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OPERATIONAL PROGRAMME “ENVIRONMENT 2007 – 2013”



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Minutes

of the fifth meeting of the Monitoring Committee of Operational Programme “Environment 2007-2013”

24 March 2009, “Sofia” hall, “Kempinski Hotel Zografski”

Official part of the meeting

The meeting was opened by the Chairman of the Monitoring Committee (MC) of Operational Programme “Environment 2007-2013” (OPE) the deputy-minister **Mr. Chavdar Georgiev**, who welcomed the MC members and the official guests – minister of environment and water **Mr. Dzhevdet Chakarov**, Chairman of the Environment and water Committee in the National Assembly **Mr. Georgi Bojinov**, as well as the guests from the European Commission (EC) – **Mr. Valeri Natan** (DG Regio) and **Mrs. Milena Novakova** (DG Environment).

Mr. Chavdar Georgiev presented the agenda of the meeting and gave the floor to the minister of environment and water **Mr. Dzhevdet Chakarov**.

After welcomed the participants, **Minister Chakarov** underlined the main object of the present extraordinary MC meeting, namely beginning of the construction of Regional integrated systems for waste treatment under priority axis 2 of OPE. We are going to have construction of over 20 regional depots and transition from open competition-based project selection procedure to direct grant procedures, as well as adoption of the criteria for selection of those projects, which should be approved by the MC members. As a result of the changes which the MC members will adopt, Ministry of environment and water will send an invitation to all regional associations for preparation of projects and their submission after that. It will be difficult for Bulgaria to keep the engagements for closing the depots which are not reply to the European standards, but it is very important the projects and the construction to begin.

Simultaneously **Minister Chakarov** underlined the achieved principal position about the legislative problems in the Water-Supply and Sewerage sector (WSS sector) and expressed his hope that it will be transformed soon in concrete legislative letterpress, which will help for nonproblematic implementation of the respective axis of the OPE.

The floor was given to the **Chairman of the Environment and water Committee in the National Assembly Mr. Georgi Bojinov**, which joined to the congratulations for progress achieved under the OPE and achieved principal position about the legislative problems in the WSS sector. He undertakes the legislative changes to be a fact to the end of the parliamentary mandate.

Working part of the meeting

The Chairman opened a working part of the meeting and present the Agenda. He gave the floor for the **first point of the Agenda – „Conception about funding under**

priority axis 2 of OPE” to **Mrs. Malina Kroumova, senior expert in CPE Department**, which presented briefly the conception for funding under priority axis 2 of OPE.

The floor was given to **Mr. Valeri Natan**, who supports the Managing Authority (MA) for the approach and defined it as very useful for implementing of OPE in situation of limited resources. He remind that the idea for that was discussed in the previous meeting of the OPE.

The floor was given to the MC member’s for comments and questions on the presented document. **Mrs. Katerina Rakovska from Bluelink** presented the proposals for changes on the document from her organizaton. They are about the hierarchy of the activities for the waste, requirements for 50% over again using of household waste and 70% over again using of nondangerous waste for construction, the table from National Waste Management Programme (NWMP) for requirements of Directive 98/2008, financial resources in the conception and how they reflect engagements under the Directive.

In response **Mrs. Tatiana Petkova**, advisor to the minister of environment and water underlined that Directive 98/2008 shold be inserted in the legislation, not in the present conception. Besides big part of the requirements are already in the legislation and they also be pointed in the NWMP.

Mrs Kroumova added that the requirements of the Directive for five-stage hierarchy are lay down in NWMP, and quotation of the national purposes is unduly, because the purpose of the conception is construction of the regional system. She remind that the conception is consider with NWMP. The percentage of the treated waste as a second use are the part of the regional and municipal plans for development and they are not an object of assessment of the present criteria. In the “Waste management” Department in MoEW are prepared a Guidance for municipalities, how to stimulate them to prepare that kind of projects. The conception is consider also with the European Strategy, which envisage prohibition for disposal of waste until 2020 and the ambition is to separate for disposal a less waste.

Mrs. Asya Dobrudzhaliyeva from Bulgarian Association of Municipal Environmental Experts supports the conception and proposed to be indicated a possibility for over disposal.

Mr. Margaritov underlined that the presented conception is not supposed to be changed. The common project criteria have been voted 14 months ago but because of the made experience they supposed to be changed. The presented short procedure is the best way for supplying efficiency finance by OP.

Mrs. Katya Doycheva, Tvarditsa mayor, asked the question if the additional equipment will be financed by the beneficiary or not – exemp. – disposal in Stara Zagora.

In reply **Mrs. Kroumova** noticed that this is an initial conception that can be changed with some new information if it is needed.

The mayor of Gabrovo Mr. Thomislav Donchev noticed his agreements with the statement of Mr. Margaritov.

The discussion on that theme was settled and Mr. Chavdar Georgiev proposed the document to be voted by concensus.

The chairman Mr. Chavdar Georgiev proceed with point 2 of the agenda – **“Criteria for evaluation of projects for building of regional systems for waste management under priority axis 2 of OPE”**.

The floor was given to **Mrs. Krumova**, who noticed that the document reply of the regulations of the procedure for free funding of 3 steps – administrative compliance, eligibility and financial- technical criteria. All criteria are formulated according to the coming call for proposal. Although always there is an opportunity one project proposal to be cancelled. The Directive for waste management and treatment is still not implemented in Bulgarian legislation but all the criteria are made according to NWMP, which is made according to the Directive.

Mrs. Milena Novakova posed a question about point 16 from the criteria, i.e. cases which do not require assessment of the impact of environment. Installations which are going to be constructed require assessment of the impact of environment according to her opinion. Mrs. Novakova noticed the problem about the evidence problem of the capability of financing of the beneficiary because of the fact that Directive requires that

Mrs. Petkova answered that EC requires the financial analyses. The Directive really requires the evidence problem of the capability of financing of the beneficiary but the regional waste treatment system does not contain only depots, i.e. that criteria should be judged in common macroframe..

Mrs. Metodieva noticed that the point 16 of the criteria covers all the cases – with or without assessment of the impact of environment. Every case should be detected personally.

Mr. Botio Tabakov, Mining Chamber asked about the criteria of maximum amount of financing. He also demands an explanation about point 12 – preliminary contracts for public services that should be arranged by the beneficiary.

Mrs. Petkova answered that the preliminary contracts for public services are required at the preliminary period of adoption of the investment. The assessment commission is not capable of requiring such contracts. These contracts can be changed additionally. She also explained that it can not be required at a preliminary stage, the procedure is fully completed by the permanent change of use of land. Mrs. Petkova made an example with the Pernik depot where it lost part of finance assistance under ISPA because of the fact that municipality could not provide ground.

The mayor of Gabrovo Mr. Thomislav Donchev asked how funding will be provided to the beneficiaries (municipalities), or more precisely how it will be shown/proved. The option to move the entire procedure under the law for municipal debt is a very long procedure. It is better to make a statement, backed by a decision of the municipal council. It excludes decision in their own sources.

Mrs. Kroumova said that the managing authority provides great opportunities for the financing of municipalities, the own resources decision of the Municipal Council debt credit assurance or not, this freedom will be maintained.

Mr. Margaritov noticed that the most important is to repeat the principle of priority axis Waters, i.e. do not expect 100 percent grants for construction projects. The exact rate still depends on the quality of projects. Direct delivery is primarily a dialogue between municipalities and MA, also the invitation of the municipalities should be fixed, but the period will be long enough. The question of financing of beneficiaries is complex, but it will not be decided solely on the level of OP.

Mr. Rasmussen supported the principle of the new funding and noted that it is a very solid framework for municipal projects, as need to know what resources are available. However, the selection criteria should be considered in context, since this is not a criteria for competitive selection in the open call, these criteria are quality threshold. Self-funding of municipalities is a complex problem for which he spoke with the Ministry of Finance - there are 700 million from the EIB and those funds will be automatically available to the municipalities before the approval of projects. This question must be systematically solution that does not interfere with the municipalities to make investments and other. Since long-term solution is sought for all self-financing of municipalities is fair at this stage to seek a self-financing. It is Possible the innovation of the municipalities are well above the threshold, but this is a way to promote the initiative of municipalities rather than to do something that is great for the environment, but it is not cost-effective. The wording of the criteria is good, but should be done a fully effective procedure for selection of projects. Mr. Rasmussen called to give a rapid funding to municipalities, with adequate advance payment amount as turnover, then the municipalities should be obliged to take and own part of the funding.

Mr. Margaritov confirmed that this is the purpose of the Managing Authority, namely the ease of the procedure by providing funds quickly, then the process should be monitored together with the municipalities. Technical or legal obstacles to this will not have. There is also a decision to increase the rate of advance payment.

Mrs. Katerina Rakovska expressed her disagreement with the reasons for rejecting a proposal for new criteria for maximum separation of recyclable components. According to her, it really requires more financial resources, but it is the only sustainable solution, since most protected environment. Ms. Rakovska put the question of regional objectives, how will the process of developing them.

In response, **Ms. Kroumova** explained that under limited resources, which should cover the vast need, it is not possible to always apply the best technologies. The aim is to be funded so that the system becomes operational and to fund in the future, advanced technologies. Social considerations have played a role in determining this criteria, including small regions with less waste generated. Regional objectives are currently being developed jointly with the "MA" and the Executive Environment Agency and they will be established on the basis of the quantity and type of waste generated.

Mr. Vasil Margaritov added that the criteria are based on maximum ease and expedite the procedure and the purpose is until May to begin to make advances. Criteria are not final and may propose adjustments to these or other, but they are now this.

The document on item 2 of the Agenda were adopted by consensus.

The Chairman Mr. Chavdar Georgiev proceed to **item 3 on the agenda – "Criteria for projects selecting for closure of municipal landfills under priority axis 2 of OPE".**

The floor was given to **Mrs. Malina Kroumova**. She briefly introduced the draft document – the projects will be a competitive selection, which are slightly different from previous. They are with Accordance with Decree 121 and again in three stages - administrative compliance, eligibility, financial and technical evaluation by two elements - with the mandatory requirements yes / not and only the quality of the project. The separation is necessary because of the need for projects to meet most of the legislation and the OP. The procedure is constructed in such a way that satisfies most of the opportunity for funding even

when limited financial resources. An important part of the criteria is the design mode - projects with greater design mode will be rated more highly and will be funded more quickly.

Mrs. Marya Ninova comment on the criteria of Section 2, item 10, by proposing to add the assumption that the criteria is only if the landfills are under construction.

Mr. Carsten Rasmussen asked word to express its support for these criteria. He asked for clarification regarding the procedure, i.e. if the proposals are for 88 million and means to acquire what would happen to other regions in which these landfills have not been provided. In such cases, landfills will be built only where capacity has been exhausted, i.e. will work first on those who have already exhausted capacity, and then on the other .

In response, **Mrs. Malina Kroumova** explained that the procedures will be several. This year there is only one procedure for which separate about 1 / 3 of the resource to close the landfill because it is considered that at present 66 landfills are located in areas where regional landfills were built and they will be targeted first procedure. The second stage, when assessing what the funds may be declared one or two procedures may be open.

Mr. Tomislav Donchev asked to be clarified whether the means of closure of municipal landfills are included in projects for building regional landfills with direct funding.

Mrs. Kroumova explained that these are different procedures and different ways to provide grants.

Mr. Botyo Tabakov requested clarification on Section 3, paragraph 3 of the criteria relating to cost-benefit analysis and what is expected from this analysis.

Mrs. Kroumova replied that the analysis will be, but it is different from this one for building and it is not cost-benefit analysis that is required by the EC. Details will be given in the guidelines for application.

Mr. Rasmussen added that cost-benefit analysis in the case of the closure is also necessary because there are different techniques for closure of a landfill and must be analyzed all the possibilities. Furthermore, the analysis does not aim to demonstrate need or should not close a depot because it is a legal requirement.

The document on item 3 of the Agenda were adopted by consensus.

Under point "Miscellaneous" **Mr. Rasmussen** asked word to salute the Ministry of Environment and Water, the new approach, which provides much better frame of municipalities, giving them greater flexibility. Commission relies on MoEW and a commitment to monitor and accompany projects to prevent any surprises and to reject the project, which should be adopted.

Mr. Rasmussen focused on the issue of legal problems in the water sector, which currently does not guarantee maximum economic efficiency and added that the demonstration yesterday, a compromise should be reached much more time earlier, and hopes that legislative changes be made very quickly. The process could possibly be delayed if additional steps to introduce a comparative assessment of projects is done. When projects are managed by

municipalities with the principle of solidarity will be able to invest resources not only in urban but in rural areas of the country where the costs are relatively higher than the income of the population. Projects will have a higher value if you compare all projects in one area – they are already approved by local authorities, but is required comparative additional analysis that will take a little while, but otherwise there is a risk projects do not remain coordinated.

The Chairman Mr. Chavdar Georgiev thanked all present for active participation, having announced that the regular meeting will be held on 27 of May 2009 and closed the MC meeting.

List of participants

Official guests:

1. Mr. Dzhevdet Chakarov – Minister of environment and water
2. Mr. Georgi Bojinov - Chairman of the Environment and water Committee in the National Assembly

From the Monitoring Committee:

Chairman:

1. Mr. Chavdar Georgiev – deputy minister of environment and water

Member and substitute:

2. Mr. Vasil Mragaritov – director of the „Cohesion policy for environment” Department, MoEW
3. Mr. Dimitar Pehlivanov – „Cohesion policy for environment” Department, MoEW
4. Mr Martin Georgiev - Directorate of Coordination of Programs and Projects, Ministry of Transport
5. Ms. Victoria Nenkova - Directorate USES, Ministry of Finance
6. Mr. Dimitar Valkov - Executive Agency for Fisheries and Aquaculture, MZH
7. . Mr. Stanislav Stefanov - IAIAP, Ministry of Finance
8. Ms. Dobrinka Krasteva, Directorate USES, Ministry of Finance
9. Ms. Yvette Baeva - Directorate of IMS, the Council of Ministers
10. Mr. Todor Todorov - National Fund Directorate, Ministry of Finance
11. Ms. Shinka Marinova - Director of EU Funds for Environment, MoEW
12. Ms. Yvette Baeva - Directorate General for Economic and Social Policy, Council of Ministers
13. Ms. Daniela Sechkova - Directorate of Strategic Planning and Management, Council of Ministers

14. Ms. Denitza Nedeva - Directorate KVESMFI, the Council of Ministers
15. Mr. George Terzov - Directorate of Water, Environment and Water
16. Ms. Maria Ninova - Director of Waste Management, Environment and Water
17. Ms. Jacqueline Metodieva - Directorate General for Prevention, MoEW
18. Ms. Asya Doneva - Directorate "National Nature Protection Service, Environment and Water
19. Mr. Valery Trendafilov - Directorate of Earth resources and mineral resources, MoEW
20. Mr. George Prangov - State Agency for Information Technologies and Communications
21. Mr. Petar Petrov - National Statistical Institute
22. Ms. Dessislava Mikhalkov - Directorate Travel Policy, State Agency for Tourism
23. Mr. Krum Krumov - zam.oblasten governor of Montana, Regional Council for the Northwest planning regio
24. Mr. Tomislav Donchev - Mayor of Gabrovo, the Regional Council for Development of North Central Region Planning
25. Mr. Todor Todorov - Regional Governor Shumen, Regional Council for Development Planning northeast region
26. Ms. Katja Doycheva-mayor Tvarditsa, Regional Council for Development Planning YUIR
27. Ms. Iliana Pavlova-Bulgarian Industrial Association
28. Mr. Valentin Yoveva - Union for Private Economic Enterprise
29. Mr. Ivan Zahariev - Confederation of Employers and Industrialists in Bulgaria
30. Mr. Victor Serov - Association of Industrial Capital in Bulgaria
31. Mrs. Asya Dobrudjalieva – Bulgarian Association of Municipal Environmental Experts
32. Mr. Botyo Tabakov – President of the Standing Committee “Environment, Health and Safety”, Bulgarian Chamber of Mining and Geology
33. Mr. Dimitar Sirakov - Bulgarian Academy of Sciences
34. Mr. George Tinchev - State Forestry Agency
35. Mr. Abel Rodriguez - Advisor to the Deputy Prime Minister, Council of Ministers

Observers without voting:

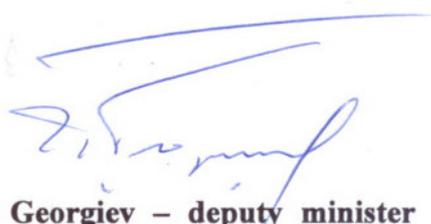
36. Mr. Vasil Asenov - on behalf of Mr. Plamen Girginov Ministry of Labor and Social Policy
37. Ms. Rada Chalakov - on behalf of Ms. Ganya Christ, Directorate SKVESiMS "MoEW
38. Ms. Nadejda Nedelcheva - Vice Mr. Todor Todorov - Regional Governor Shumen, Regional Council for Development Planning northeast region

Observers:

39. Mr. Karsten Rasmussen - European Commission, DG Regional Policy
40. Mr. Valery Natan - European Commission, DG Regional Policy
41. Ms. Milena Novakova, DG Environment of the European Commission
42. Ms. Gergana Mineva - Directorate Audit of EU Funds, Ministry of Finance
43. Mr. Radoslav Nedyalkov - Directorate Audit of EU Funds, Ministry of Finance
44. Ms. Savova Jonko - United Alliance of NGOs Vitosha 2002
45. Mr. Ivanov Doncho - United Alliance of NGOs Vitosha 2002
46. Ms. Katerina Rakovska - Foundation Bluelink "
47. Mr. Valentin Simov - The "Green Alliance"
48. Ms. Tatyana Petkova - Advisor to the Minister of Environment and Water
49. Ms. Liliana Pavlova - National Fund Directorate, Ministry of Finance

16 April 2009

Approved by:


/Chavdar Georgiev – deputy minister
and Chairman of the MC/