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OPERATIONAL PROGRAMME
“ENVIRONMENT 2007 – 2013”



European Union
Cohesion Fund

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***METHODOLOGY AND APPROACH
FOR PROJECT SELECTION UNDER
PRIORITY AXIS 1 OF
OP “ENVIRONMENT 2007-2013”***

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TABLE OF CONTENTS

1. 1. DIRECTIVE 91/271/EEC IMPLEMENTATION STATUS	3
1.1. Priorities of the policy in the Water sector	3
1.2. Operational Programme “Environment 2007-2013”	4
1.3. Current status.....	5
1.4. Selection of agglomerations to be subject of the OP "Environment" efforts.....	6
1.5. Ranking of the agglomerations	8
1.6. Determining of the agglomerations for technical assistance.....	14
2. DETERMINING THE SCOPE OF THE PROJECTS	15
2.1. Main principles	15
2.2. Scope, technical and financial restrictions of the projects to be financed.....	17
3. PROCEDURE FOR GRANT AWARDING	20
3.1. Type of the procedure.....	20
3.2. Project proposal evaluation criteria.....	22
3.3. Procedure and criteria for technical assistance	24
NEXT STEPS / NECESSARY AMMENDMENTS	25
MAIN DEFINITIONS	27
ABBREVIATIONS.....	28

LIST OF TABLES

Table 1: Information on the degree of achievement of the requirements of Directive 91/271/EEC	5
Table 2: Necessary funding for achievement of the requirements of Directive 91/271/EEC....	6
Table 3: Actions on WWTPs under currently implemented projects financed by the OPE and under the ISPA Programme.....	6
Table 4: Summarised information on the agglomerations by groups on the basis of the number of PE.....	8
Table 5: Ranking of the agglomerations.	10
Table 6: Project proposal criteria	22
Table 7: Evaluation criteria for technical assistance projects	24

1. 1. DIRECTIVE 91/271/EEC IMPLEMENTATION STATUS

1.1. Priorities of the policy in the Water sector

Directive 91/271/EEC on urban waste water treatment requires from the member states:

- To construct sewerage networks in all agglomerations above 2 000 PE;
- To provide biological treatment of the waste water from the sewerage networks of all agglomerations above 2 000 PE prior to their discharge in a water body;
- To provide more stringent treatment of the waste water from the sewerage networks of all agglomerations above 10 000 PE that discharge into sensitive areas;
- To provide “appropriate” treatment of the waste water from the sewerage networks of all agglomerations below 2 000 PE;
- The WWTPs to be designed, constructed, operated and maintained in a way providing the necessary level of treatment.

During the pre-accession process the following transitional periods have been negotiated:

- For construction of sewerage networks and provision of biological or more stringent treatment of the waste water from agglomerations above 10 000 PE, not later than 31 December 2010;
- For construction of sewerage networks and provision of biological treatment of the waste water from agglomerations between 2 000 and 10 000 PE, not later than 31 December 2014;

No transitional periods have been negotiated for agglomerations below 2 000 PE. According to the requirements of the Directive, the construction of sewerage network is not obligatory for agglomerations below 2 000 PE. For these agglomerations different scenarios may be considered and the most optimal solution for collection and treatment of the waste water may be chosen in technical and economic terms, without necessarily constructing a centralized sewerage system and WWTP. However when the centralized collection and treatment of waste water where the population density is very high, creates greater expenses for the population for the construction as well as for the exploitation. For that reason for agglomeration under 2 000 PE or quarters with low population density should be subject for treatment in module equipment or search of individual solution, including the use of modern technologies. In case the sewerage system is already constructed before the discharge of the agglomeration waste water, it should be treated in a way.

The main goal of the policy in the water sector and of priority axis 1 of operational programme „Environment 2007-2013” (OPE) is protection of the water resources. More specifically from the point of view of Directive 91/271/EEC the measures shall be aimed at improving the quality of the water resources, through adequate treatment of the waste water. In this respect the financing under the operational programme shall in the first place support the provision of **treatment of the waste water that have already been collected in sewerage network and that are currently being discharged without the relevant treatment.**

Considering the agreed transitional periods, as well as the greatest benefits to environment (i.e. reduction of the pollution), the first priority is to achieve compliance with the

requirements of the Directive for the agglomerations **above 10 000 PE, where no waste water treatment plants have been constructed and respectively adequate treatment is not provided for 100% of the waste water (incl. construction of sewerage network is necessary).**

1.2 Operational Programme “Environment 2007-2013”

Currently under priority axis 1 “Improvement and development of water and wastewater infrastructure in settlements above 2000 PE and in settlements below 2000 PE within urban agglomeration areas” of the OP “Environment 2007-2013”(OPE) four procedures have been announced for competitive selection within the meaning of art. 12, para. 5 of Decree № 121 of May 31, 2007 lying 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 (Decree 121/2007):

- BG161PO005/08/1.30/01/01 “Technical assistance for development of investment projects under priority axis 1 of Operational Programme Environment 2007 – 2013”;
- BG161PO005/08/1.10/01/02 “Improvement and development of water and wastewater infrastructure”;
- BG161PO005/08/1.11/01/04 “Improvement and development of water and wastewater infrastructure for agglomerations above 10 000 PE”;
- BG161PO005/08/1.12/01/07 “Improvement and development of water and wastewater infrastructure for agglomerations from 2 000 to 10 000 PE”;

In response to the letter from Directorate General “Regional Policy” of the EC dated 23 February 2009, saying not to sign new contracts for projects in the water sector, financed under Priority Axis 1 „Improvement and development of the infrastructure for water and waste water in settlements above 2000 PE and in settlements below 2000 PE falling within urban agglomeration areas” of Operational Programme „Environment 2007-2013” until solutions to major issues relating to planning, ownership, operation and pricing in the water sector are found, a common national position of the Bulgarian government was elaborated regarding the principles of management of the water and Sewerage sector.

The decisions regarding the ownership, management, planning and the construction and operation of the water supply and sewage systems, networks and facilities, set in the national position are carried out by introducing the necessary amendments in the legislative framework, particularly by the Water Act. In response to the efforts made in order to achieve a common national position and to undertake of legislative changes in the water sector, with letter from the DG Regional Policy of the EC dated on April 14 2009, the signing of contracts in the water sector was renewed.

In July procedures BG161PO005/08/1.10/02/04 “Improvement and development of water and wastewater infrastructure for agglomerations above 10 000 PE” BG161PO005/08/1.12/01/07 “Improvement and development of water and wastewater infrastructure for agglomerations from 2 000 to 10 000 PE” were cancelled because of the need to amend the criteria and to adopt a new approach to the preparation and evaluation of project proposals.

1.3. Current status

Due to the requirement for reporting under the Directive 91/271/EEC, data on agglomerations on the territory of Republic of Bulgaria, as well as information for the needs of investments in order to achieve compliance with the Directive 91/271/EEC, were updated regarding:

- the level of construction of the sewage networks and facilities;
- the degree of treatment of waste water;

The report was submitted on 30 June 2009. According to the updated data at present there are 928 agglomerations on the territory of the Republic of Bulgaria for which sewerage network shall be constructed and/or treatment shall be provided in accordance with Directive 91/271/EEC concerning urban waste-water treatment. Out of these 928:

- 124 are with above 10 000 PE. The Directive requirements should be achieved up to 31 December 2010 ;
- 411 are between 2 000 and 10 000 PE. The Directive requirements should be achieved up to 31 December 2014 ; and
- 393 are below 2 000 PE, for which the provisions of the Directive shall be fulfilled at the moment.

Information on the needs of these agglomerations in relation to achieving the requirements of Directive 91/271/EEC are summarised in Table 1.

Table 1: Information on the degree of achievement of the requirements of Directive 91/271/EEC

Type of agglomerations	Total No	With WWTP, according to the Directive	Discharged in WWTP, which needs reconstruction, rehabilitation or modernisation		Without WWTP	Average level of network construction	No of agglomerations with less than the average level of network construction
			Mechanical, secondary or other (where necessary)	Only another (N, P)			
	No	No	No	No	No	%*	No
Above 10 000 PE	124	8	11	35	70	75,72%	40
Between 2 000 and 10 000 PE	411	22	9	N/A	380	37,65%	259
Below 2 000 PE	393	9	2	N/A	382	47,09%	205
TOTAL	928	39	22	35	832		

Note:

* Total percentage of the PE which are connected to the sewage in those agglomerations compared to the total number of PE.

The indicative amount of necessary investment for achievement of the requirements of Directive 91/271/EEC for all agglomerations is 3 523, 45 million euro. Table 2 presents the above information according to the agglomeration type.

Table 2: Necessary funding for achievement of the requirements of Directive 91/271/EEC

Type of agglomerations	For completion of the network construction	For construction of waste water treatment facilities	TOTAL
	mil euro	mil euro	mil euro
Above 10 000 PE	444,59	628,60	1 073,19
Between 2 000 and 10 000 PE	1 465,70	551,54	2 017,24
Below 2 000 PE	265,25	167,77	433,02
TOTAL	2 175,54	1 347,91	3 523,45

As it could be seen from Table 2, the funds from the OPE are not sufficient to achieve full compliance with the Directive requirements.

1.4. Selection of agglomerations to be subject of the OP "Environment" efforts

The main goal is to achieve maximum environmental benefits with the minimum financial resources. In addition, the current methodology aims to guarantee financial resources for the minimum of the necessary investments to contribute to the achievement of the Directive requirements in a way which will not contravene the future Master Plans.

In the first place it should be noted that considering the short deadlines for implementation of the requirements for the agglomerations above 10 000 PE, those projects will be developed, examined, and financed with priority. In case of available resources under the operational programme, agglomerations between 2 000 and 10 000 PE could be examined, as well as, those out of the 393 agglomerations below 2 000 PE, which are included in the updated list of the agglomerations, which fall within the scope of the OP "Environment" (i.e. Annex 7, of the OP "Environment" – total number of 55 agglomerations) The further analysis will take into consideration only the 124 of the agglomerations above 2 000 PE.

In the second place the investments that are currently being implemented regarding the agglomerations, shall be taken into consideration. The information presented reflects the current status, which is dynamic, because even at the moment there are projects being implemented with financing from the state budget, ISPA, OPE or other sources. Table 3 below summarises the information on the actions on WWTPs under currently implemented projects, funded by procedure BG161PO005/08/1.10/01/02 „Improvement and development of the water and waste water infrastructure" and by the ISPA Programme.

Table 3: Actions on WWTPs under currently implemented projects financed by the OPE and under the ISPA Programme

Type of agglomerations	ISPA	Approved projects under OPE		
	New WWTP	New WWTP	Completion of WWTP	Reconstruction, rehabilitation and modernisation of WWTP
Above 10 000 PE	10	3	1	3
Between 2 000 and 10 000 PE	N/A	5	N/A	1

Below 2 000 PE	N/A	1	N/A	N/A
TOTAL	10	9	1	4

Note:

* Numbers could possibly be changed in case part of the contracts concluded are cancelled.

In the third place it should be noted that many of the investment projects are on the stage of elaboration. Financial resources are provided both under the ISPA Programme and the OPE for technical assistance for project preparation, in the same time part of the beneficiaries have elaborated project with own financial resources.

Additional measures will be taken in a way which will allow the scope of those projects to be consistent with the requirements of the current approach and the restriction parameters, which will be initiated and which will be part of the calls for proposal. At the beginning of the 2010 an active dialogue with the those beneficiaries whose projects range over agglomerations above 10000 PE and are on an advanced stage of preparation – including:

- Project proposal for investment in 10 agglomerations (Plovdiv, Pernik, Vidin, Dobrich, Yambol, Veliko Tarnovo, Kardzhali, Asenovgrad, Gotse Delchev, Bansko.), which are under elaboration under ISPA Programme;
- Project proposals for 50 agglomerations above 10 000 PE, which are under elaboration through projects, financed under under BG161PO005/08/1.30/01/01 "Technical assistance for development of investment projects under priority axis 1 of Operational Programme Environment 2007 – 2013" procedure.
- Project proposals submitted under the BG161PO005/08/1.10/02/04 “Improvement and development of water and wastewater infrastructure for agglomerations with over 10 000 population equivalent” procedure –total number of 54.

. The analyse of the above mentioned facts, shows that a critical group of agglomerations is from 10 000 to 50 000 PE, as 2/3 of them do not have WWTPs and are not being constructed. It should be noted that so far the efforts under the ISPA Programme have been addressed to construction of WWTPs and sewerage in the bigger agglomerations, which also explains the fact that in all agglomerations above 100 000 PE there are WWTPs operating or currently being constructed.

The situation is similar with the agglomerations from 50 000 to 100 000 PE, where only 7 of a total of 23 agglomerations do not have WWTPs and such are not currently being constructed.

Table 4 below presents summarized information on each of the factors determining the priority of the agglomerations.

Table 4: Summarised information on the agglomerations by groups on the basis of the number of PE.

Nº	TYPE OF AGGLOMERATION	NUMBER	OF THEM WITHOUT WWTP	WWTP IS BEING UNDER CONSTRUCTION (ISPA, OPE, EMEPA)	AGGLOMERATION TO BE WITHOUT WWTP AFTER CONCLUSION OF CURRENT PROJECTS
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)
1	Above 100 000 PE	17	2	2	0
2	Between 50 000 and 100 000 PE.	23	13	6	7
3	Between 10 000 and 50 000 PE	84	55	5	50
4	Between 2 000 and 10 000 PE.	411	380	5	375
5	Below 2 PE. under OPE	55	54		54
6	Below 2 000 PE outside OPE	338	328	-	328
	TOTAL	928	832	18	814

1.5. Ranking of the agglomerations

In order to group objectively all of the 124 agglomerations above 10 000 PE, the following criteria have been applied: number of PE, stage of readiness, economic efficiency and the existence of WWTP according to the methodology, described below. The aim is to focus the activities on the most priority agglomerations and to facilitate processing in the further process of collection of information and project preparation.

Assessment Methodology for each of the criteria

1. Assessment of number of PE

The maximum points that an agglomeration can receive on this criterion is **100**. Since the greatest number of agglomerations is between 10 000 and 50 000 PE, and also in order to avoid skewed values, due to extremities the current methodology envisages that all agglomerations above 50 000 will get the maximum on this criterion. The value of the other agglomeration will be calculated based on the following formula:

$$V_{pe} = (PE * 100) / 50\ 000$$

Where:

- **V_{pe}** – is the value of the criterion bases on the PE;

- **PE** – number of the PE in the agglomeration, which is being assessed as reported on the 30th of June 2009.

2. Assessment of the economic efficiency

According to the European regulations the funding from Structural and the Cohesion fund should not replace but complement the resources and efforts of the national institutions to achieve certain objectives. With respect to this, in order to use public funding for a project it is important to demonstrate that the benefits from it are greater than the benefits from alternative use of the same financial resources for another investment in the sector. **Thus, the current criterion assesses the correlation between the necessary investment resources for the agglomeration and the PE. Priority will be given to agglomerations which achieve maximum benefits with minimum funding (i.e. without excessive expenditures).**

In order to assess this criteria, the indicative funding necessary for each agglomeration must be established. Since currently not all agglomeration have prepared their projects, in order to ensure equal treatment the indicative funding is based on the assessment of the necessary investments in order to achieve the requirements of the Directive, shown in the application programme under Directive 91/271/EC according to the data from 30th of June 2009.

To this amount it is added 10% necessary reconstruction of the existing network calculated the same way as the construction network. The total amount is increased with 10% for TA. All these amounts are based on generalized calculations considering the size of the agglomeration, number of PE and approximate unit prices of the necessary infrastructure. They do not account for the specifics of the site, construction, geographic conditions, nor additional funding needed for connecting infrastructure. At the same time these do not include amounts for the water supply where needed and do not include VAT.

For 4 agglomeration (Vratsa, Gabrovo, Smolyan and Beloslav) there is no funding envisaged, since with the projects currently under implementation in them near 100% compliance with the Directive will be achieved. In case other information becomes available this decision may be reevaluated.

Based on the above assumptions the total amount of the necessary funding is established to be **1 146,7 mil EUR (VAT excl.)**. OPE financial resources are hardly enough to cover this expenditures. Thus currently additional sources of funding are being assessed. At the same time in the subsequent detailed analysis of each project certain components may be taken out of the projects, or it is possible that economies are achieved during implementation. Annually the financial resource under priority axis 1 will be assessed and updated.

The amount of TA that can be provided to the beneficiary for the preparation of the project is between 3 and 5 % of the indicative funding.

The indicative funding established as described above is used to establish the value of the economic efficiency. The maximum points that the agglomeration can get are **100**. All agglomerations of efficiency **300 EUR/PE¹** or less receive the maximum. The rest are calculated according to the following formula:

$$Vee = (300*100) / cost/PE$$

¹ Besides the recommendation of the EC, the value of the project to be under € 500 in the current methodology for prioritisation uses € 300, because the used indicative investment value is based in summarized data and calculations.

Where:

Vee – is the value of the economic efficiency;

Cost/PE – is the ratio of the cost of investment to the PE in the assessed agglomeration;

3. Assessment of the WWTP existence

It is necessary that WWTP are constructed in order to treat waste water in existing sewages. In order to reflect this priority the current criterion is introduced to allow for prioritization of the agglomerations also on this indicator.

The maximum points on this criterion are V_{tp} are 100. Information on the existence of WWTP is based on the report on Directive 91/271/EC and currently implemented projects funded by different sources.

100 – for agglomerations without WWTP, or primary treatment only;

60 – WWTP partially compliant (without more stringent treatment where such is required);

0 – fully compliant WWTP, or expected to be such upon completion of project currently under implementation.

4. Overall assessment

The overall assessment is calculated based on the following formula:

$$V = V_{pe} * 0,3 + V_{ee} * 0,2 + V_{tp} * 0,5, \text{ where:}$$

V – overall assessment

V_{pe} – assessment of the PE;

V_{ee} – assessment of the economic efficiency;

V_{tp} – assessment of the existence of WWTP;

The weights for each value are determined on the basis of the following assumptions: from the point of view of the OPE it is most important to support projects with significant ecological benefits and foreseeing construction of WWTP in agglomerations above 10 000 PE, where such equipment is missing. This is why these two criteria receive higher weights. The economic efficiency criteria although very important is based on generalized data and does not reflect the actual situation of the projects. Since this criterion is relatively certain it receives lesser weight in the final ranking. Finally the PE determine the benefit for the environment but at the same time all agglomerations must be compliant by December 31st 2010. Thus the importance of the criterion is decreased.

Table 5: Ranking of the agglomerations.

№	Name of the agglomeration	PE.	Indicative value without VAT	Assessment (V_{pe})	Assessment (V_{ee})	Assessment (V_{tp})	Overall assessment (V)
1	Yambol	93 962	25 808 904,00	100	100	100,00	100,00

№	Name of the agglomeration	PE.	Indicative value without VAT	Assessment (Vpe)	Assessment (Vee)	Assessment (Vtp)	Overall assessment (V)
2	Kardzhali	82 313	22 608 608,00	100	100	100,00	100,00
3	Silistra	63 000	15 438 280,00	100	100	100,00	100,00
4	Vidin	61 922	15 408 096,00	100	100	100,00	100,00
5	Svishtov	53 570	13 254 956,00	100	100	100,00	100,00
6	Petrich	45 020	11 401 280,00	90	100	100,00	97,01
7	Asenovgrad	77 190	31 141 308,00	100	74	100,00	94,87
8	Sandanski	40 323	11 958 804,00	81	100	100,00	94,19
9	Dulovo	35 000	8 214 800,00	70	100	100,00	91,00
10	Peshtera	34 882	8 691 452,00	70	100	100,00	90,93
11	Aytos	33 481	8 117 164,00	67	100	100,00	90,09
12	Botevgrad	33 110	6 032 840,00	66	100	100,00	89,87
13	Parvomay	36 710	13 194 192,00	73	83	100,00	88,72
14	Gotse Delchev	30 185	6 773 140,00	60	100	100,00	88,11
15	Panagyurishte	30 000	8 305 000,00	60	100	100,00	88,00
16	Velinograd	29 000	9 266 400,00	58	94	100,00	86,18
17	Berkovitsa	25 206	7 477 140,00	50	100	100,00	85,12
18	Cherven bryag	24 140	7 126 944,00	48	100	100,00	84,48
19	Lom	40 347	25 106 576,00	81	48	100,00	83,85
20	Chirpan	25 000	8 184 000,00	50	92	100,00	83,33
21	Isperih	30 000	11 838 200,00	60	76	100,00	83,21
22	Karnobat	22 962	7 146 304,00	46	96	100,00	83,06
23	Provadiya	21 542	4 479 572,30	43	100	100,00	82,93
24	Pavlikeni	20 000	5 319 160,00	40	100	100,00	82,00
25	Novi Pazar	20 403	6 656 056,00	41	92	100,00	80,63
26	Plovdiv	551 488	47 435 916,00	100	100	60,00	80,00
27	Pazardzhik	259 999	17 775 956,00	100	100	60,00	80,00
28	Nesebar-Ravda-Slanchev bryag	195 000	11 208 076,00	100	100	60,00	80,00
29	Pleven	183 224	20 401 744,00	100	100	60,00	80,00
30	Shumen	151 841	28 832 573,88	100	100	60,00	80,00
31	Pernik	120 882	15 033 128,00	100	100	60,00	80,00
32	Primorsko-Kiten	120 214	5 152 928,00	100	100	60,00	80,00
33	Veliko Tarnovo	112 500	12 028 500,00	100	100	60,00	80,00
34	Montana	98 617	24 950 376,00	100	100	60,00	80,00
35	Kazanlak	90 000	6 732 000,00	100	100	60,00	80,00
36	Blagoevgrad	87 520	6 534 836,00	100	100	60,00	80,00
37	Lovech	85 667	22 246 400,00	100	100	60,00	80,00
38	Razgrad	78 300	11 499 532,00	100	100	60,00	80,00
39	Pomorie	72 000	4 466 000,00	100	100	60,00	80,00
40	Kyustendil	70 688	2 954 776,00	100	100	60,00	80,00
41	Nova Zagora	70 156	4 622 244,00	100	100	60,00	80,00
42	Dupnitsa	64 314	6 387 348,00	100	100	60,00	80,00
43	Targovishte	62 460	6 879 144,80	100	100	60,00	80,00
44	Sevlievo	54 000	13 554 200,00	100	100	60,00	80,00

№	Name of the agglomeration	PE.	Indicative value without VAT	Assessment (Vpe)	Assessment (Vee)	Assessment (Vtp)	Overall assessment (V)
45	Karlovo	50 217	13 703 096,00	100	100	60,00	80,00
46	Dolno Ezerovo quarter	16 213	4 554 000,00	32	100	100,00	79,73
47	Kremikovtsi quarter	48 696	14 561 140,00	97	100	60,00	79,22
48	Mezdra	19 349	7 315 704,00	39	79	100,00	77,48
49	Strazhitsa	10 000	2 838 000,00	20	100	100,00	76,00
50	Chernomorets	15 183	5 593 104,00	30	81	100,00	75,40
51	Rakovski	29 604	23 503 524,00	59	38	100,00	75,32
52	Harmanli	30 195	26 103 000,00	60	35	100,00	75,06
53	Sarafovo quarter	14 283	5 271 904,00	29	81	100,00	74,83
54	Ahtopol	14 000	5 170 176,00	28	81	100,00	74,65
55	Svilengrad	22 000	11 811 800,00	44	56	100,00	74,38
56	Elhovo	13 015	4 797 320,00	26	81	100,00	74,09
57	Septemvri	15 500	6 397 600,00	31	73	100,00	73,84
58	Belene	15 033	6 217 640,00	30	73	100,00	73,53
59	Tutrakan	15 558	6 586 536,00	31	71	100,00	73,51
60	Byala Slatina	17 620	8 321 984,00	35	64	100,00	73,28
61	Stamboliyski	18 651	9 266 048,00	37	60	100,00	73,27
62	Levski	15 000	6 534 000,00	30	69	100,00	72,77
63	Popovo	37 717	10 881 376,00	75	100	60,00	72,63
64	Rakitovo	10 200	3 893 648,00	20	79	100,00	71,84
65	Momichilgrad	11 422	4 573 888,00	23	75	100,00	71,84
66	Galabovo	12 972	5 821 288,00	26	67	100,00	71,15
67	Byala	15 000	7 411 800,00	30	61	100,00	71,14
68	Omurtag	11 418	4 875 288,00	23	70	100,00	70,90
69	Bansko	11 493	4 962 672,00	23	69	100,00	70,79
70	Kostinbrod	17 500	11 061 688,00	35	47	100,00	69,99
71	Tryavna	14 000	7 557 000,00	28	56	100,00	69,52
72	Novi Iskar	20 168	16 324 000,00	40	37	100,00	69,51
73	Teteven	19 000	14 398 472,00	38	40	100,00	69,32
74	Lukovit	16 148	10 804 376,00	32	45	100,00	68,66
75	Sozopol	30 000	4 319 040,00	60	100	60,00	68,00
76	Byala - Obzor	30 000	4 291 936,00	60	100	60,00	68,00
77	Dryanovo	11 712	7 266 600,00	23	48	100,00	66,70
78	Elin Pelin	14 000	10 158 016,00	28	41	100,00	66,67
79	Kubrat	13 153	9 779 000,00	26	40	100,00	65,96
80	Knezha	15 000	14 315 400,00	30	31	100,00	65,29
81	Tsarevo	25 000	1 639 000,00	50	100	60,00	65,00
82	Pirdop	10 960	8 887 120,00	22	37	100,00	63,98
83	Bankya	11 444	10 065 792,00	23	34	100,00	63,69
84	Krichim	10 668	9 320 696,00	21	34	100,00	63,27
85	Radomir	21 621	3 687 068,00	43	100	60,00	62,97
86	Ihtiman	17 520	2 531 672,00	35	100	60,00	60,51

№	Name of the agglomeration	PE.	Indicative value without VAT	Assessment (Vpe)	Assessment (Vee)	Assessment (Vtp)	Overall assessment (V)
87	Radnevo	16 500	1 870 000,00	33	100	60,00	59,90
88	Sredets	14 646	2 167 000,00	29	100	60,00	58,79
89	Zlatni pyasatsi resort	14 000	3 801 600,00	28	100	60,00	58,40
90	Albena resort	13 500	1 529 000,00	27	100	60,00	58,10
91	Devnya	12 707	2 855 336,00	25	100	60,00	57,62
92	Veliki Preslav	19 115	7 192 416,00	38	80	60,00	57,41
93	Kamchiya resort	11 000	1 689 600,00	22	100	60,00	56,60
94	Kozloduy	22 550	10 363 276,00	45	65	60,00	56,59
95	Dolni Chiflik	10 448	1 183 424,00	21	100	60,00	56,27
96	Etropole	17 213	7 934 344,00	34	65	60,00	53,34
97	Kavarna	17 382	9 019 296,00	35	58	60,00	51,99
98	Sofia	2 037 000	14 135 000,00	100	100	0,00	50,00
99	Varna	450 000	26 554 000,00	100	100	0,00	50,00
100	Burgas	289 974	8 238 956,00	100	100	0,00	50,00
101	Sliven	250 429	12 920 952,00	100	100	0,00	50,00
102	Ruse	240 000	14 671 800,00	100	100	0,00	50,00
103	Stara Zagora	219 300	15 878 280,00	100	100	0,00	50,00
104	Dobrich	150 569	7 933 284,92	100	100	0,00	50,00
105	Haskovo	98 667	8 738 708,00	100	100	0,00	50,00
106	Meden Rudnik quarter	90 000	4 723 400,00	100	100	0,00	50,00
107	G. Oryahovitsa – D. Oryahovitsa - Lyaskovets	77 000	3 388 000,00	100	100	0,00	50,00
108	Balchik	70 000	4 481 400,00	100	100	0,00	50,00
109	Dimitrovgrad	57 000	3 567 520,00	100	100	0,00	50,00
110	Asparuhovo quarter	48 406	4 292 860,00	97	100	0,00	49,04
111	Aksakovo	12 743	10 249 272,00	25	37	60,00	45,11
112	Samokov	41 000	2 409 000,00	82	100	0,00	44,60
113	Troyan	38 416	5 450 148,00	77	100	0,00	43,05
114	Hisarya	24 192	4 282 168,00	48	100	0,00	34,52
115	Razlog	19 000	1 858 560,00	38	100	0,00	31,40
116	Sopot	13 610	1 295 712,00	27	100	0,00	28,17
117	Varshets	10 900	2 431 176,00	22	100	0,00	26,54
118	Svoige	11 192	3 636 424,00	22	92	0,00	25,18
119	General Toshevo	12 239	5 460 576,00	24	67	0,00	20,79
120	Tervel	11 000	5 445 000,00	22	61	0,00	18,72
121	Smolyan	39 902	0,00	80	N/A	60,00	N/A
122	Gabrovo	117 698	0,00	100	N/A	0,00	N/A
123	Vratsa	117 416	0,00	100	N/A	0,00	N/A
124	Beloslav	11 920	0,00	24	N/A	0,00	N/A

1 146 665 755,90

1.6. Determining of the agglomerations for technical assistance

Due to the fact that the agglomerations from Table 5 are at different stage of readiness and greater part of them has no preparation at all, a screening will be performed according to the readiness in order to help the preparation process by the order in Table 5. For those who: 1) have no project readiness, 2) need additional preparation or modification of already elaborated investment project due to incompliance in the technical or financial parameters with the current mechanism, including the strategic investment principle. Technical assistance will be provided under simplified scheme for direct granted for preparation of a project with strictly defined scope.

At the same time the projects submitted under the cancelled procedure BG161PO005/08/1.10/02/04 “Improvement and development of water and wastewater infrastructure for agglomerations above 10 000 PE” will be reviewed in order to comply with the current approach. The scope and of the projects and the necessary measures for achieving project readiness will be determined together with the beneficiaries.

It is foreseen the amount of the technical assistance grant should not exceed 3% of the indicative value of the necessary investments for construction within the projects.

2. DETERMINING THE SCOPE OF THE PROJECTS

2.1. Main principles

1. The principle of the strategic investments and decisions (*no regret solution principle*):

Amendments of the principles and conditions for managing the water sector, introduced with Law on Amendment and Supplement of the Water Act (promulgated SG. nb. 47 from June 23, 2009) with § 26, from which Chapter 11 “a” from the Water Act, governing the ownership, management, planning, construction and exploitation of water supply and sewage systems, networks and facilities. According to Art. 198i from the Water Act (promulgated SG. nb. 67 from July 27, 1999, last amended SG. nb. 47 from June 23, 2009), the planning and development of water sewage systems and facilities is carried out through regional master plans and master plan for agglomerations above 10 000 PE. The construction of these systems is assigned by the state or municipality in accordance with the adopted master plans and investment programmes listed in them.

At present, the master plans are not adopted and under § 37 of the Law on Amendment and Supplement of the Water Act, they must be prepared and adopted within two years from the entry into force of the amendments of the Water Act and the related investment programmes - in a three years period. The existence of such master plans and investment programmes will considerably facilitate the identification of projects in the "water" sector to be funded. In order to ensure effective public spending, including European funds, until the development and adoption of master plans and investment programmes, when selecting a project it is necessary to adopt the *no regret solution principle*, which will allow the funding of projects and solutions that are absolutely essential and will have a significant benefit.

To a great extent, this means that the financial investments should be reduced to the level of the minimum of the required, in a way which allows fulfilment of the Directive requirements, without any discrepancy with any contingent future decisions in respect of the overall designing of the necessary measures in the WSS sector. In this terms, the projects' scope will be limited to the WWTP construction, necessary trunk sewer and sewer network.

Meanwhile, at different stages of the current mechanism, it is envisaged to assess whether the submitted for funding investment projects have taken into account in the preparation and design of facilities (in particular wastewater-treatment facilities) all technical possibilities, applicable to the respective agglomeration and whether the selected solution is the most suitable from regional and economic point of view.

Up to 2012 the current approach foresees contracting of € 600 mln. That is how after the elaboration of the Master plans it will be possible part of the urgent measures foreseen in them to be financed under OPE. In case there is delay in the elaboration of the Master plans, the funding within OPE will be spent according to the current approach.

2. Introduction of requirements for economic efficiency of the project:

According to the European law, funding with Structural and Cohesion funds should not replace but complement the resources and efforts of national institutions for the achievement of certain tasks. In this regard, in order a project to receive funding, it must be proven that the benefits of its implementation are greater than an alternative use of the same financial

resources for another investment project in the sector. Therefore it is necessary to introduce indicators of economic efficiency in order to evaluate the submitted proposals.

The indicators will be determined with regard to the overall value of the investments toward the achieved effect (compared PE or residents), as well as with regard of the value of each unit of infrastructure by components. These requirements are determined on the best practices in Bulgaria and Europe and are based on general data and expenditures under the projects in accordance with the type of the agglomerations and the expected investments. The requirements will be compulsory, except with the cases when outer circumstances (technical, organizational/institutional or financial) aggravate the situation and lead to expenditure increase. Such cases should be proved in details and grounded by the beneficiary, and should be conformed to the Managing Authority.

3. Different degree of readiness of the project proposals in the:

Unlike the waste sector where the priority projects are few and with a clearly determined scope, in the water sector it is not possible to define a final number of projects to be funded within the limited financial resources of the OPE.

Despite the fact that agglomerations with higher PE have priority in terms of environmental benefits and deadlines set in the Directive, the implementation of the OPE is limited in time, therefore it is necessary to achieve a significant rate of absorption of the funds. In order to avoid possible delays, technical assistance will be granted to agglomerations with low readiness.

4. Integrated approach:

The former approach to project funding under Priority Axis 1 of OPE, was giving the opportunity for the submission of project proposals regarding parts of the water cycle of agglomerations, for which the necessary level of project maturity is achieved. At the same time, the managing authority possessed limited mechanisms for establishing project maturity and scope of all investment projects necessary to achieve the requirements of Directive 91/271/EC.

The present approach aims to promote the implementation of projects which largely meet the requirements of an integrated approach regarding the inclusion of different components of the system, and in the same time to finance projects which envisage investments with contribution to the fulfillment of the Directive requirements. In this respect, in case when the necessity has been proven, water supply network can be included in the scope of the project. In case that additional finance has been provided from other source, the scope of the project can be broaden with the inclusion of additional components, unallowable under OPE. In this relation certain mechanisms for provision of technical support and control on the project proposals preparation will be introduced in order to apply this principle.

5. Necessity for provision of equal conditions for project proposals with total value below and above 25 million euro:

Until now, when conducting call for proposals, minor omissions or inaccuracies in the documentation may lead to rejection of project proposal. The evaluation procedures of major projects according to Art. 39 of Regulation (EC) Nr 1083/2006 after their approval at national level differs considerably compared to all other projects. On one hand, projects below 25

million euro, once evaluated, can not be changed because this would violate the competitive conditions in which they have been approved. This leads to the implementation of projects that do not possess the optimum effectiveness, which in condition of a dialogue between the beneficiary, managing authority, intermediate body and competent directorate in MoEW could be subject to improvements. On the other hand, major projects as defined in art. 39 of Regulation (EC) № 1083/2006, which have passed national assessment, are subject to final approval by the EC. After their submission to the EC, they are reviewed by different Commission services (inter-service consultation), which provide suggestions for modification and improvement of the project proposals within their competence. As a result, the submitted proposals may undergo changes in the technical parameters, the scope of the project, the financial and economic analysis and other significant aspects that have led to their approval.

2.2 Scope, technical and financial restrictions of the projects to be financed

In order to determine the scope of each project and facilitate the preparation process of project proposals, an analysis of intentions and readiness for implementation of investment project will be conducted. The order of project revision should be determined according to prioritization (Table 5). According to the detailed schedules for the implementation of all the projects for agglomerations above 10 000 PE a list of projects and their preparation status (pipeline) will be held and updated.

- These measures are intended to define the scope of each project elaborated in the municipalities for agglomeration above 10 000 PE and to support all the steps the municipality should undertake before submitting the project proposal. In specific the goal is to make clear the investment intentions of the municipality for the certain agglomeration, the readiness of the investment projects as well as which of them is in compliance with the current approach and could be financed.
- To define the conditions that the beneficiary should comply with during the preparation of the investment projects, the analysis and the project proposal
- To take into consideration whether the project proposal scope and the included sites are in compliance with the *no regret solution principle* (or with a general plan if any)
- To take into consideration whether during the WWTP design different versions for joint or individual treatment are examined according to the certain agglomeration
- The expected deadline for submission of the project proposal and start date for construction

For this purpose the beneficiary municipalities will be invited to present to the Managing authority the documentation for investment projects in the water sector prepared up to that moment

- The degree of readiness of investment projects for each component (water-supply, sewerage and treatment) – i.e. available feasibility study and designs, availability of permits, procurement procedures held, started construction, etc.;
- Environmental benefits from the project implementation, including prove of the PE number in the agglomeration and truthful information on the number of PE and real inhabitants are covered by the project;

- Main technical parameters of the investment project – water-supply norm of design, infrastructure to be constructed, infrastructure to be replaced, WWTP capacity, etc. Enough guarantees must be provided in order to assure that it is not oversized by presenting prove for the project data (for example invoiced amount of water, valid demographic and economic growth prognosis);
- Basic financial parameters of the project – amount of the necessary investment – in total and by components, the value of the project by unit constructed infrastructure and / or inhabitant; sustainability of the project, raise of the prices etc.

The documentation already presented within procedures for agglomerations above 10 000 PE BG161PO005/08/1.10/01/02 “Improvement and development of water and wastewater infrastructure” and BG161PO005/08/1.11/01/04 “Improvement and development of water and wastewater infrastructure for agglomerations with over 10 000 population equivalent” should not be submitted again unless significant changes had been made. It should be mentioned that the two projects (municipalities of Saedinenie i Zlatograd) submitted under BG161PO005/08/1.11/01/04 “Improvement and development of water and wastewater infrastructure for agglomerations with over 10 000 population equivalent” and other agglomerations that are not included in the list reported to the European Commission, are going to be examined as well in case they present a truthful prove that the number of PE is over 10 000.

During the preliminary consulting the gaps will be identified and will be subject to elimination during the project proposals preparation process. It will be checked whether the issued permits are in compliance with the national legislation that transpose the Directive 76/160/EEC for the quality of bathing waters and Directive 75/440/EEC for the quality of surface water for consumption. If needed the project documentation for public procurements could be revised as well in order to speed up their implementation when the municipality is ready.

The information provided by the beneficiary should be based on real project data, not on preliminary intentions. In case the beneficiary does not have project readiness there is a possibility of providing him with technical assistance financing in order to prepare the project within a simplified procedure of direct funding.

All the investment projects providing information would be subject of scope and technical parameters requirements. These requirements are being developed currently. Deviation from the requirements can be allowed only if the reasons are well explained and are leading to aggravating the situation (special features of the terrain, special features of the project, other ecological or technical consideration) and upon the agreement of the Managing authority. That is how the prepared project proposals would be for investment projects possessing the necessary readiness and are economically effective i.e. are reaching maximum benefit for the environment with minimum funding.

In order to guarantee efficient use of funding and coherence of the investments until the approval of master plans and investment programs, prevention of overlapping of projects in one Water-Supply and Sewerage Company (WSSC) territory will be possible by a consultation with the respective WSSC. At the same time this will guarantee the proper use of design parameters and the assessment of their regional significance in compliance with the no regret solution principle.

1. Requirements defining the project scope

Investments to be financed by OPE according to the current approach in order to comply with the requirements of the Directive in the most effective way. In order to accomplish this goal, the scope of financed components within the water cycle are limited to the following:

- construction of WWTP according to the requirements of the Directive and the conditions in the permit for discharge, including the assuring of more strict water treatment with removal of biogenic elements from the waste water for agglomerations above 10 000 PE discharging in the sensitive areas.
- reconstruction of existing WWTP in order to assure water treatment to certain individual emission restrictions, shown in the discharge permit.
- Construction of trunk sewer to the WWTP;
- Construction of trunk sewer from the WWTP to the receiving water body;
- Construction of main collectors and if necessary of sewerage pump stations able to collect the waste water from the existing sewerage systems discharged without treatment in water intakes.
- Construction of new sewerage network within an existing and complying the requirement of the Directive and the discharge permit, WWTPs (or construction of such) in order to integrate new population into the sewerage system of the agglomeration and to assure enough water quantity and waste amount for normal exploitation of a WWTP.
- Replacement of sewerage collectors with bigger diameter in order to discontinue the overflowing from the waste water overflow drains in dry weather or in order to comply with the significant grow of waste water in this branch.
- Replacement of sewerage network when the existing network compromises the exploitation of the WWTP (due to very big infiltration for example)
- Construction and / or rehabilitation of water supply network when it is necessary and is within the sewerage infrastructure
- Construction of accompanying infrastructure (electricity distribution, road, water supply), that serves the constructed objects (WWTP, pump stations)

The inclusion of additional components (other than the above stated) such as bigger water supply component can be effectuated within a water cycle but will be treated as non eligible cost, not subject of financing by OPE.

In order to assist the project preparation and implementation process the beneficiaries will be provided with instructions and documents based on the current approach and are specifying its requirements:

- Type assignment for WWTP designing
- Methodology for the calculation of PE
- Type documentation for the different public procurement procedures

- Requirements and restrictions regarding the single prices to comply with. The exceeding of the prices should be explained by proved objective considerations beyond the control of the beneficiary.

- Example single prices for different works in the water sector, primarily consulted with the Bulgarian industrial association

Demographic forecasts

2. Compulsory financial contribution of the municipalities

After the propositions of the EC and in relation with the adopted mid-range fiscal frame for the period 2010-2013 a compulsory financial contribution of the beneficiaries is been introduced. That is how the beneficiaries – public organs will contribute to the national co-financing of the project assuring 5% of the eligible costs within projects, contracted in 2010. In case the project could not be submitted in 2010, the beneficiary's co-financing will be increased up to 8% in 2011 and 10% in 2012.

The beneficiary's contribution can be assured by different means through the project implementation period. The amount and the sources of financing should be included in the financial analysis elaborated for the project.

3. PROCEDURE FOR GRANT AWARDING

3.1. Type of the procedure

The establishment of a policy and policy priorities is a main task of the MoEW. The Operational Programme aims to assist the implementation of this policy. In this regards the OPE should guarantee that the funded projects are those with the highest priority, which achieve optimum results and which have a most significant influence. In the framework of open calls for proposals it is very difficult to ensure that the projects with highest priorities will be funded. Within this type of procedure, common requirements to the project proposals are defined and each and every potential beneficiary can meet them. Also, if having an elaborated project proposal, the beneficiary can submit it and be selected until exhaustion of the financial resource.

The prioritisation is being effectuated according to the above described methodology. The procedure for direct funding allows a better control over the preparation and financing of the project proposals. Also, pipeline can be determined. Hence, when the respective project or group of projects are ready with the project documentation they receive invitation from the OPE. The procedure for direct funding envisages mechanism for elimination of the gaps during the assessment process. Thus, the risks in projects in terms of physical and financial aspects will be minimised. Additionally a project with high priority can not be rejected due to the lack of certain documents or information (review of gaps in the texts or needed documents will be done during the assessment process itself).

In order to ensure the most effective and appropriate allocation of the OPE's limited financial resources and after determining the agglomeration groups with highest priority in relation with the addressed policy and based on the carried analysis, beneficiaries will be invited to submit full project proposals by organising series of procedures for direct funding. The abovementioned procedure is in conformity with art. 34 of the Council of Ministers Decree (CMD) No 121/31.05.2007. The procedure for direct funding includes the following basic steps:

a. Preliminary consulting regarding the described mechanism aiming to set the scope of the project and to eliminate unclear moment and gaps in the documentation.

b. The Managing authority prepares and sends invitation to specific beneficiaries to submit project proposals. The invitations will include the basic requirements which have to be met by the beneficiaries according to the current methodology and the instruction for project preparation:

- Requirements for the scope, the volume and the content of the project documentation;
- Requirements in regards with the cost-benefit analysis and the project sustainability;
- Requirements in regards with the social tolerance of the investment and the following exploitation of the infrastructure;
- Determination of financial boundaries such as minimum and maximum amount of funding;
- Determination of the necessary documents to be presented along with the project proposal.

The requirements listed above will be presented and explained to the beneficiaries before the receipt of the invitation, so the latter could comply with them when elaborating their project proposals.

c. The beneficiary prepares and presents project proposal in conformity with the requirements of the invitation. **The project proposal should include the following minimum:**

- Application form;
- Detailed feasibility study which presents the current situation, assesses the need for the project, defines the scope of the investment project, analyses and presents the possibilities for provision of treatment together with other settlements / agglomerations situated near by and establishes which options should be further considered in subsequent design stages. The study should be accompanied by a design specification as a minimum (or a completed project) showing that the beneficiary has assigned a comparison of different versions of the preliminary design. The last is valid especially for WWTP construction;
- Preliminary design of WWTP, approved by regional expert council;
- Cost-benefit analysis which will determine the value of the funding;
- EIA or decision for the necessity of EIA provision, which says that EIA is not needed, or written decision from the respective RIEW that the project proposal is not subject of EIA according to the Environmental Protection Act;
- SEA decision for the necessity of SEA provision, which says that SEA is not needed for proposed plan and programme or their amendment, or written decision from the respective RIEW that the project proposal is not a subject of SEA;
- Document for ownership or certifying the right for construction;
- Evidence for funding of the expenses that are not going to be covered by the OPE;
- Decision of the Municipal Council for submission of the project proposal.

d. The received project proposals will be evaluated in accordance with the requirements of the invitations. In case of inaccuracies in the project proposal found during the evaluation process, the proposal will be returned to the beneficiary in order to eliminate gaps, inaccuracies and ambiguities or adjustment of individual parameters to be made. In the opinion of the evaluation team a meeting with the beneficiary could be initiated in order to clear the occurred issues. If the beneficiary does not reflect the required changes in its proposal, it will be rejected. The project proposal parameters will be checked for compliance with the parameters initially set up and on the base of which the beneficiary had been invited for funding. When a significant discrepancy between the primarily provided information and the project proposal occurs, the latter will be rejected. This procedure guarantees the approval of quality project proposals and diminishes the risk during their implementation.

3.2. Project proposal evaluation criteria

The criteria aim to determine if the project proposals comply with the invitation requirements.

Table 6: Project proposal criteria

№	Criteria	YES/NO/ N/A
1.	The application form is completed and submitted in the specified format and is duly signed and sealed	
2.	The applicant has completed and presented all required documents following the forms attached to the invitation for application and according to the requirements for their preparation specified in the same invitation	
3.	All documents have been submitted according to the list of documents of the applicant included in the project proposal	
4.	The project is planned to be implemented on the territory of the Republic of Bulgaria	
5.	The activities within the project proposal are in compliance with the activities listed in the invitation	
6.	Project activities are compatible with existing investment and strategic plans and programmes: Regional general plan or WSSC investment programme, River Basin Management Plan, District Development, Municipal Plan for development of municipal strategy for development of water-supply and sanitation services	
7.	The applicant and his partners (if any) are eligible beneficiaries under the procedure	
8.	The requested financing is within the specified limits according to the invitation for application	
9.	The duration of the project is within the specified period according to the invitation for application	
10.	The costs that are requested for reimbursement under the project, are not subject to funding by another project, programme or scheme, financed by public funds, funds from the national budget and/ or the budget of the European communities	
11.	The terrain on which the construction of the respective facility is planned is property of the beneficiary or the latter posses rights for construction	

12.	The applicant has provided a source of financing of the project costs that are not covered by the operational programme, including own contribution	
13.	The applicant has provided sufficient available funding in order to effect payments related to the project implementation, prior to their reimbursement	
14.	The applicant does not fall within the scope of Art. 93, Par. 1, Art. 94 and Art. 96 Par. 2 item „a” of Regulation (EC) Nr 1605/2002	
15.	The project envisages: <ul style="list-style-type: none"> • construction of new or reconstruction of existing sewerage system without the existence of WWTP or without construction of WWTP as part of the project; or <ul style="list-style-type: none"> • construction of WWTP without existing sewerage network or without construction of such as part of the project 	
16.	In case of partnership the beneficiary has submitted agreement which clearly determines the tasks and responsibilities of the partners in relation with the project implementation	
17.	The investment proposal has obtained a positive EIA decision or screening decision that it will not impact the environment or a statement that it does not fall within the scope of the EPA and may be implemented according to the Ordinance on the terms and conditions for performing a compliance assessment of plans, programmes, projects and investment proposals with the subject and purposes of protection of the protected zones	
18.	The project observes the precautionary principles for environmental protection (i.e. the project is in line with all conditions and requirements set in the issued permits and decisions)	
19.	The scope of the project is in accordance with the invitation for application	
20.	The amount and the structure of the fees envisaged in the financial analysis meets the requirements of the legislation and the fees are affordable	
21.	The financial analysis demonstrates the financial sustainability of the investment	
22.	The cost benefit analysis has been prepared according to the requirements defined in the invitation for application	
23.	Norms and data used in the calculation of the expenses and revenues in the financial analysis, are relevant and proper according to the national macroeconomic parameters, the development of the region, the municipality and the project specifics	
24.	The monitoring output and result indicators included in the project are clearly defined and quantified and meet the requirements set in the invitation for application	
25.	The budget of the project is clear and detailed and corresponds to the planned activities	

26.	The applicant has provided an organisational structure/ unit for project implementation according to the requirements defined in the invitation for application and has envisaged mechanisms that allow monitoring and ongoing control of the project implementation and timely undertaking of corrective measures	
27.	The project envisages that the consecutive exploitation of the infrastructure would be in accordance with the Water Act and requirements in the field of free competition and state aid	
28.	Information and publicity activities have been planned according to the requirements of Regulation (EC) Nr 1828/2006 and are proportional to the amount of the investment	
29.	Project parameters are identical with those presented during the preliminary project discussions	
30.	The project for WWTP reviews options for individual and complex treatment which are applicable for the respective agglomeration The project complies with the no regret solution principle and takes into account the regional dimension of the infrastructure	

3.3. Procedure and criteria for technical assistance

The application procedure for technical assistance under the order of article 34 from Decree 121 / 2007 will be simplified in order to assist the beneficiaries in the project preparation. The main steps are as follows:

e. The Managing authority prepares and sends common invitation for project proposal submission to all the concrete beneficiaries to receive technical assistance. The invitation will include the main requirements for the project proposals according to the current methodology and the adopted guidelines for project preparation, including:

- Volume and scope of the documentation that should be prepared as a result of the technical assistance, as well as other requirements
- Amount of the technical assistance grant
- Requirements regarding the management, publicity and audit of the project

f. The beneficiary prepares and submits the project proposal in compliance with the requirements from the invitation. The project proposal should contain as a minimum the following:

- Application form
- Technical assignment for assigning activities included in the project and in specific for feasibility study and / or project design prepared according to the requirements from the invitation
- Proof for funding of the expenses not financed by OPE
- Decision of the Municipality council for applying under OPE

g. The received project proposals will be evaluated for compliance with the requirements from the invitation. The Evaluation criteria for technical assistance projects are shown in Table 7.

Table 7: Evaluation criteria for technical assistance projects

Nº	Criterion	Yes/No
1.	The application form is filled in and submitted in the stated form	

	and are signed and sealed	
2.	The applicant has filled in and submitted all required documents under the specimens attached to the invitation and according to the requirements of their preparation	
3.	All the documents from the list prepared by the applicant are submitted	
4.	The submitted project proposal meets all the requirements set in the call for proposals	
5.	The projects is to be effectuated in Bulgaria	
6.	The activities in the project and their scope are in compliance with the activity (ies), shown in the call for proposals	
7.	The applicant and his partners (if any) are eligible beneficiaries under the procedure	
8.	The project does not foresee: <ul style="list-style-type: none"> • construction of new or reconstruction of existing network without WWTP or without construction of WWTP as part of the project • construction of WWTP without existing sewerage network or without construction of such as part of the project 	
9.	The required funding is in the boundaries according to the call for proposals	
10.	The duration of the project is in the boundaries according to the call for proposals	
11.	The costs subject to reimbursement are not subject of funding under another project, programme or scheme, financed by public resources, national budget and / or the EC	
12.	The applicant has assured financial resources for the project costs, not covered by OPE	
13.	The applicant has assured enough financing for the costs made within the project before their reimbursement	
14.	The applicant and / or his partners does not fall into the range of article 93, section 1, article 94 and article 96, section 2a from РКандидатът и/или неговите партньори не попада в обхвата на чл. 93 параграф 1, чл. 94 и чл. 96 параграф 2 буква „а” от Regulation (EC) № 1605/2002	
15.	The agglomeration is set as priority for technical assistance funding for project preparation and is mentioned in the call for proposals	
16.	Decision of the Municipality council in regard with article 21, section 1, point 15 from the Law for the local government and the local administration is presented	

NEXT STEPS / NECESSARY AMMENDMENTS

1. Adopting of amendment of Ordinance 121/2007 with respect to the definition of “concrete beneficiary”

2. Including of WSSC in the preparation and the implementation of the projects in order to guarantee compliance with the investment plan and the compatibility of the newly constructed infrastructure with the existing one. There is signed agreement between MOEW and MRDPW envisaging mutual cooperation with regard to the implementation of projects under the OPEs in January 2007. According to art. 5.1, MOEW has the right to require municipalities to include representatives of the WSSC in the preparation and implementation of projects. This step will facilitate the funding of projects which are in line with the WSSC infrastructure development plans instead of funding infrastructure which subsequently the WSSC will not accept to operate with. WSSC may be included in the process in several ways:

- Through provision of partial funding for costs which are not covered by the OPE;
- Through obligatory participation of the WSSC in the preparation of the design specifications and the preparation of the project proposal;
- Through supporting documents showing that the WSSC is aware of the project and supports it.
- Through including of the of the WSSC as associated partners in the implementation of the project in order to assist the municipality in the infrastructure construction process.

3. Elaboration and publishing on the internet site of OPE of additional instructions and documents based on the current approach and explaining in details its requirements:

- Type assignment for WWTP design
- Type documentation for different public procurement procedures
- Requirements and restrictions regarding the single prices to comply with. The exceeding of the prices should be explained by proved objective considerations beyond the control of the beneficiary.
- Example single prices for different works in the water sector, primarily consulted with the Bulgarian industrial association

MAIN DEFINITIONS

Agglomeration	Territory on which the population and/or the economic activities are sufficiently concentrated in order its waste waters to be collected and discharged in WWTP (paragraph 1, 1 from the Additional provisions of - Order No 6/2000 for emission norms on acceptable quantities of dangerous substances in the waste water discharged in the water objects (SG 97/2000)
Funding	Without prejudice to Council Regulation (EC, Euratom)1605/2002, financial resources granted by the OPE, including the national cofinancing, aiming at the implementation of approved project that is targeted to achievement of certain results.
Beneficiary of Funding	Institution, organisation or company, responsible for the preparation and the implementation of a project. Beneficiaries according to the aid schemes in art. 87 of the Treaty establishing the European Community (24.12.2002) are public or private companies that implement certain project and receive state aid.
Population equivalent (PE)	The amount of oxygen-demanding substances for 24 hours, whose biochemical-oxygen demand (BOD) for 5 days equals 60 g of oxygen. (paragraph 1, 8 - Order No 6/2000 for emission norms on acceptable quantities of dangerous substances in the waste water discharged in the water objects (SG 97/2000)
Project proposals	Proposal for a project, by which beneficiary applies for funding. The project proposal consists of application form and documents required by the Call for proposals.
Investment project	A project under the provisions of the Spatial Planning Act and Order No 4/2001 about the scope and the content of the construction investment projects and the included facilities.
Managing Authority	National, regional or local authority, public or private body, determined by the member-state to manage an operational programme. Managing authority of the OPE is Cohesion Policy for Environment Directorate in the MoEW

ABBREVIATIONS

CMD	Council of Ministers Decree
EC	European Commission
EIA	Environmental Impact Assessment
EPA	Environment Protection Act
DG	Directorate General
MoEW	Ministry of Environment and Water
MRDPW	Ministry of Regional Development and Public Works
OP	Operational Programme
OPE	Operational Programme Environment
PE	Population Equivalent
RIEW	Regional Inspectorate on Environment and Water
SEA	Strategic Environmental Assessment
SG	State Gazette
WSSC	Water-Supply and Sewerage Company
WWTP	Waste Water Treatment Plant