

Draft of Minutes

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

10th June, 2011, 10:00h, Trakiya Hall, SPA Hotel Hisar, Hisarya

The Chairperson of the Monitoring Committee of Operational Programme “Environment 2007 – 2013” and Deputy Minister of Environment and Water Mrs. Ivelina Vasileva opened the tenth meeting of the Monitoring Committee (MC) of the programme. She welcomed the members and guests of the MC, the officials from the Ministry of Environment and Water (MOEW), as well as the representatives of the European Commission (EC).

Mrs. Ivelina Vasileva named the tenth meeting of the MC of the Operational Programme “Environment 2007-2013” (OPE) “a dividing line in the history of the operational programme”.

She mentioned the visit of Mr. Dirk Ahner, Director of DG Regio, in May 2011 and cited the official letter received by him, in which he expressed satisfaction with the implementation of the programme over the last one and a half years. The document acknowledges the timely and corrective actions aimed at improving the Management and Control Systems of the programme. The EC points out that all undertaken actions are in compliance with the principles of good financial management, including the rectification of deficiencies of open procedures. The control on the public procurement contracts awarded by the beneficiaries has been improved to ensure adequate functioning of the management and control systems.

In this context, the chairperson expressed gratitude towards the partners from the EC for their support during the difficult periods for OPE.

Mrs. Vasileva also thanked the directors of the Managing Authority (MA) and the Intermediate Body (IB) of OPE, the staff of the two directorates and the remaining experts from MOEW for their efforts.

Special thanks were given to the National Fund Directorate at the Ministry of Finance, the representatives of the “Audit of EU Funds” Executive Agency, the colleagues from the Central Coordination Unit (CCU) at the Council of Ministers and personally to Minister Tomislav Donchev.

Deputy Minister Vasileva also expressed gratitude to all partners and beneficiaries for their understanding and patience in the period of programme transformation.

Mrs. Vasileva briefly presented the progress of OPE at the beginning of June 2011. She announced that the contracted amount is 1.2 billion lv, which comprises 35% of the programme’s budget. The actually distributed payments amount to 279 million lv, which represents 8% of the programme’s budget.

A total of 99 technical assistance projects, 26 infrastructural projects and 7 combined procedure projects are being implemented in the **Water sector**, as well as one Ordinance of the Minister of Environment and Water, including the so called “major” projects for the water

cycles of the cities of Varna and Gabrovo. Some 20 contracts for technical assistance worth 13.5 million lv have been implemented.

In the **Waste sector** a contract for the construction of a regional waste landfill in Botevgrad worth some 14.5 million lv is under implementation. Two projects have been approved at national level – Waste management system for Sofia Municipality with investment volume of 256 million lv and for Vidin worth 19.5 million lv. The projects of Burgas municipality worth 41 million lv and Pernik municipality worth 21 million lv are at the final stage of evaluation.

In the **Biodiversity sector** there are 17 projects under implementation, 10 Ordinances of the Minister for a total value of 55 million lv. Some 42 project proposals have been submitted under the recently closed procedure for the preservation and restoration of the biodiversity in the Republic of Bulgaria, which are in the process of being evaluated.

Nine project sites have been launched into operation under the programme: Primorsko, Sopot, Beloslav, Blagoevgrad, Hisarya, Burgas, Sofia, Kazanluk and Kavarna worth a total of over 115 million lv.

There are two ongoing procedures in the Water sector: for construction and for technical assistance and construction. A total of 12 project proposals worth 333 million lv are being evaluated under the combined procedure. Seven contracts worth 257.3 million lv have been concluded. A project of Elin Pelin for 40.6 million lv has been recently approved. The project of the Municipality of Smolyan worth 41 million lv is at the final evaluation stage.

Under the construction procedure there are 13 project proposals in the evaluation phase with investment volume of 339 million lv for the Municipalities of Tryavna, Sofia, Tervel, Kozlodui, Knezha, Pirdop, Sredetz, Hisarya, Krichim, Peshtera, Lovech, Montana and Veliki Preslav.

In the Waste sector there have been 14 calls to regions for the construction of integrated waste management systems. Other calls worth some 87 million lv are to be made to four regions, in which there are some delays (Pazardzhik, Kocherinovo, Provadia and Svoge). This will mark the end of the process for making the 23 calls for construction of waste management systems.

In the **Biodiversity sector** there is an ongoing procedure for development of plans for 13 special protected areas for birds. New procedures will be launched by the end of 2011.

According to the plans in the Lothar Monitoring System, the contracted amount until the end of the year should amount to 865 million lv or a total of 1,688 million under the Programme, which corresponds to 48% of the OPE's budget. Planned payments until the end of 2011 are 304 million lv or a total of 548 million lv, which comprises 15.5% of the OPE's budget.

Mrs. Vasileva drew the attention to the upcoming call for project proposals in the Water sector, which targets agglomerations of between 2,000 PE and 10,000 PE. It is expected to result in the full contraction of the financial resources available under OPE by the end of 2012.

The chairperson of the MC gave the floor to **Mr. Valery Natan**, Directorate General for Regional Policy, European Commission, who also considered this meeting as a “dividing line” for the Programme. He pointed out that the measures undertaken by the OPE management have been approved by the auditing authorities at national and European level. The EC also welcomed the creation of “Technical Units” at the MA and IB of OPE with expertise in the relevant fields of the Programme and recommended that they should be

preserved. Mr. Natan expressed support for the active dialogue with the beneficiaries and also satisfaction with the newly opened procedures and the shortened deadlines for verification. He called the attention to the upcoming negotiations on the subsequent programme period and pointed that the Programme is acquiring an even greater significance in this context. Therefore, it is time to think of other priorities. Mr. Natan also drew the attention to the ongoing reform of the Water sector in Bulgaria and expressed his support to the proposal for inclusion of the Ministry of Regional Development and Public Works (MRDPW) in the list of potential beneficiaries under OPE, given its role of a principal of the water supply and sewerage network companies in the country.

In conclusion, Mr. Natan said that all Programme stakeholders will still have to do a lot of hard work to ensure the achievement of the set targets.

The chairperson then put an end to the closed session of the MC meeting and continued with a procedure for approval of the proposed Agenda of the Meeting. Once it was approved, Mrs. Vasileva initiated a discussion on the Minutes from the Ninth Meeting of the Monitoring Committee.

The floor was given for a comment to **Mr. Valentin Yovev**, Union of Economic Initiative. He pointed out that the quality of the document has been improved.

Since no other comments were provided, the Minutes were approved and the Chairperson of the MC proceeded to the next item on the Agenda.

The floor was given to **Mrs. Irena Dimitrova** and **Mrs. Azhda Yusein**, experts from Cohesion Policy for Environment Directorate (MA of OPE), who presented the Annual report on the progress of OPE for 2010. The experts presented the financial progress under the priority axes, the contracted amount and the finished projects. They also outlined the major problems and the relevant measures undertaken for the implementation of the Programme. Those present were acquainted with the measures undertaken for enhancing the capacity of the MA and IB of OPE, as well as accelerating the implementation of the Programme.

Mrs. Yusein provided more details on the progress under the three priority axes of the Programme. She noted that as a result of projects in the Water sector nearly 66 thousand citizens were connected to waste water treatment plants, which is 5% of the target value for 2010. In March, 2011, this indicator already increased to 155,171 PE (11%). The expert also presented the project sites that were launched into operation and the opened procedures. She mentioned the status of the projects, which are to be signed.

Mrs. Yusein continued with the progress in the Waste sector and the current status of the projects which are to be launched shortly.

The expert then described the projects under implementation in the Biodiversity sector and the projects in the evaluation phase. She expressed her thanks to “Green Balkans” for their cooperation, which helped gain an understanding of the way of functioning of non-governmental organisations (NGO).

The Chairperson of the MC gave the floor to **Mrs. Malina Kroumova**, Director of the MA of OPE, who presented the comments on the Annual report and the corresponding answers. She pointed out that there were relatively few comments on the report, made by the following institutions: Council of Minister, Central Coordination Body, Ministry of Transport, as well as comments provided by the EC in advance. Mrs. Kroumova mentioned that the technical comments were accepted.

With regard to the comment, made by the Council of Ministers that the Report does not account for the fact that the new Waste Framework Directive has not been transposed at

the end of 2010, the Director of MA said that she acknowledges this fact, but considers it irrelevant to the Report on the progress of the Programme. OPE is contributing to the acceleration of this process and providing financial assistance, and moreover, all projects under the Programme have been complied with European legislation.

Mrs. Kroumova noted that the comment of the Central Coordination Unit regarding the implementation of the Indicative Annual Working Programme has been considered as relevant, since it presents the value of planned and opened procedures, but not the actually signed contracts.

The comment of the Ministry of Transport with regard to the section “Recovered or reused resources” has been accepted. It refers to the reporting of measures for withdrawal of financial assistance for 37 projects under OPE, which (financing) becomes available for new projects.

The EC commented on the incompleteness of the report arising from numerous omissions in public procurement procedures conducted by beneficiaries. Mrs. Kroumova said that this comment will be analysed in more detail and followed by a presentation of planned and implemented measures. Furthermore, the connection between the exposed problems and the low performance of the indicators set in the Programme will be clarified.

The floor was given for comment to **Mr. Natan**, EC representative, who praised the MA for the high quality and the conciseness of the report and expressed satisfaction with the positive development in this direction. He encouraged the detailed description of the encountered difficulties and problems.

Mrs. Vasileva expressed thanks on behalf of the experts who drafted the Report. She also expressed her support for the transparent approach towards the presentation of the problematic issues in the document.

The floor was given for comment to **Mr. Kiril Tashev**, representative of the Executive Forests Agency (EFA). He confirmed the positive collaboration between the Agency and the MOEW in the context of the Annual Report presentation. Mr. Tashev also thanked that structures such as EFA have the opportunity to become beneficiaries under OPE, including Nature Park Bulgarka and Nature Park Belasitza. He also noted that the volume of documentation necessary for submitting project proposals under OPE has been reduced. Mr. Tashev approved the comments on the report related to the necessity of simplifying the application procedures and appealed for a decrease in the volume of documents needed for verification of project expenditure. He noted that it often happened that not all documents submitted for verification were examined and thus they were left for the next payment request, when the non-verified documentation should to be submitted once again. In conclusion, the representative of the Executive Forests Agency congratulated the MOEW on the good work done under the Programme and wished that the future activities would likewise be successful and beneficial.

The chairperson of the MC gave the floor for answer to Mrs. **Yoana Hristova**, Director of the IB of OPE, who explained that “partial verification” is carried out in cases, when the required documentation for reimbursement of expenditure does not contain all the necessary information. In this connection, it is not necessary to submit documents, which have already been previously submitted.

The floor was given for comment to **Mr. Ivaylo Hlebarov**, environmental organisation “For the Earth”, which represents environmental organisations in the MC. He requested that in the future the Annual Report should contain more information under priority axis 2 of OPE and in particular, the results from completed projects, since at present there is

no such information for potential regional systems, which have been granted or are in a process of development. There is also no information on the quantity of waste which are being processed and composted. The current focus falls only on “environmental friendly disposal”. Mr. Hlebarov supported the proposal of the Council of Ministers for transposing of legislation in the Waste sector. He voiced his concerns that the lack of legislation which places the accent on separate waste collection, recycling and composting will continue the disposal tendency.

In the context of priority axis 3, Mr. Hlebarov holds the opinion that it is necessary to differentiate between the types of beneficiaries. Represented environmental organisations still hold the view that the available capacity for verification of activities under priority axis 3 “is not adequate”. Furthermore, the control on these projects should be raised to the level of results.

Mrs. Vasileva accepted the recommendation under priority axis 2, specifying that no projects have been completed under this axis yet.

The floor was given to **Mrs. Kroumova**, who addressed the comment on priority axis 3. She thanked the NGO for their understanding in this respect and assured Mr. Hlebarov that the Ministry is working on this problem. She also underlined her readiness to discuss proposals beyond the framework of the Committee.

In this connection, **Mrs. Hristova**, director of IB, added that a meeting will be held at the end of June with NGOs implementing projects under the Programme, which aims at finding options for overall process optimisation.

The floor was given for comment to **Mr. Botyo Tabakov**, representative of the Bulgarian Chamber of Mining and Geology. He expressed his satisfaction with the positive trends in the Programme development. Mr. Tabakov stressed the importance of the good practices as a single systematic approach to beneficiaries, the active communication with them, the simplification of procedures and the removal of some application requirements, the making of financial corrections. With regard to the latter, he pointed to the risk which is hidden in vaguely formulated statements and proposed that they should be given in more detail.

Deputy Minister Vasileva assured Mr. Tabakov that the OPE structures are working in compliance with the methodology for making financial corrections, approved at national level. In this connection, there was a recent meeting, initiated by the National Fund for unifying the approach in this field.

The floor was given to **Mrs. Kroumova**, Director of the MA, who explained that the financial corrections are not to be confused with sanctions, but they are rather corrective measures, aimed at reducing the losses to the European budget. In this sense, specifying the sanctions for every infringement would result in imposing financial corrections even in cases when the infringement is not of financial character. Mrs. Kroumova noted that the MA and the IB of OPE are authorities with no punitive functions. She also added that if MA does not make financial corrections, this will be done by the “Audit of EU Funds” Executive Agency”.

Mr. Radoslav Nedyalkov, “Audit of EU Funds” Executive Agency”, fully supported Mrs. Kroumova and stressed that every case of financial correction is subject to an individual analysis.

In response, **Mr. Tabakov** agreed with the two comments but also noted that this approach should have a disciplinary effect, which is impossible in the case of subjectivism and subsequently the practice of justice becomes questionable.

The floor was given to **Mrs. Dobrinka Krusteva**, Programming of EU Funds Directorate, Central Coordination Unit, Council of Ministers, who noted that the issue does not come down to subjectivism, but freedom. In her opinion, specific percentages for every single infringement would harm the beneficiaries. She added that the responsible bodies are “open” to new proposals related to the Methodology, which can be subject to changes.

The floor was taken by **Mrs Hristova**, who noted that the speakers seem to mix up the Methodology for Financial Corrections and the Approach, adopted by the Operational Programme at the beginning of 2010. According to this approach, additional agreements have been signed with the beneficiaries, which specify the right of the Contracting Authority to make financial corrections in compliance with EC guidance. The director of the IB gave an example with a case of similar infringements made by two beneficiaries. If the IB proposes equal corrective percentage, it should be examined whether this infringement will, for example, result in any changes of the classification of the two participants if the infringement has not been found. It is possible that this may give a misleading impression of injustice. However, the facts show that the Audit Authority has so far made financial corrections under OPE.

Mrs Kroumova put an end to the discussion on financial corrections by noting that she will accept the comment of Mr. Tabakov as a necessity for clarifying the procedure and improving the dialogue with the beneficiaries on the subject, by giving them the opportunity to express their point of view. Measures have already been undertaken in this direction.

No further comments were provided, so **Mrs. Vasileva** announced the adoption of the Annual report on the progress of OPE for 2010 by consensus.

Mrs. Kroumova reminded the MC members that each of them should sign a Declaration of Impartiality and announced a 30-minute break.

Deputy Minister Vasileva proceeded to the second part of the closed session and to the next item on the Agenda – Proposals for Additions to OPE.

The floor was given to **Mrs. Malina Kroumova**, Director of MA, who presented the proposals for changes to the Operational Programme. She noted that the proposals stem from the major difficulties encountered in the process of project preparation and management under priority axis 1. The changes concern measures which should be undertaken to facilitate the preparation of adequate and high-quality projects for the subsequent programme period. The main difficulties are related to the complexity of the projects, but also to the uncompleted reform of the water supply and sewerage network sector, which is in dire need of construction and rehabilitation of the infrastructure for water supply and sewerage services. Although OPE has extensive resources, they prove to be insufficient to meet these needs. At the same time, it is necessary to establish a system, which will guarantee the future creation of a sustainable infrastructure, without requiring repeated financial grants. This system should be based on economic principles. The major role of MA will be to promote and support the process, in order to ensure maximum absorption of funds in the current programme period and maximum good preparation for the subsequent period 2014 – 2020. In this connection, in 2010 the water supply and sewerage network operators were invited to participate actively in the preparation and implementation of projects under OPE by providing the necessary data, expertise and other activities of coordinating character. Thus, the water supply and sewerage network organisations in their capacity of major exploiters of the infrastructure become acquainted and participate in the process, which ensures sustainable exploitation of the infrastructure constructed with the financial assistance of OPE. The operators have also been given the opportunity to participate in the financing.

The main guidelines for the reform in the water supply and sewerage sector are related to the clarification of the ownership of the water supply and sewerage network assets and the fact that the whole infrastructure is public-municipal and therefore state-owned according to the Water Act. The reform aims to ensure the necessary quality of the provided services. To achieve this, it was necessary to undertake actions towards planning the relevant activities. The other major target of the reform is the establishment of a mechanism for sustainable, cost-efficient financing of this infrastructure.

It has been found, together with the Ministry of Regional Development and Public Works, that in order to implement the reform, it is necessary to strengthen the capacity of the newly established water supply and sewerage network associations, since their key role is directed towards the management and development of existing assets and of those, which are to be constructed, as well as to find ways for attracting additional funds. According to the Water Act of the Republic of Bulgaria, the Minister of the Regional Development and Public Works is responsible for implementing the reform and the state policy related to activities of exploitation, construction, reconstruction and modernisation of water supply and sewerage network systems and is also in charge of coordinating the activities of the water supply and sewerage network associations and is the Principal of the state-owned water supply and sewerage network companies. Therefore, some activities necessary for implementing the reform are inseparably linked to the Ministry of Regional Development and Public Works. Thus, the proposal for a change to the Operational Programme consists in the introduction of a new beneficiary – “structures in the Ministry of Regional Development and Public Works, engaged in the coordination and control of the reform in the water supply and sewerage network and the promotion of new kind of activities”. The MRDPW and the structure engaged in the reform will be direct beneficiaries under OPE.

Deputy-Minister Vasileva gave the floor for comments and statements.

Mr. Plamen Stefanov, Regional Governor of Vidin region, NWR Planning Region, noted that he accepts without any reservation the motives for the inclusion of the MRDPW and its structures among the OPE beneficiaries, but he also added that the regional governing authorities and governors should also be given the opportunity to become beneficiaries under OPE. The motive behind his request is that the practical activities related to the establishment and management of water supply and sewerage network associations have been assigned to the regional governor, who needs to take care of everything, including the collection of data needed for determining the ownership, on which the whole activity will function. He also suggested that this will also relate to the signing of the contract with the relevant water supply and sewerage network operator.

Deputy Minister Vasileva thanked Mr. Stefanov for the proposal and gave the floor to representatives of the MRDPW for more detailed presentation of the concept.

The floor was taken by **Mrs. Ivanka Videnova** from the MRDPW, who thanked the MOEW and the OPE for the good work, the cooperation and understanding with regard to the implementation of this project. She added that Mrs. Kroumova had quite well presented the key parts of the project, one of which is the enhancement of the administrative capacity of the regions and municipalities, which are united under the water supply and sewerage network associations and which will sign contracts with the water supply and sewerage network operators and monitor the quality of the water supply and sewerage network services. Mrs. Videnova added that the project will also be submitted for comments to the MA of the OPE.

In response, **Mrs. Kroumova** specified that the main part of the project is the enhancement of the administrative capacity not in the narrow sense of simple trainings, but rather in the way of project measures aimed at strengthening the capacity in every aspect,

including securing resources and activities related to the management of water supply and sewerage network assets. The reason for not including the regional administrations or water supply and sewerage associations among the beneficiaries is because it is essential for this process to run in a coordinated way at national level and to ensure its equal pace throughout the country. Mrs. Kroumova noted that in case the representatives of the regional administration, in the face of Sofia region, hold different opinion, it might be discussed and taken into account.

Mrs. Irena Petkova from the regional administration of Sofia region pointed out that with regard to the work of the water supply and sewerage network associations there is a definite need for strengthening the administrative capacity of regional administrations. She added that the budget for such capacity is rather limited while the problems are numerous. The communication between the individual municipalities within the framework of one association, which unites many municipalities, is also extremely difficult. The fact is that regional administrations will participate in all processes with capacity and specialists. Mrs. Petkova noted that the MRDPW has a leading role in this respect, but it might also be possible to create sub-projects or joint projects and include the regional administrations.

Mr. Carsten Rasmussen welcomed the proposal for inclusion of new beneficiaries. With regard to regional administrations he said that he did not consider it necessary to mention them explicitly at programme level and that MRDPW will be able to direct these resources in an adequate way. It is important that MRDPW should be present as a beneficiary at programme level. According to the EC, this addition to the programme is a big step towards the right course. Mr. Rasmussen voiced his concerns about the delay in the finalising of the reform in the Water sector, as well as the partial shift of focus. He added that there is some obscurity with regard to the course which is followed and this seems to be a problem of internal character, which depends on the MRDPW, the MOEW and other relevant ministries, which should reach a consensus. Mr. Rasmussen underlined the urgency of the current situation, which must be solved or otherwise some of the projects will be negatively affected during their preparation. The cash flows, the opportunity for the projects to be accredited cannot be guaranteed, since there is no clarity as to who is doing what and who will carry the responsibility in the near future. Therefore, it is urgent to finalise the reform and reach an agreement. Once again Mr. Rasmussen urged the two ministries to reach an agreement and cooperate closely with the municipalities and the Ministry of Finance, in order to ensure the creation of a system, which will allow for the generation of economically viable projects. He pointed out that the present situation does not provide good conditions for project development. Mr. Rasmussen noted that a strong organisation is required from MRDPW and suggested that at the next MC meeting, MRDPW should present what measures have been undertaken towards the adequate utilisation of resources and how they have been directed. He also suggested that both ministries should provide a joint feedback on the status of the Water sector at the next MC meeting.

Deputy Minister Vasileva thanked for the comments and announced that she fully accepts the proposal for presenting the progress of reform implementation in the Water sector at the next MC meeting. With regard to the proposal, she noted that the logic and presumption related to the change in OPE has been clarified. The MRDPW as the responsible institution in this sector will become a beneficiary and develop a concept, which will assist all participants in this process, the most important being the associations, which will need some serious support, as well as the regional governors, who have the highest responsibility and share in these structures.

The floor was given to **Mr. Yovev** who observed that this is the second addition to the OPE in the last year and a half and he supports it unconditionally. He added that the first

addition was connected to Operational Programme Regional Development (OPRD), which rectifies the mistake for the unforeseen expenditure, which are to be received by OPE. Mr. Yovev also noted that he has been speaking about such horizontal examination of the problems in Bulgaria for more than five years and that this is the right course, and such actions need to be undertaken. The efforts should be focused on the control of the process and ongoing activities under OPE in other sectors. He reminded those present that at the last meeting he requested, if possible, that resources allocated for the OPRD should be presented. He suggested that the issue should be included on the next Agenda, in order to see what part of the resources will be allocated in this direction. Mr. Yovev considers such a step sensible and supports measures for horizontal activities in this field.

Mrs Kroumova noted that the promise to present the resources for waste collection and disposal technique has not been forgotten, but since the projects are expected to be submitted at the end of August, this information is still in the process of being summarised. Once it is available, it will be published on OPE website. Given the addition to the Programme and in view of the communication with the MRDPW, there is already a clear view of the necessary financial resource for implementing all activities envisaged for such horizontal project. The amount to the present point is around 10 million lv and includes development of all strategic national regulations, intense expansion of the capacity of regional administrations, water supply and sewerage network associations and operators, and all other steps, necessary to implement the reform. This is the amount which is being discussed at present, but of course it is subject to specifications after the submission of the project proposal and the valuation and contraction of the project activities.

Mr. Yovev found this comment sensible and thanked for the clarification.

Deputy Minister Vasileva thanked for the comments and said that this item on the Agenda may be accepted. Then she proceeded to the presentation of the measures undertaken towards strengthening the administrative capacity of the beneficiaries. The information was presented by **Mrs. Anastasiya Grozdanova**, expert at the Cohesion Policy for Environment Directorate.

Mrs. Grozdanova noted that at the beginning of 2011 the two Directorates “Cohesion Policy for Environment” and “EU Funds for Environment” developed plans for providing trainings to beneficiaries, implementing projects under the Programme and for potential beneficiaries, who are preparing project proposals under newly opened procedures. The measures foreseen in these plans can be divided into three groups: trainings, consultations and open doors days, as well as information days.

In 2010, a total of 480 beneficiaries participated in 13 organised training courses. For 2011, the programme envisages three training cycles intended for beneficiaries implementing projects in the water, waste and Biodiversity sector.

The consultations comprise meetings held by the MA, while the open doors days are conducted by the IB and intended for beneficiaries implementing projects under the programme.

In compliance with Decree No 203 of the Council of Minister from 13.09.2010, Technical Units have been established to enhance the administrative capacity of the MA and the IB.

Deputy Minister Vasileva gave the floor for comment to **Mr. Ivaylo Hlebarov** from the “EU for the Earth”. He made two specific proposals related to the measures for enhancing the capacity of the beneficiaries. Hlebarov underlined that a significant part of the trainings for beneficiaries are directed towards administering the relevant projects and therefore it

would be advisable to focus on trainings in relevant topics and problems – waste, biodiversity, since they present a significant element of the project preparation. Joint thematic trainings, conducted for employees of the MOEW and the Regional Inspectorate for Environment and Water (RIEW) should also be accessible to external stakeholders, beneficiaries or NGOs, which are going to perform monitoring activities. In fact, this will not make the training much more expensive but at the same time it will create opportunity for employees of the Ministry and its regional structures and also for beneficiaries to meet and receive training, since they will subsequently work and implement the projects.

Deputy Minister Vasileva accepted the proposal and showed understanding that Mr. Hlebarov point to the necessity of more available information for all stakeholders with regard to the policies for environmental protection. She also added that the Operational Programme is a tool, which promotes the implementation of these policies during information days and trainings, focusing on key elements from the legislation in the field of the environment. The Ministry also makes a lot of efforts and holds regular meetings with stakeholders.

Mrs. Kroumova thanked for the comment and noted that the plan, mentioned by Mrs. Grozdanova envisages the organisation of such trainings already in 2011. Apart from project preparation, trainings in certain themes or sectors are also very important to the subsequent exploitation, including that of the infrastructure constructed with the financial assistance of the Programme. She once again thanked for the comment and added that the organisation of such trainings will be taken into account. Kroumova also accepted the second comment related to joint trainings with NGO representatives.

Mr. Rasmussen congratulated the participants for the particularly good achievements and urged them to preserve this high level of work. He noted that many municipalities are still not participating physically in the implementation of the projects and need to be trained. Trainings are necessary at all stages.

Deputy Minister Vasileva thanked and noted that the success, as usual, is shared and a result of joint efforts, including those of the beneficiaries. She gave the floor to **Mrs. Tanya Slavova**, coordinator of the project for construction of waste water treatment plant in Sopot, who presented the project stages from the beginning of the preparation to the project finalisation.

Mrs. Tanya Slavova thanked for the opportunity to present the implementation of the project as a good practice. The waste water treatment plant in Sopot is the first one to be constructed, financed and launched into operation under OPE. It comprises the first stage of the planned complex treatment of the waters of Sopot. The second stage is being developed and includes the full replacement of the sewerage network. The total value of the project for waste water treatment plant is 18 million lv. It has the capacity to serve 25,000 PE. Mrs. Slavova presented a video material dedicated to the construction of the waste water treatment plant in Sopot.

Deputy Minister Vasileva noted that the project cycle has not been easy for the municipality. It has brought many challenges and not a few problems but the activity and enormous wish of the Municipality to bring the project to a successful end have become visible to all. She congratulated the Municipality for the exceptionally good video material and thanked the whole municipal team, which proved that, although the Municipality is not big, the experts may cope with the project. Mrs. Vasileva added that many similar projects are to be witnessed in the future.

Mr. Rasmussen said that he would like to receive a copy of the video material, in order to show it in Brussels during the *Open Doors Days*, which are expected to attract about

6,000 visitors. In his opinion, the video contradicts the notion that infrastructural projects are boring; it even shows that they may sometimes be beautiful.

Deputy Minister Vasileva gave the floor to the hosts of the Hisarya Municipality, **Mrs Dimitrina Kiorlinska**, Coordinator of the project for waste water treatment plant.

Mrs. Kiorlinska noted that the project is the first phase of an integrated project for improving the Water sector in Hisarya. She also presented the technical assistance project for the upcoming construction of urban and rain water sewerage system and reconstruction and replacement of the water pipe network in the three districts of the town. The total value of the technical assistance project stands at 1.190.082 lv, 1.255.830 of which has been contracted. The project proposal was submitted on February 21, 2011 and envisages the construction and reconstruction of a sewerage network with a length of 29 km and 589 m. The implementation of this project will ensure 100% construction of a sewerage infrastructure in Hisarya and 100% of the town population will be connected to this sewerage system. The total value of the project under the new procedure for construction, which is in the evaluation phase, is 40,000,477 lv.

Mr. Rasmussen acknowledged the high ambitions with regard to the finalisation of the network and the waste water treatment plant. He noted that the price per metre seems high and should be checked. The EC representative also asked whether there is an existing database with the average price of the services.

Second, Mr. Rasmussen declared that there has been a long discussion with regard to the operators and he was left with the impression that at this stage all waste water treatment plants constructed with EU funds will be managed by the operators on the spot. Obviously, each municipality, whether big or small, on receiving this amount (about 4300 euro per capita) would become self-dependent, which will violate the principle of solidarity in the long term. EC opposes the moving away from the existing system.

Deputy Minister Vasileva assured Mr. Rasmussen that the Ministry is monitoring the expenditure and this is part of the methodology, developed with reference prices against provided services and such for value per linear metre, linear infrastructure and respectively value of PE, which need to be taken into account by beneficiaries in the preparation of project proposals. As for the comment on the water supply and sewerage network operators, the MOEW supports such an approach as also promoted by the MRDPW.

Mr. Yovev thanked for the presentation of the waste water treatment plant in Hisarya and mentioned that during his on-the-spot visit he found that this is a beginning of a good practice. In this connection, he drew the attention to the criteria for the quality of construction works and said that now was the proper moment to consider this aspect. Yovev stressed the necessity of ensuring high quality of the construction activities in the country.

Deputy Minister Vasileva pointed out that everybody is striving towards perfectionism and she understands the considerations of Mr. Yovev. She added that the procedures related to the establishment of a committee for approval and launching into operation of the construction site also take into account the compliance with construction regulations both in terms of design and works. The Deputy Minister also added that this is probably not the best time and place to discuss construction codes. She has understanding for the point and supports the striving towards perfectionism, but above all things should be done in compliance with standards and regulations and this is verified by the relevant supervisory authorities.

Mrs. Vasileva then proceeded to the item *Various* on the Agenda and presented information on the national campaign “Green Bulgaria”, which is part of the activities focused

on information and public awareness with regard to the implementation of OPE. The campaign has been organised in three stages – awarding prizes in the category “The greenest company”. The first stage is the awarding of prizes, which took place on June 6 during a ceremony dedicated to the World Day of Environment. The initiative aimed to encourage those companies, which have shown that despite the economic crisis, it is possible to invest time and money in the preservation of the environment. The second stage is targeted at the most active municipalities under OPE. At an annual meeting of Bulgarian Municipalities on July 7-8 there will be a ceremony for awarding prizes to municipalities with the largest amount of absorbed funds under the programme, the highest number of projects etc. At the end of 2011, the campaign will name the greenest city and thus encourage agglomerations, which launch environmental initiatives. The campaign, which is supported by OPE, aims at promoting initiatives for the preservation of the environment. The results from the campaign will be presented at the next MC meeting.

Mr. Hlebarov expressed his hopes that the campaign will develop less in “*greenwashing*” direction and will pay closer attention to those who receive prizes in view of the fact, that the Head of Bella Bulgaria have shot a White bear – species, threatened by extinction.

In relation to the item *Various*, the organisations engaged in biodiversity have a specific proposal related to the inclusion of specific activities in the indicative programme of OPE. Bio-geographical seminars for determining protected sea habitats have come to the conclusion that these territories are not sufficient and have proposed that the Indicative Annual Working Programme should include a measure towards declaration of new protected territories. Because of the scientific character of the activity, NGO believe that there will be no significant administrative burden on the implementation of this measure, since in accordance with Article 4.4 of the Public Procurement Act (PPA) no public procurement procedures will be required.

Deputy Minister Vasileva suggested that the proposal is accepted for the sake of information and then examined by experts both from OPE and the National Nature Protection Service (NNPS). She also added that an expert opinion is needed on the PPA comment.

Mrs. Kroumova added that part of the activities related to the declaration of new sea territories are included in a project, which is to be implemented once it has been evaluated by the Executive Environment Agency. This initiative has resulted from the fact that the bio-geographical seminars have exposed the existence of such inadequacy. Measures have also been undertaken towards cooperation with the competent directorate NNPS and if necessary, other authorities will be included as well. The proposal was adopted by consensus.

Deputy Minister Vasileva thanked all those present for their participation in the meeting of the MC and their proposals and voiced her hope that even better results will be reported at the next meeting.

List of Participants:

From the Monitoring Committee:

1. Mrs. Ivelina Vasileva – Chairman of OPE Monitoring Committee, Deputy Minister of Environment and Water
2. Mrs. Malina Kroumova – Head of the Cohesion Policy for Environment Directorate, Ministry of Environment and Water
3. Mrs. Yoana Hristova – Head of EU Funds for Environment Directorate, Ministry of Environment and Water
4. Mrs. Dobrinka Krasteva – Council of Ministers, Central Coordination Unit.
5. Mrs. Denitsa Nedeva – Council of Ministers, Directorate for Coordination of EU Affairs
6. Mrs. Ivet Baeva – Council of Ministers, Economic and Social Policy Directorate
7. Mrs. Snezhana Smilovska – Council of Ministers, CCU, Monitoring of EU Funds Directorate.
8. Mrs. Galya Ivanova – Ministry of Finance, OP Technical Assistance Directorate, Council of Ministers.
9. Mrs. Verzhiniya Mileva – Ministry of Regional Development and Public Works
10. Mrs. Galina Vasileva - Ministry of Transport, Information Technologies and Communications, Head of Coordination of programs and projects Directorate.
11. Mrs. Iva Yakimova – Ministry of Economy, Energy and Tourism, EU Funds for Competitiveness Directorate.
12. Mr. Mustafa Chaushov - Ministry of Economy, Energy and Tourism, EU Funds for Competitiveness Directorate.
13. Mr. Plamen Girginov - Ministry of Labour and Social Affairs, Directorate General EU Funds, International Programmes and Projects.
14. Mr. Simon Papazyan – Ministry of Finance, Directorate “Operational Programme Administrative Capacity”.
15. Mrs. Veselina Roshleva – Executive Agency for Environment, Monitoring of the Environment Department.
16. Mrs. Lyubka Lazarova – Executive Agency for Fisheries and Aquacultures.
17. Mr. Kiril Tashev – Executive Forests Agency.
18. Mrs. Iliana Lazarova – Ministry of Finance, Economical planning and analysis Directorate
19. Mr. Georgi Ivanov – Ministry of Environment and Water, Water Directorate.
20. Mrs. Penka Stoichkova – Ministry of Environment and Water, National Nature Protection Service” Directorate.
21. Mr. Alexandar Rangelov – Ministry of Environment and Water, Environmental Policies Directorate.
22. Mr. Tsvetan Tsankov - Ministry of Interior, Criminal Police Head Directorate
23. Mr. Petar Petrov – National Statistical Institute.
24. Mr. Mincho Kazandziev – National Association of Municipalities in Bulgaria.
25. Mr. Plamen Stefanov – Regional Council for Development of NWR Planning Region.
26. Mrs. Irena Petkova – Regional Council for Development of NWR Planning Region.

27. Mr. Nikolay Sidzhimov – Bulgarian Association of Municipal Environmental Experts.
28. Mr. Botyo Tabakov – Bulgarian Chamber of Mining and Geology.
29. Mrs. Iliana Pavlova – Bulgarian Chamber of Commerce.
30. Mr. Valentin Yovev – Union of Economic Initiative.
31. Mrs. Yuliana Yankova – Confederation of Employers and Industrialists in Bulgaria.
32. Mrs. Emiliya Dimitrova - The Confederation of Independent Trade Unions of Bulgaria.

Observers:

33. Mr. Valery Natan – European Commission, DG Regional Policy.
34. Mr. Carsten Rasmussen – European Commission, DG Regional Policy.
35. Mrs. Stavroula Pelekasi - European Commission, DG Regional Policy.
36. Mr. Ralph Eimer – European Investment Bank, “JASPERS”.
37. Mrs. Karina Karaivanova-Ganozova – Ministry of Finance, National Fund Directorate.
38. Mr. Radoslav Nedyalkov – Ministry of Finance, Audit of EU Funds Executive Agency.
39. Mr. Ivaylo Hlebarov – Blulink Foundation.
40. Mr. Doncho Ivanov - Coalition for sustainable development.

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