

Twinning Project Fiche

1. Basic Information

1.1 CRIS Number: BG2004/016-711.09.04
Twinning Code: BG/2004/IB/FI/08

1.2 Title: Strengthening the Capacity of the “Management of European Union Funds” Directorate at the Ministry of Finance for Monitoring and Evaluation

1.3 Sector: Finance

1.4 Location: Bulgaria, Sofia

1.5 Duration: 12 months

2. Objectives

2.1 Overall Objective:

Strengthening the relevant institutional capacity at the Ministry of Finance in order to achieve, upon accession, sound public finance and efficient management of the national and the EU funds.

2.2 Project purpose:

- Full and effective implementation of the EU regulations for Monitoring and Evaluation for the EC Pre-Accession instruments.

2.3 Accession Partnership (AP) and NPAA priority

Accession Partnership 2003

- Strengthen administrative structures to ensure that it has the necessary capacity for fully effective use of and proper accounting for EC funds.
- Make progress in implementing the Bulgarian National Strategy for preparation on Structural and Cohesion Funds. Continue to adopt the framework legislation needed to implement the acquis under this chapter.
- Further elaborate the arrangements to ensure inter-ministerial co-ordination as well as the definition of the tasks to be performed by the bodies involved in the preparation and implementation of Structural Funds and the Cohesion Fund at the national and regional level.
- Bring administrative capacity of the units designated as future managing authority up to the level required for efficient and correct implementation of Structural Funds assistance.
- Continue to improve capacity at the level of the technical preparation of programmes to be co-financed by the Structural and Cohesion Funds.

- Make progress in ensuring compliance with acquis requirements for monitoring and evaluation, in particular as regards the ex-ante evaluation of the development plan and the collection and processing of the relevant statistical information and indicators. The timely availability and functioning of an effective monitoring and evaluation system will be of crucial importance for the effective and efficient implementation of the Structural Funds programmes.

2.4 Contribution to National Economic Development Plan NEDP (and/or Structural Funds Development Plan/SDP)

N.A.

2.5 Cross Border Impact

N.A.

3. Description

3.1 Background and justification:

The EU Accession Partnership with The Republic of Bulgaria, as well the Regular Report of the EU Commission for 2003 on the progress made by Bulgaria provide for reinforcement of institutional and administrative capacity in the Public Finance area. In the Pre-accession Economic Programme for the year 2003 – 2006 the Bulgarian government confirms the engagement for further development and implementation of the broad programme for improvement of public finance.

EU requirements in the field of monitoring and evaluation can be considered extensive and have increased considerably in the current programming period. The assessment for EDIS of Phare identified gaps namely in monitoring and evaluation capacity. So, the MEUFD at the Ministry of Finance has to undertake particular actions for strengthening the Monitoring and Evaluation capacity of its staff, in order to enhance the effectiveness and efficiency of the pre-accession, Structural and Cohesion Funds and thereby contributing to the economic and social cohesion.

As per 31 March 2004 the projects being implemented under the National Phare Programme for Bulgaria and Phare Cross Border Co-operation (2000, 2001, 2002 and 2003) are 173. The total amount of Phare allocation is 450 MEUR. About 40 new projects at the indicative amount of 411 MEUR are envisaged under multi annual programme Phare 2004-2006 and the indicative budget for Cross Border Co-operation 2004-2006 is 121 MEUR. The overall co-ordination and thorough monitoring for early identification of risks is a major task of Management of Phare Department within MEUFD. The Phare Monitoring Information System (MIS) that will be elaborated under PPF 2003 will need to be further upgraded, so that all relevant PIUs and IAs could directly incorporate data in the system thus significantly increasing its efficiency. Being an on-line system Phare MIS will need to be better protected, so that no unauthorized access is possible.

All actors in the monitoring of Phare programme need to be further trained to use the system and benefit from it.

The full decentralization of the monitoring requires better understanding of the process and knowledge of how to use its outputs.

A decentralized evaluation system for Phare Programme has to be established by the end of 2005. The Bulgarian administration should create sufficient capacity for the assignment and the management of the evaluation process of Phare Programme. In this respect, both for monitoring and evaluation, it will be very useful to share the experience of the new member states of the EU.

3.2 Results

1. Capacity building for the newly created Phare Monitoring and Evaluation unit within Management of Phare Funds Department.

- New appointed staff trained.

2. Evaluation of Phare Programme.

- System for exercising of the identified “good practices” on monitoring and evaluation that are stated within the Handbook of Guide to Good Practices prepared by the Evaluation Advisory Group created.
- Capacity for organizing and steering the Phare interim evaluation process developed

3. Improvement of the organization and performance of the SMSCs sessions with regard to EDIS implementation and higher responsibilities of the NAC services:

- SMSCs performance improved
- JMC meeting carried out twice a year

3.3 Activities

1. Capacity building for the newly created Phare Monitoring and Evaluation unit within Management of Phare Funds Department.

- Intensive training for the appointed staff. (Currently two experts are working for the M&E unit. Additional 6 will be hired by the end of 2005)

2. Evaluation of Phare Programme

- Development of a system for exercising of the identified “good practices” on monitoring and evaluation that are stated within the Handbook of Guide to Good Practices prepared by the Evaluation Advisory Group created.
- Development of the capacity for organizing and steering the Phare interim evaluation process

3. Improvement of the organization and performance of the SMSCs sessions with regard to EDIS implementation and higher responsibilities of the NAC services:

- Improve SMSCs performance
- Carry out the JMC meeting twice a year

Means: Twinning Contract

3.4 Linked Activities

BG 2003/004 – 937.10.04 “Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)”. The project purpose is to

strengthen the capacity of the Management of European Union Funds Directorate and the National Fund within the Ministry of Finance as future Managing and Paying authorities.

Managing and Paying Authorities designated and ready to assume obligations under Council Regulations 1260/99 and Commission Regulations 438/2001 and 448/2001 (related to SF);

The expected results of the project are as follows: Managing and Paying Authorities designated and ready to assume obligations under Council Regulations 1164/94 as amended by Council Regulations 1264/99 and 1265/99 (related to CF); Monitoring/Management Information System in place; Completion of harmonisation of tasks related to public internal financial control of EU funded programmes in line with the Council Regulations 1260/99 and Commission Regulations 438/2001 and 448/2001.

BG0103.09 “Improving the management of EU Funds”. The project is designed as to improve the management of EU funds and co-financing resources in Bulgaria to make extended decentralisation of PHARE implementation possible. Strengthening the capacity of the National Fund and the Phare Implementing Agencies to manage EU funds and co-financing resources.

Project Preparation Facility 2002 – Technical Assistance for the preparation and implementation of Phare Management Information System.

3.5 Lessons Learned

Practical problems faced in the management of national and EC funds include:

- Staff numbers in the most of the line institutions are inadequate;
- There is insufficient staff continuity;
- Staff quality/training is inadequate;
- It is difficult to retain good quality staff;
- There is poor co-ordination and internal communications between and within various line institutions involved in the budget planning, execution and reporting process;
- High-level officials should be involved in the project and asked to support it in order to succeed.

The previous Independent Evaluator – EMS Consortium through its Bulgarian team co-operated successfully with the MEUFD experts in respect to improving the monitoring and evaluation capacity – seminars and trainings were organised, new monitoring templates for Phare Programme were established and important progress was achieved.

Taking into consideration the importance of monitoring and evaluation processes, the WG 2 within EAG disseminated a Questionnaire to all Member States, Accession and Candidate Countries. It aimed at sharing between all countries the existing experience on monitoring and evaluation activities, procedures and responsibilities. On the basis of the results a Guide to ‘Good practices’ will be prepared Bulgarian administration will benefit from it and will implement all positive experience and practice of other MSs and ACs as improve the pre-accession instruments performance.

4. Institutional Framework

Management of EU Funds Directorate at the Ministry of Finance is the main beneficiary for this project. The main functions of the directorate are:

- Carries out the overall planning, programming and management co-ordination of the pre-accession finance instruments.
- Acts as the single representative of the Republic of Bulgaria to the European Commission on the overall questions of entire planning, programming and management of the financial aid given by the European Union to the Republic of Bulgaria.
- Co-ordinates the joint monitoring mechanism of the implementation of programmes funded by the EU pre-accession instruments and acts as a Secretariat to the Joint Monitoring Committee of the EU programmes.
- Organises the elaboration and updating of systems for projects' selection and for results assessment indicators of these projects.
- Participates in elaboration of draft regulations related to the EU financial support to the country.
- Participates in the co-ordinating mechanism for negotiations with the international financial institutions in order to achieve effectiveness of preparation, implementation and management of the projects funded by the EU funds.
- Carries out the overall co-ordination of the preparation of the country for future participation in the EU Structural and Cohesion Funds.
- Organizes the elaboration and updating of National Development Plan by delegating these functions to the Executive Agency for Economic Analysis and Forecasts.
- Organises the elaboration, updating and implementation of the Community Support Framework and shall be responsible for receiving the necessary approval by the Commission.
- Acts as the Managing Authority of the Community Support Framework upon accession of the Republic of Bulgaria to the European Union and be responsible for the effective management and implementation of projects and programmes, which are funded by the Structural Funds of the European Union.
- Acts as the Managing Authority upon accession of the Republic of Bulgaria to the European Union and be responsible for the effective management and implementation of projects, which are funded by the Cohesion Fund of the European Union.

A Steering Committee /SC/ will be established for the project for the strategic management. The SC is a policy and decision making body. The main functions of the PSC are as follows:

- Recommendations for the improvement of the component implementation;
- Resolving problem issues.

The SC comprises both project leaders, representatives of MEUFD, the CFCU, National Fund Directorate, European Integration and Monitoring Directorate and representative of the EC Delegation as observer.

The Steering Committee meetings will be held every three months or in force majeure situation. When important matters are to be concerned the chairman or 2/3 of the PSC members could convene the PSC for a meeting. The PSC will take its decisions with simple majority. The Steering Committee (SC) will monitor, supervise and co-ordinate the overall progress and implementation of the components and will be responsible for approving the project deliverables. The MEUFD will support the implementation of the proposed project by assuring the necessary organizational environment, making available the necessary personnel.

5. Detailed Budget

	Phare Support				
	Investment support	Institution Building	Total Phare (=I+IB)	National Co-financing	TOTAL
<i>Twining Contract</i>		0,600	0,600	*	0,600

* The National co-financing for the Twinning services contract will be up to 10 % of the Phare support for twinning services. It will be provided through the "National Fund" Directorate at the Ministry of Finance.

6. Implementation Arrangements

6.1. Implementing Agency

The Central Financing & Contracting Unit (CFCU) will be the Implementing Agency under the project.

Contact details:

Mr. Vladimir Valchev
CFCU Director

102, Rakovski str., 1040 Sofia, Bulgaria
Tel.: +359 2 9859 2772, 359 2 9859 2777
Fax: +359 2 9859 2773

The Programme Authorising Officer will be the Secretary General of the Ministry of Finance.

Contact details:

Mr. Tencho Popov, Secretary General of the MoF
102, "Rakovski" St.
1000 Sofia
Tel.: (+ 359 2) 9859 20 13
Fax: (+ 359 2) 987 39 29

6.2. Twinning

Beneficiary Institution of the twinning components will be the MEUFD. The implementation arrangements are to be administered through the CFCU.

The Twinning component will include a MS Project Leader, who continues to work in his/her MS administration but who devotes a portion of his/her time to conceiving, supervising and co-ordinating the overall thrust of the project. The MS Project Leader

should be a high-ranking official commensurate with the requirement for an operational dialogue and backing at political level. The MS Project Leader is not an Adviser, s/he directs the implementation of the project. S/he is always complemented by at least one full-time expert, known as the Resident Twinning Adviser (RTA), from a MS to work on a day-to-day basis with the beneficiary administration in the beneficiary country and accompany the implementation of the Twinning project.

The stay of the RTA is foreseen to be at least 12 months.

RTA Profile:

1. Work experience in implementation, monitoring and evaluation of Phare Programme;
2. Language proficiency: Fluency in English;
3. Education: Relevant education in the area of business administration, etc.

The RTA will be supported by teams of short-term experts.

Beneficiary Contact Point:

Ms. Borianna Pencheva, MEUFD Director
102, "Rakovski" St.
1040 Sofia, Bulgaria
Tel.: (+ 359 2) 9859 29 00
Fax: (+ 359 2) 9859 2929
E-mail: B.Pencheva@minfin.bg

6.3.Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project. The Phare Practical Guide and a Reference manual on "Twinning" projects will be strictly followed.

6.4.Contracts

One Twinning Covenant at the sum of 0.6 MEUR

7. Implementation Schedule

7.1.Call for proposals - 3Q 2004

7.2.Start of project activity - 3Q 2005

7.3 Project completion – 4Q 2007

8. Equal Opportunity

Equal opportunity for employment of men and women will be guaranteed.

9. Environment

The project has no environmental impact.

10. Rates of return

N/A

11. Investment criteria

11.1. Catalytic effect

The administrative capacity of the Ministry of Finance will be strengthened. The PHARE support catalysis the preparation of Bulgaria towards EU accession, thus adding up to the government own efforts to create administrative structures for sound and efficient management and control of pre-accession aid, as well future management of the EU Structural Funds

11.2. Co-financing

The National Co-financing will be up to 10 % of the project value for the Twinning contract and will be provided from the State budget through the National Fund Directorate at the Ministry of Finance.

11.3. Additionality

Phare intervention has not displaced other public or private sector financing for this project.

11.4. Project readiness and size

This project is designed to address the immediate needs in a much targeted manner for strengthening the institutional capacity of the MEUFD. It is crucial that the necessary capacity building takes place to ensure that the respective administration is well positioned to assume their planned roles in full.

11.5. Sustainability

The project implementation shall guarantee the role of the MEUFD in the process of management of the EU funds.

11.6. Compliance with state aids provisions

N/A

12. Conditionality and sequencing

N/A

ANNEXES TO THE PROJECT FICHE:

1. ANNEX 1 - Phare Log frame
2. ANNEX 2 - Implementation chart
3. ANNEX 3 - Contracting and disbursement schedule by months to full duration of the programme (MEUR)
4. Annex 4 – List of feasibility/pre-feasibility studies
Not Relevant
5. ANNEX 5 – List of relevant to the project documents and Bulgarian laws
Not Relevant
6. ANNEX 6 - Reference list of relevant strategic plans and studies (may include institution sector strategies, development plans, business development plans, etc.)
Not Relevant

Phare log frame

LOGFRAME PLANNING MATRIX FOR Project “ Strengthening the Capacity of the “Management of European Union Funds” Directorate at the Ministry of Finance for Monitoring and Evaluation ”	Programme name and number	
	Contracting period expires: 30 November 2006	Disbursement period expires: 30 November 2007
	Total budget: 0,600 MEUR	Phare budget: 0,600 MEUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
Strengthening the relevant institutional capacity at the Ministry of Finance in order to achieve, upon accession, sound public finance and efficient management of the national and the EU funds.			
Project purpose			
Strengthening the Capacity of the “Management of European Union Funds” Directorate at the Ministry of Finance for		Sources of Verification	Assumptions

<p>Monitoring and Evaluation</p> <p>– Full and effective implementation of the EU regulations for Monitoring and Evaluation for the EC Pre-Accession instruments.</p>			
<p>Results</p>	<p>Objectively verifiable indicators</p>	<p>Sources of Verification</p>	<p>Assumptions</p>
<p>1. Capacity building for the newly created Phare Monitoring and Evaluation unit within the Management of Phare Funds Department</p> <ul style="list-style-type: none"> • New appointed staff trained. <p>2. Evaluation of Phare Programme</p> <ul style="list-style-type: none"> • System for exercising of the identified “good practices” on monitoring and evaluation that are stated within the Handbook of Guide to Good Practices prepared by the Evaluation Advisory Group created. • Capacity for organising and steering the Phare interim evaluation process developed <p>3. Improvement of the organisation and performance of the SMSCs sessions with regard to EDIS implementation and higher responsibilities of the NAC services:</p> <ul style="list-style-type: none"> • SMSCs performance improved 	<ul style="list-style-type: none"> • 7 experts trained • Phare evaluations organized by the MEUFD • Lessons learned on the basis of monitoring implemented • Trainings organized on the basis of the training programme developed • Experts trained • Higher quality of monitoring reports recognized by EC 	<p>SMSCs reports</p> <p>Experts annual assessment</p> <p>Evaluation reports</p> <p>Lessons learned used in practice</p> <p>Twinning quarterly reports</p> <p>Progress reports (Steering Committee)</p> <p>Experts annual assessment</p> <p>Evaluation contracts signed</p> <p>Evaluators applied for certification</p> <p>Monitoring reports</p>	<p>Both parties (twinner and Beneficiary mobilize appropriate human and financial resources</p> <p>Correct and timely supply of contracted equipment</p>

<ul style="list-style-type: none"> • JMC meeting carried out twice a year 	<ul style="list-style-type: none"> • JMC meeting organized twice a year 		
Activities	Means		Assumptions
<p>1. Capacity building for the newly created Phare Monitoring and Evaluation unit within the Management of Phare Funds Department</p> <ul style="list-style-type: none"> • Intensive training for the appointed staff. (Currently two experts are working for the M&E unit. Additional 6 will be hired by the end of 2005) <p>1.2 Evaluation of Phare Programme</p> <ul style="list-style-type: none"> • Development of a system for exercising of the identified “good practices” on monitoring and evaluation that are stated within the Handbook of Guide to Good Practices prepared by the Evaluation Advisory Group created. • Development of the capacity for organising and steering the Phare interim evaluation process <p>1.3 Improvement of the organisation and performance of the SMSCs sessions with regard to EDIS implementation and higher responsibilities of the NAC services:</p> <ul style="list-style-type: none"> • Improve SMSCs performance • Carry out the JMC meeting twice a year 	<p>Twinning contract</p>		

Implementation Chart

	2004		2005				2006				2007			
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Twinning covenant	CP	S	D	D	C/I	I	I	I	I	E				

Legend:

CP – call for proposals

T – Tendering

S – Selection of twinning partners

D – Drafting of twinning covenant

C – Contracting

I – Implementing

E – Ending

Project title: Strengthening the Capacity of the “Management of European Union Funds” Directorate at the Ministry of Finance for Monitoring and Evaluation													
Contracting	Cumulative contracting schedule by quarter in €m (provisional)												Total
	2005				2006				2007				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Twinning covenant			0.6	0.6	0.6	0.6	0.6	0.6					0.6
Total contracting:			0.6	0.6	0.6	0.6	0.6	0.6					0.6

Disbursement	Cumulative disbursement schedule by quarter in €m (provisional)												Total
	2005				2006				2007				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Twinning covenant			0.40	0.40	0.40	0.4	0.5	0.5	0.5	0.50	0.6	0.6	0.6
Total disbursement			0.40	0.40	0.40	0.4	0.5	0.5	0.5	0.50	0.6	0.6	0.6