

Draft Minutes

of the third meeting of the Monitoring committee of Operational Programme “Environment 2007-2013”

03 June 2008, 10:00 h., Royal hall, Sheraton Hotel

The session was opened by the Chairman of the Monitoring Committee (MC) of Operational Programme “Environment 2007-2013” **Mr. Chavdar Georgiev**. After checking the quorum Mr. Georgiev proposed to vote the agenda of the meeting, which was approved by consensus.

On the first item on the agenda – **the Annual Report for 2007 of the Operational Programme “Environment 2007-2013”** Mr. Georgiev gave the floor to **Mr. Dimitar Pehlivanov, state expert in Monitoring and Reporting Department in Cohesion Policy for Environment Directorate**, who presented the Annual Report and explained briefly every point of the Report. He added also that the Report is prepared according to the requirements of Regulation (EC) 1083/2006 and to the template as annexed in Regulation 1828/2006. **Mr. Pehlivanov** also reminded that according to the requirements of Regulation (EC) 1083/2006 the Annual report to be sent to the Commission not later than 30 June each year, after its approval by the Monitoring Committee.

Mr. Georgiev invited the Committee’s members to present their comments on the report, in case that they have any.

The floor was given to **Mrs. Denitsa Nedeva**, from the “**Coordination on EU Affairs and the International Financial Institutions**” at the **Council of Ministers (CoM)** who presented her opinion on point 2.3, which concerns the important problems and the undertaken measures for resolving them. Mrs. Nedeva pointed that unlike the two of the presented problems, which are clearly identified, the third one is not very clear and proposed, if no real problems are identified in this field, to remove it from the report.

Mr. Georgiev thanked **Mrs. Nedeva** and gave the floor to **Mrs. Tatyana Petkova, advisor to the Minister for Environment and Water and observer in the MC**. Mrs. Petkova explained that during the reporting period the lack of legislative framework was identified, which is to regulate the general principles and rules for awarding grants at national level. This was the reason for approving Decree of the CoM 121, laying down the provisions for awarding of grants under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, and under the PHARE Programme of the European Union. She added that the principles and procedures, as stipulated in it, have shown to be difficult to be implemented for several operational programmes, therefore, after many discussions, more than one amendment has been undertaken in Decree of the CoM 121. She confirmed also that there are problems in the legislative framework and added that at the moment there is a working group to the Minister of Finance that works on amendment in this document, but this information is not subject of the Annual Report. **Mrs. Petkova** added that the working group was created in relation with the Plan of the Council of Ministers with 16 measures.

Mr. Georgiev thanked **Mrs. Petkova** for the clarifications given and proposed the report to remain without revisions.

The floor was given to **Mr. Carsten Rasmussen** from the General Directorate “Regional policy” of the European Commission who congratulated the Managing Authority for the very well prepared and very interesting Annual Report. Concerning the legislative framework, he noted that the problem is clearly defined and that it is not necessary to complete the report with more information. In addition he supported the necessity to amend Decree of the CoM 121.

After closing the discussion, the Annual Report for 2007 of the Operational Programme “Environment 2007-2013” was approved by consensus.

On the second item on the agenda – **“Information about the progress achieved in the OPE 2007-2013, Mr. Georgiev gave the floor to Mr. Vasil Margaritov – Head of the Managing Authority of the OPE. Mr. Margaritov** presented briefly the progress achieved so far under the OPE 2007-2013, by pointing out that since the beginning of 2008 three procedures for awarding grants have been opened – two in the Water sector – “Technical Assistance for Preparing Investment Projects under Priority Axis 1” and “Improvement and Development of Water and Waste Water Infrastructure”. The two procedure are closed, whereas 191 project proposals have been presented for technical assistance and 113 projects – for infrastructure. He stressed that their evaluation, which is pending, is something new for the MA and he hopes it will be successful. The third opened procedure for projects is in the Waste sector – “Technical assistance for preparing infrastructural projects under priority axis 2” and will be closed on 6 June 2008. **Mr. Margaritov** pointed that procedure for Improvement and Development of Waste Treatment Infrastructure is under preparation at the moment. He added that the financial resources foreseen for this procedure are three times less, the deadlines are shorter and the challenge is much greater compared to the Water sector, because the regional landfills have to be constructed by associations. **Mr. Margaritov** reminded that the procedure for waste infrastructure is forthcoming.

Concerning the presented project proposals in the water sector, **Mr. Margaritov** congratulated the municipalities for their pro-activeness and added that the number of the projects presented have exceeded twice the preliminary prognosis. That was the main reason to increase the financing for technical assistance from 74 mil BGN to 200 mil BGN, as well as the financing for infrastructure from 723 mil BGN to 1,4 bil BGN in order not to reject good projects because of lack of financing in the beginning of programming period.

Concerning the priority axis 3 “Biodiversity”, **Mr. Margaritov** noted that the preparation of the procedure has not started, because the chronology of the priorities is followed. He assured that the active preparation of this procedure will start immediately after finishing the preparation of the procedure under priority axis 2 “Improvement and Development of Waste Treatment Infrastructure”. He also noted, that at this stage the vision of the procedure is not very clear, because there are issues concerning the beneficiaries that are under being clarified. He assured the MC members that they will be promptly informed, when the vision for this priority axis is clarified .

Mr. Margaritov expressed his gratitude to the MC members for their comments on the report and the other documents and pointed they have been very useful.

Finally **Mr. Margaritov** presented officially **Mr. Valeri Natan from General Directorate “Regional policy” of the European Commission** who recently joined the team of the European Commission and will be responsible for this programme.

Mr. Georgiev thanked **Mr. Margaritov** and invited the MC members to make comments or to ask questions if they have any.

The floor was given to **Mrs. Asya Dobrudjalieva from the Bulgarian Association of Municipal Environmental Experts (BAMEE)**. She asked, if possible, for the next procedures to review the number of copies (10) of all annexes to the application form, required with the project submission. She commented that the preparation of the 10 copies has been quite problematic and difficult for the municipalities.

Mr. Margaritov clarified that the required number of copies was in view of the extremely short deadlines under the opened procedures and in order to facilitate the evaluation committee, and measures have already been taken to revise this. He confirmed that for the next procedures the MA intends to decrease the number of copies, as well as to further improve the Guide for Applicants and the Application Form.

The floor was given to **Mr. Rasmussen**, who expressed his satisfaction with the well understood message, namely to open more procedures at an earlier stage in order to leave sufficient time for their implementation. He recommended the MA to be more careful with the project proposals submitted under “Improvement and Development of Water and Waste Water Infrastructure”, because this is the first procedure of this type. He emphasized the great importance of the quality of the presented project proposals. **Mr. Rasmussen** noted that it is of utmost importance for the MA to guarantee that the selected projects follow the River Basin Approach. He suggested that the MA should take a decision on whether to use the whole financing allocated to the procedure only after having reviewed thoroughly the project proposals, thus ensuring that only the project proposals that satisfy the highest criteria will be financed.

The floor was given to **Mr. Botyo Tabakov** from the **Bulgarian Chamber of Mining and Geology**, who shared his opinion that the meetings with municipalities have shown they have problems with the procedures related to land property, the preparation of the various evaluations, integrated permits etc. The periods for issuing these documents are longer than the periods for preparation of the projects. He asked, if possible, to consider speeding up, joint issuing and unification of these procedures, because these are important public projects.

In response **Mrs. Petkova** explained that for the first procedure the deadlines for submission of projects were shorter, because they were aimed at covering the already prepared projects. Concerning the request for joint preparation for different procedures, she explained that the environmental legislation follows the requirements of the different directives. Therefore where it is possible to facilitate private initiative, this has been done when the respective legislative act have been adopted. Concerning the procedures in the Law on Territory Planning and the deadlines in this law under the competence of the Ministry of Regional Development and Public Works, it is not correct to undertake commitments on behalf of this ministry. She added that a screening of the legislation is underway following an Order of the Prime Minister, especially for infrastructural projects. The MA is not competent to undertake commitments in this respect.

Mrs. Dobrudjalieva from the BAMEE raised the issue that the operational financing expected by the municipalities, creates great problems and they rely on the creation of a mechanism on national level ensuring the opportunity for operational financing.

In response **Mrs. Petkova** also confirmed the existing problem and noted that the issue has been raised many times before by the Ministry and assured that it will be raised again and the search for solution will continue.

The floor was given to **Mr. Georgi Tinchev** from the **State Forestry Agency**, who asked for more information concerning the reasons for the delay in starting the procedures under priority axis 3. Since the measures under NATURA 2000 – part of the Rural development programme are also postponed, he expressed his apprehension that this may create problems for the management of NATURA 2000 in the future.

In response **Mrs. Petkova** explained that at the moment the delay of the procedure under priority axis 3 is due to the group of beneficiaries, because one of the main beneficiaries under this priority axis are the NGOs. The way the NGOs have been established under the Law for Non Profit Legal Entities creates conflicts in related to state aids. She added that actions are being taken to find solution to this problem, with the “State Aids” Department in the Ministry of Finance, as well as the different scenarios for opening the procedure. **Mrs. Petkova** also noted that a substantial part of the activities defined in the Operational Programme, could be realized by NGOs and therefore these issues shall be fully clarified before elaborating a procedure for any beneficiaries.

Mr. Chavdar Georgiev thanked **Mrs. Petkova** and recommended the MA to make maximum efforts this delay to be overcome and to find a solution to the issue regarding the beneficiaries under priority axis 3.

The discussion on this item was closed, **Mr. Chavdar Georgiev** proceeded to item 3 on the agenda: **Financial aspects of the realization of the OPE 2007-2013 in the context of the commitments of the Republic of Bulgaria according to the Accession Treaty to the European Union** and gave the floor to **Mrs. Petkova**. She started with the commitments undertaken by the Republic of Bulgaria during the accession period, incorporated in the Accession Treaty. In view of this and in order to achieve maximum absorption of the financial resources under the programme, it is necessary to allow the financial resources included in the Financial Plan of the programme for the period 2007-2013 to be contracted. She asked for the support and the consent of the MC members in order to provide the opportunity to the municipalities to contract all the resources in the beginning of the programming period. Mrs. Petkova also emphasized that the MA understand the importance of the project quality and that no projects of bad quality will be approved. In this respect she asked the MC members for their support and consent in principle with the proposed financial implementation of the programme.

Mr. Chavdar Georgiev thanked to **Mrs. Petkova** and invited the members of the Committee to make comments.

Mr. Margaritov also asked for the support of the MC members, noting that this issue concerns the preparedness of the large-scale projects of large municipalities. He stated that it shall not be allowed municipalities that have already begun the preparation of projects, to stop this process because of misleading information that the financing will not be sufficient. He invited the members of the Committee to present their “pro” and “contra” views, if they have any, on this issue of great importance.

The floor was given to **Mr. Todor Todorov from the National Fund Directorate in the Ministry of Finance**, who supported this initiative of the MA on behalf of the Ministry of Finances, but asked for more detailed information in figures regarding the resources to be added to the financial plan for 2008.

In response **Mrs. Petkova** explained that regarding the first two procedures for technical assistance and infrastructure in the water sector, the financial resources to be added is quite big and covers the period until 2013. She also noted that this was preliminary coordinated with the Minister of Finance. She assured that all such actions will continue to be coordinated at ministerial level.

The floor was given to **Mr. Rasmussen**, who commented there is not a problem for to be “redirected” between the years, when this is necessary. He reminded that it is necessary to “redirect” only credit allocations and that the real financial resources will be needed at a later stage when the Beneficiaries start spending money on their projects. Mr. Rasmussen pointed out that the Ministry of Finance needs to find a certain flexibility allowing the Managing Authorities to contract financial resources up to the ceiling of the OP allocations as soon as they need it.

On the other hand, **Mr. Rasmussen** suggested that the MA should start thinking of the municipalities that are going to comply only partly with the acquis in the 2007 – 2013 period and will need to meet additional requirements in the next programming period. He warned the MA to be very careful with the preparation of procedures for projects for “Improvement and Development of Waste Treatment Infrastructure”. Regardless how long the preparation takes, the mistakes made by other countries in this sector should be avoided, not to repeat them and learn from the negative experience of other countries (especially regarding the location of sites). It is extremely important to be sure that an operating system is in place.

In response **Mr. Petkova** noted that the MA approaches the procedure for waste treatment very seriously. The procedure is not yet opened because the MA is considering various options and expects the preparation of the National Waste Management Programme, as well as the the required legislative amendments. She assured that the issues raised by **Mr. Rasmussen** will be taken into account.

The floor was given to **Mrs. Milena Novakova from General Directorate “Environment” of the European Commission**, who noted that the expectation of DG “Environment”. are that Bulgaria will attain the objectives and targets introduced in the Waste Framework Directive where each Member States is required to draw up Waste Management Plan in compliance with Article 7 of this Directive. Furthermore, she highlighted the applicability of Article 3.2 of Directive 2001/42/EC (SEA Directive) subjecting adoptions and reviews of the plans to a mandatory Strategic Environmental Assessment. The period of validity of the current National Waste Management Programme was extended till the end of 2008. This has been recognized during the negotiations of OP Environment. Nonetheless, the National Waste Management Plan that is under preparation should undergo SEA procedure and in addition, it should envisage the projects that are considered to be co-financed by the EU.

In response **Mrs. Petkova** mentioned that the working group is actively working on the programme and assured that by the end of the week there will be a completed draft of the programme and the programme will be subjected to environmental assessment according to the requirements of the national and EU legislation.

The floor was given to **Mrs. Dobrudjalieva from the BAMEE** who supported the proposal regarding the financial management of the programme and expressed her apprehension that most probably the deadlines of the commitments undertaken by the country could not be respected. In that relation she asked if there is any opportunity for extension of these deadlines.

In response **Mr. Rasmussen** explained that these deadlines are stipulated in the Protocol to the Accession Treaty and in order to change them, the Accession Treaty has to be changed, upon which Bulgaria should not rely. Regardless that maybe it is already technically impossible to observe the deadlines, it is important the Bulgarian side to show that it is fully committed and organized to fulfill these deadlines as soon as possible. The approach of the EC depends on the maximum commitment demonstrated by Bulgaria. However, the law is law.

Mr. Iliya Keleshev from the Bulgarian Industry Capital Association supported the opinions stated at the meeting that the MC could not undertake commitment for amendments in the legislation beyond the MOEW competences. In order to improve the environmental legislation and the rules elaborated by the MOEW, it would be better the MC members to report for encountered difficulties under the programme.

Mr. Keleshev also supported the proposed financial implementation of the programme, in order to enable financing of more projects in the water and waste sectors, respectively for conclusion of more contracts. He noted the progress achieved so far due to the MA team and added that the actual progress is still pending – with the start of the projects. It is also necessary to improve the capacity in order to duly perform the evaluation of the received project proposals.

Mr. Georgiev thanked **Mr. Keleshev** and proposed to support the MA by voting proposal regarding the financial management of the programme. The MA proposal was supported by consensus.

With this the discussion on this item was closed and Mr. Georgiev invited the members to the coffee break.

After the break **Mr. Georgiev proposed to proceed to item 4 on the agenda: Information on the approved Communication Plan of the OPE 2007-2013**. He gave the floor to **Mrs. Gloriya Atanasova – junior expert in Information and Publicity Department, CPE Directorate**, who presented brief information on the Communication Plan (CP) Approved in principle by the EC on 7 March 2008.

Mrs. Atanasova pointed out that one of the EC recommendations was to breakdown the indicative budget of the CP by activities, and not by years. The opinion of the MA was not to take into account this recommendation, because of the difficulty to define indicative amounts for the specific CP activities.

She also added that the MA will outsource the elaboration of a Communication Strategy for implementation of the activities laid down in the CP. After the elaboration of this document, part of its implementation will also be outsourced under the Public Procurement Act.

The MA will inform the MC members on the procedure for selection of contractor for elaboration of the Communication Strategy. This will take place at the regular autumn meeting, when the revised and amended text of the CP will also be presented.

Mr. Georgiev thanked **Mrs. Atanasova** and invited the MC members to make comments.

The floor was given to **Ms. Natan**, who expressed the opinion that it would be appropriate to break down the budget by activities (indicative categories) and noted that the other MAs have adopted this approach.

Mr. Margaritov replied that the MA could do this, but it is difficult to foresee, for example, how much will a TV advertisement cost in 2012, therefore the MA has adopted a different approach – to outsource the elaboration of the Communication Strategy and the contractors to carry out an expert evaluation whether the budget breakdown to be by years or by activities.

Mr. Natan commented that, in this case, the EC expects that it will be after the selection of an external contractor for the Communication Strategy, when the MA will be able to provide an indicative budget breakdown by activities/categories.

Mr. Georgiev thanked and proposed to proceed to the fifth item on the agenda: **Evaluation plan of the OPE 2007–2013 r.**

The floor was given to **Mrs. Snejana Smilovska – state expert in “Evaluation of the Program” sector in “Evaluation and Governance” Department**, who presented briefly the Evaluation plan of the OPE. She pointed out that the necessity of OPE evaluation is described in Regulation 1083/2006 and its main aim is to improve the quality, the sustainability, the impact and the compliance of the financial grants awarded by the funds. The evaluation could be carried out ex-ante, during the implementation of the programme (on-going) and after the programming period. The evaluation plan covers the envisaged on-going evaluations to be carried out throughout the programming period. It could be amended according to the needs of the implementation of the programme. She briefly informed the CP members of the contents of the document: management and coordination structures, Evaluation Sector functions, coordination with other structures and departments of the MA and the IB; evaluation stages: planning, public procurement, quality assurance, publicity of the evaluation results; after finalizing the evaluation: development of an action plan for evaluation of the evaluation recommendations, indicative list of the on-going evaluations: theme, scope, indicative time schedule, methodology to be used, responsible institution. Mrs. Smilovska pointed out the two specific cases upon which an evaluation is required and informed them of the planned evaluations by years and their main aim.

Mr. Georgiev thanked to **Mrs. Smilovska** and invited the Committee members to make comments on the document presented.

The floor was given to **Mr. Rasmussen** who made two remarks on the Evaluation plan.

The first one was with regard to the financial resources allocated for the first evaluation. The preliminary budget of 50 000 BGN is not sufficient and it shall be increased. It is especially important to ensure an efficient project selection mechanism for the

programme. Therefore he proposed amendments to the budget, which has to be increased to 75 000 – 100 000 EURO.

The second remark concerned the evaluation of the administrative capacity. **Mr. Rasmussen** underlined that the period defined (2012) for making this evaluation is too late for the programme implementation. At this stage there will be limited opportunities for taking corrective measures. As the evaluation of the MA administrative capacity has enormous impact on the programme implementation, it is of crucial importance that this evaluation is made at an earlier stage, for example in the beginning of 2009.

In response **Mr. Margaritov** explained that the remarks made will be taken into account, regarding the increase of financial resources, as well as the time for the administrative capacity evaluation. The evaluation of the administrative capacity could be carried out earlier – end 2008 - 2009.

The floor was given once again to **Mr. Rasmussen**, who made two proposals. He noted that it would be appropriate to disseminate all the comments and remarks of the MC members on documents under the items on the agenda to each MC member, including the EC representatives. The second proposal was in the future to adopt the following best practice: each meeting to start with formal approval of the minutes of the previous meeting.

Finally he congratulated the MA for the very good and professional organization of the meeting, as well as the MC members for their good comments and remarks on the documents. He also expressed his hope to follow this line in the future.

The floor was given to **Mrs. Petkova**, who briefly explained the approach to the minutes according to the Internal Rules of the Committee: they are uploaded on the MOEW Internet site, section OPE 2007-2013, as well as on the unified information gateway www.eufunds.bg, i.e. the minutes are well publicized. She expressed the apprehension that if the approval of the minutes is postponed for the next meetings, the upload on the Internet sites will be delayed, which will leave the impression of lack of transparency.

With respect to Mr. Rasmussen's proposal the comments and remarks submitted by the MC members on the documents for the meeting to be disseminated to each MC member, **Mr. Margaritov** replied that this practice will be adopted.

Mr. Rasmussen clarified that he would not like to allow a delay in uploading the minutes on the Internet site. He proposed after approving the final draft of the minutes by the Chairman of the MC, to upload it on the Internet site and its formal adoption to be at the next MC meeting.

Mr. Georgiev supported the **Mr. Rasmussen's** proposal and pointed out that this approach would be more reasonable.

The discussion on this item was closed and **Mr. Georgiev** thanked the MC members for their participation, as well as **Mr. Rasmussen** for the high evaluation for the meeting and the other EC members who commented important issues. With this he closed the meeting of the Monitoring Committee of the OPE 2007-2013.

List of Participants

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” Directorate, Ministry of Environment and Water (MoEW)
3. Mr. Dimitar Pehlivanov – „Cohesion Policy for Environment” Directorate, MoEW
4. Mrs. Snejina Slacheva - "Programming of the Regional Development", Ministry of the Regional Development and Public Works
5. Mrs. Rozalina Laskova – “Management of programme and projects" directorate, Ministry of State Administration and Administrative reform
6. Mr. Stanislav Stefanov – Agency for economic analyses and forecasts, Ministry of finance
7. Mrs. Mariana Lasonova - „EU funds for environment” directorate, MoEW
8. Mrs. Ivet Baeva - “Economical and Social Policy” Directorate, Council of Ministers
9. Mrs. Daniela Sechkova - “Strategic Management and Planning”, Council of Ministers
10. Mrs. Denica Nedeva - “Coordination of EU Affairs and International Financial Institutions”, Council of Ministers
11. Mr. Georgi Ivanov – “Water” Directorate, MoEW
12. Mr. Georgi Terzov – “Water” Directorate, MoEW
13. Ms. Maria Ninova - director of the „Waste management” directorate, MoEW
14. Ms. Jaclin Metodieva - „Preventive Activities” Directorate, MoEW
15. Mr. Stoyan Vergiev - „National Nature Protection Service” Directorate, MoEW
16. Ms. Ganya Hristova - „SCEUAIC” Directorate, MoEW
17. Mr. Valeri Trendafilov - MoEW
18. Mrs. Tsvetana Brachkova - “Monitoring of environment”, Executive agency for environment
19. Mr. Ivo Savov – National Service “Police”, Ministry of Interior
20. Mr. Georgi Prangov - State Agency for Information Technologies and Communications
21. Mr. Rumén Ruménov - National Statistical Institute
22. Ms. Desislava Mihalkova – “Tourist policy” Department, State agency for tourism
23. Mrs. Snejinka Cankova – expert in Municipality Lovech, National Association of Municipalities in the Republic of Bulgaria
24. Ms. Lilia Zamfirova – deputy regional governor of region Vratsa, Regional council for development of NWR planning region
25. Mr. Todor Todorov - regional governor of region Shumen, Regional council for development of NIR planning region
26. Mrs. Daniela Bakardjieva – regional governor of region Sofia, Regional council for development of SWR planning region
27. Mrs. Keti Koinakova – Confederation of Labour “Podkrepa”
28. Mrs. Milka Kuzova – “Promyana” Union
29. Mr. Atanas Boikov - Bulgarian Industrial Chamber
30. Mr. Valentin Yovev – Union of Economic initiative
31. Mr. Iliya Keleshev – Bulgarian Industry Capital Association (BICA)
32. Mrs. Asya Dobrudjalieva – Bulgarian Association of Municipal Environmental Experts
33. Mr. Botyo Tabakov – President of the Standing Committee “Environment, Health and Safety”, Bulgarian Chamber of Mining and Geology
34. Mr. Georgi Tinchev - “Forestry and Environmental Protection”, Council of Ministers, State Agency of Forestry
35. Mrs. Ivilina Aleksieva – Advisor to the Minister of emergency situation

Observers:

36. Mr. Harald Schoelzel - European Investment Bank
37. Mr. Jean-Marc Arnoux – European Investment Bank
38. Mr. Carsten Rasmussen – DG “Regional Policy”, European Commission
39. Mrs Stavroula Pelekasi - DG “Regional Policy”, European Commission
40. Mr. Valeri Natan - DG “Regional Policy”, European Commission
41. Mrs. Milena Novakova - DG “Environment”, European Commission
42. Mr. Kamen Delchev - Alliance of the United NGO “Vitosha - 2002”
43. Mrs. Yuliya Dobрева – Public Procurement Agency
44. Ms. Tatyana Petkova – Advisor to the Minister of Environment and Water
45. Mr. Radoslav Nedialkov – Department “Audit of EU funds”, Ministry of Finance
46. Mrs. Gergana Mineva - Department “Audit of EU funds”, Ministry of Finance

Approved by: 

*/Mr. Chavdar Georgiev – Deputy Minister and Chairman of the Monitoring Committee of OP “Environment”
2007-2013” /*

01 July 2008