanism foreseen – the population in such municipalities will have to face the financial consequences or the financing will be stopped, no matter if it is from the budget or from the EU Funds. This is going to be officially announced and assistance of every kind will be given to the municipalities. If the municipalities do not follow the terms, sanctions will be imposed.

The municipalities, which do not have enough funds, will be financed by the National budget, after an analysis of the municipality’s co-financing.

The chairperson of the MC gave the floor to **Mrs. Kroumova**, who explained that to the municipalities, which have not provided the required documents, is given a term – the end of 2010. She added, the MA is ready to support the municipalities with everything they need, but if they do not show motivation, the funding will be reallocated.

The mayor of Gabrovo, **Mr. Donchev**, shared his worry about the Additional financial resource (AFR) that it will not be that motivating for the beneficiaries and they will not try to spend less money for activities delegated by auction.

Mr. Donchev also asked a question about the way of managing depots, used by more than one municipality. He wanted to know the position of Ministry and the MA about the Trade Company as a managing instrument.

Mrs. Kroumova agreed about the risk of lack of motivation, but also shared her conviction that it is going to be minimized at the project-preparation level, also by calculating the real amount of the project and by monitoring the implementation. The savings would be given back and spent again for waste-installations.

About the Trade company, as a managing structure, **Mrs. Kroumova** explained that such structure can not be funded from the OPE because of its law-meaning (Law for state assistance), although the sector is not competitive and should not be financially supported by the state. It has to be given a type of managing structure which is neither a Trade company, nor a NGO. When the Law is changed, the criteria also will be changed.

Mrs. Vasileva gave the floor to **Mrs. Stavroula Pelekasi**, as a representative of the EC, to comment the problem. She underlined that some type of association is necessary, because this is a condition for qualitative realization of the project.

Mrs. Kroumova added that in the changed Law, the managing responsibilities in the association of the municipalities will be clearly defined.

No other questions or comments were expressed and the chairperson invited the participants in the MC to a working lunch.

The meeting continued with item 4 “Presentation of a document regarding the implementation of priority axes 3 of OPE and a discussion”. The responsible expert from the MA, Ms. Atanaska Ilcheva, presented the implementation of priority axes 3 “Preservation and restoration of biodiversity” of the OPE. She gave a brief history of what is done until now; presented the Problems before the start of the axes; The activities of the Working group; The first procedures of the axes; The analysis of first procedure of the axes and The implementation plan of the axes.

Ms. Ilcheva informed the participants that comments of the document were not received in written, except a technical one, from the representative of the European Commission **Mr. Natan**, which is going to be entered. **Ms. Ilcheva** thanked for the attention and gave the floor for questions and comments.

Deputy-minister Ivelina Vasileva thanked to **Ms. Ilcheva**. She thanked also to the NGOs for the good dialog and cooperation and gave the floor to the representative of Bluelink **Mrs. Katerina Rakovska**. She suggested in the document to be added a proportion between the amounts for preparing of plan-documents and documents for real activities (for example 3:1, 3 – for real activities). **Mrs. Rakovska** suggested the analyses of the potential managing authorities of the “Nature 2000” to be made earlier (at the beginning of the programming period), because these authorities have to coordinate from the very beginning.

Mrs. Rakovska asked also for information regarding the situation with a letter from contractors with problems and suggestions for their solving within procedure BG161PO005/08/3.0/01/05 “Preservation and restoration of biodiversity”. She also asked, when will the auctions for mapping start, because of the coming mapping season.

Mrs. Vasileva gave the floor to **Mrs. Kroumova**, who mentioned the dynamic cooperation of the MA and The National Nature Protection Service (NNPS) and the IB within the OPE. She explained that an exact date could not be given, but an engagement for a closest date was undertaken.

About the question for managing authorities of “Nature 2000”, **Mrs. Kroumova** answered that different options are discussed, also NNPS. A problem here is the limited capacity of the directorate for such amount of projects. The delay is because of the current analyses, which should clarify how will be the task implemented. The MA will do its best about this, although it is not in the Indicative annual working programme for 2010.

About the idea for fixing financial proportion between the amounts for preparing of plan-documents and documents for real activities, **Mrs. Kroumova** suggested such framework not to be written, but the implementation to be reported, discussed and, if needed, corrected. The suggestion was accepted also by the head of department “Management and evaluation of the program” **Mrs. Goranova** also agreed that the term for “Nature 2000” should be changed.

The floor was given to **Mrs. Todorova**, representative of the Executive Environment Agency (EEA). She suggested about procedure BG161PO005/08/3.0/01/05 “Preservation and restoration of biodiversity” to be made a mechanism/rules for the working process.

The second suggestion of **Mrs. Todorova** regarded the Working group (WG), which, in her opinion, should meet at least twice a year. She also shared the need of more time for reading the documents before the MC, which are going to be discussed there. She added that the analyses of procedure BG161PO005/08/3.0/01/05 “Preservation and restoration of biodiversity” have to be with an accent over the real progress, but not over the count of opened procedures, for example.

Mrs. Vasileva agreed with the idea for more frequent meetings of the WG and gave the floor to **Mrs. Kroumova**, who mentioned, that more frequent meetings are already planned. The first of them is at the beginning of December 2009.

The preparation of a Mechanism for biodiversity is going to be discussed in the framework of a WG. About the real progress of axes 3 – it is going to be reported, as soon as it is a fact. It is early now, because the first contracts are signed in the middle of the year and payments are expected from now on.

The floor was given to **Mr. Natan**, who supported the thesis that it would be better to describe financial parameters in order to ensure the achievement of predefined goals. In this context, the Committee instructed to the Managing authority to develop a mechanism.

Mrs. Ivanka Todorova noted that a greater part of the planned activities under the priority axis require mapping. In relation with the above, she appealed that assistance should be given to the National Nature Protection Service Directorate to accelerate the launch of the legal procedures needed to start the mapping.

Mr. Yovev, representative of the Union for Economic initiative took the floor to comment on the contents of page 3 of the Document on the implementation of Axis 3. The comments concerned the formulation of the deadlines of the objectives and their shortening.

He was invited to submit written proposals if there are specific ones. The comment was approved by the chairperson.

Mrs. Vasileva proceeded to the next item on the agenda **Implementation of the indicative annual work programme for 2009; Approval of the indicative annual work programme for 2010**. The floor was given to the head of Governances and evaluation department - **Sylvia Goranova**. **Mrs. Goranova** noted that in the context of the 2010 Programme beneficiaries are going to be invited to provide project proposals under Axis 1. Within priority axis 2 for 2010 it is planned to invite regions, not subject of invitation this year. This year the most prepared projects will be invited, the first ones are the municipalities of Sofia and Bourgas, Botevgrad, Malko Tarnovo and Pernik. Within Priority axis 3, as a result from the discussions at the working group, was decided to open the procedure for developing management plans for protected areas to protect birds which do not overlap with the areas and habitats earlier. This can be made prior to the results from the mapping. The deadline for the procedure is June 2010. It is expected as each year, to open a procedure for preservation and restoration of biodiversity. The remark for increasing the resource is taken into account. The procedure for raising awareness of the local population for "Natura 2000", scheduled for 2009, will not be opened as foreseen. The reason is that it is related to the preparation of a comprehensive strategy in this regard, whose draft is not ready. **Mrs. Goranova** gave the floor to the participants for any comments and questions.

Mr. Natan pointed out that it would be better to specify any indicative periods or dates for 2010, on which the MA will send the invitations, and thus the EC would have a clearer idea of the performance of priority axis 1. Under priority axis 2 it should be useful to prepare a list of the beneficiaries according to their degree of readiness. He expressed his expectation for compliance with the priorities for funding large agglomerations (over 10 000 PE) under priority axis 1.

Mrs. Vasileva gave the floor to **Mrs. Kroumova**, who confirmed the Managing authority's stand in this respect. Under priority axis 2, she noted that there is no problem the regions to be ranked in order of receipt. She proposed that if there are no objections, the program to be approved as such, after amendments by the MA. Regarding the proposal for the indicative periods on axis 1, **Mrs. Kroumova** expressed an opinion that is unnecessary, because the beneficiaries will be invited when they show readiness of their projects. At this stage, before the review, indicative periods cannot be defined. Due to the uncertainty of information on readiness, such indicative periods would not be of substantial benefit.

The floor for a suggestion in regard to Axis 3 was given to **Mrs. Todorova**. She put the idea to withdraw the majority of the projects at an earlier stage, because most of them require more time for implementation. **Mrs. Todorova** asked about the possibility of increasing the funds on individual projects and whether the activities planned for 2009 are not met, they automatically are being transferred to the Indicative program for 2010.

Mrs. Kroumova explained that there is no problem this to occur. Regarding the increase of funding for the procedure for preservation and restoration of biodiversity, she suggested to be increased to 18 million lv. **Mrs. Vasileva** gave the floor to the committee members for comments on the above proposal and the item as a whole. No comments were given and the Indicative Program for 2010 was adopted by consensus. Regarding the last item on the agenda **Other**, no comments were made.

Deputy Minister Vasileva thanked all of the participants for their commitment to Operational Programme "Environment 2007 - 2013" and closed the meeting wishing success in future.

List of participants:

From the Monitoring Committee:

1. Mrs. Ivelina Vasileva – Chairperson of the Monitoring Committee and deputy minister of environment and water
2. Mrs. Malina Kroumova – acting Director of “Cohesion policy for environment” Directorate, MOEW
3. Mrs. Zornitsa Rusinova – Director of “European funds, international programmes and projects” General directorate, Ministry of labour and social policy
4. Mr. Dobromir Vasilev – “Operational programme Technical assistance” directorate, Ministry of finance
5. Mrs. Boryana Vodenicharska – Executive Agency for fishery and aquacultures
6. Mrs. Iliana Lazarova – Executive Agency for Economic Analysis and forecasting
7. Mr. Rumen Simeonov – Central Coordination Unit, Council of Ministers
8. Mrs. Yoana Hristova – Director of “EU funds for environment” Directorate, Ministry of environment and water
9. Mrs. Yvette Baeva – “Economic and social policy” directorate, Council of Ministers
10. Mr. Hristo Yovkov – “Strategic planning and governance” directorate, Council of ministers
11. Mrs. Denitsa Nedeva – KVESMFI directorate, Council of ministers
12. Mr. Georgi Ivanov – state expert, “Water management” directorate, MOEW
13. Mrs. Teodora Zheleva – “Waste management” directorate, MOEW
14. Mrs. Jaklin Metodieva – director of “Prevention activities” directorate, MOEW
15. Mr. Valeri Trendafilov – state expert, “Earth resources and mineral resources” directorate, MOEW
16. Mrs. Ganya Hristova – SCEUAIC Directorate, MOEW
17. Mrs. Ivanka Todorova – “Monitoring of the environment” Directorate, Executive agency for environment
18. Mr. Dimitar Dimitrov – head of “State health control” department, Ministry of health
19. Mr. Peter Petrov – Ministry of interior

20. Mr. Peter Petrov – National statistical institute
21. Mrs Iva Yakimova – State agency for tourism
22. Mr. Mincho Kazandzhiev – National association of municipalities in Republic of Bulgaria
23. Mr. Plamen Stefanov - Regional Council for Development of North-West planning region
24. Mr. Tomislav Donchev - Regional Development Council of North Central Planning Region
25. Mrs. Katya Doicheva - Regional Council for the Development of South-East planning
26. Mr. Valentin Yovev – Union of private economic enterprise
27. Mrs. Yuliana Yankova – Confederation of the Employers and Industrialists in Bulgaria
28. Mr. Viktor Serov – Bulgarian Industrial Capital association
29. Mrs. Asya Dobrudzhalieva – Bulgarian association of municipal environmental experts
30. Mr. Botyo Tabakov – president of Standing Committee “Environment, Health and Safety”, Bulgarian chamber of mining and geology
31. Mr. Dimitar Sirakov – Bulgarian academy of sciences
32. Mr. Georgi Tinchev – State forest agency

Representatives without voting

33. Mrs. Assya Agova – on behalf of Mrs. Lilyana Pavlova, Ministry of regional development and public works
34. Mr. Plamen Girginov – Ministry of labour and social policy
35. Mr. Radoslav Mihaylov – Central Coordination Unit, Council of Ministers
36. Mr. Georgi Terzov – “Water management” directorate, Ministry of environment and water
37. Mrs. Yordanka Velinova – on behalf of Mr. Dimitar Brankov, Bulgarian industrial association

Observers:

38. Mr. Valeri Natan – European Commission, DG Regio
39. Mrs. Stavroula Pelekasi – European Commission, DG Regio
40. Mrs. Dobrinka Mihaylova – Executive agency “Audit of EU funds”
41. Mr. Radoslav Nedyalkov - Executive agency “Audit of EU funds”
42. Mrs. Yonka Savova – Alliance of the united NGO “Vitosha -2002”
43. Mr. Doncho Ivanov - Alliance of the united NGO “Vitosha -2002”

44. Mrs. Katerina Rakovska – Blulink
45. Mrs. Vesela Dzhilizova – “National fund” directorate, Ministry of finance
46. Mrs. Zlatka Ilieva - “National fund” directorate, Ministry of finance

23 December 2009

Approved by:



**/Ivelina Vasileva –
deputy minister and
Chairperson of the MC/**