
Bulgaria and the Structural funds: Opportunities and Problems in the Process of their Absorption

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Cohesion policy of the European Union

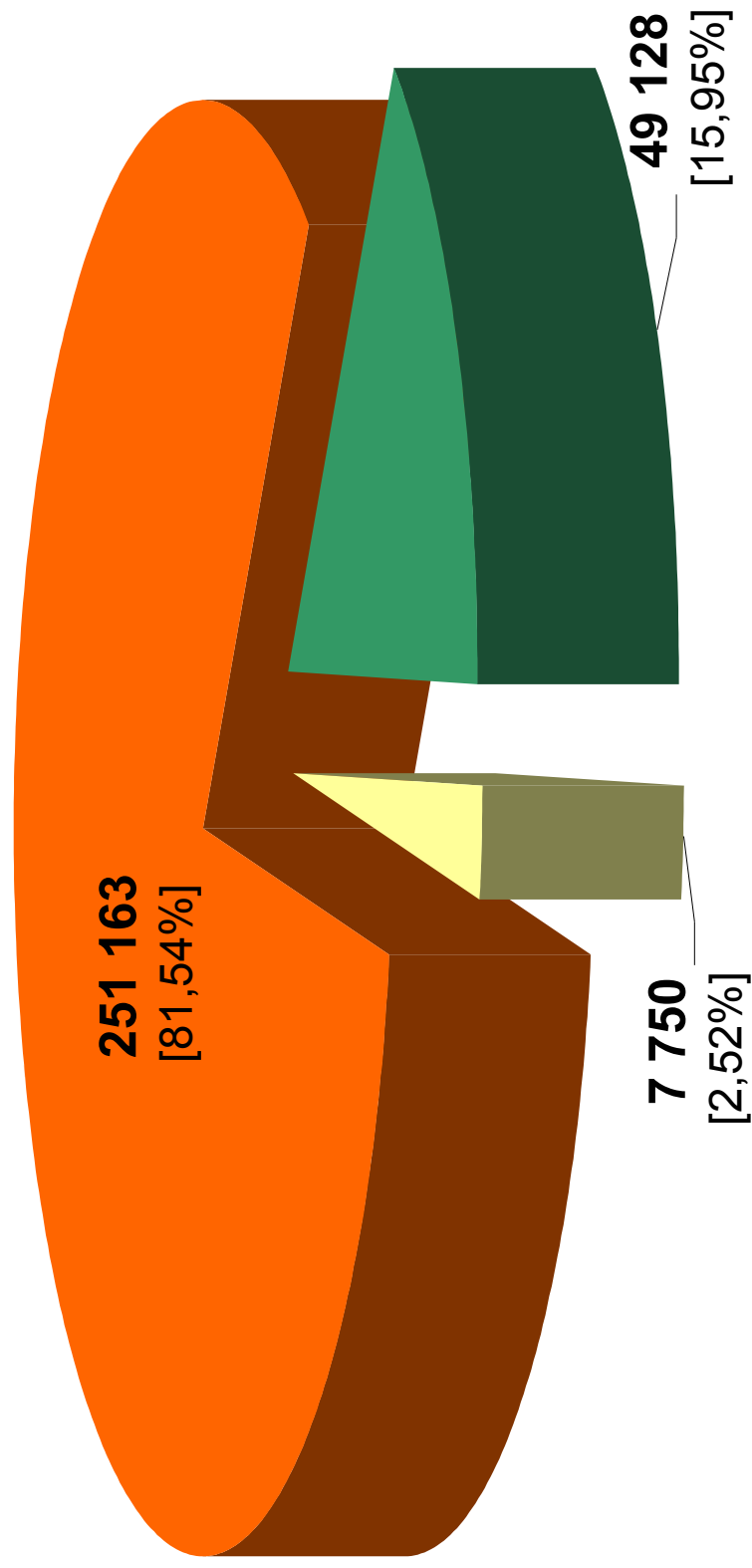
- Main objective of the Cohesion policy:
***“reducing the disparities between the
levels of development of the various
regions and the backwardness of the
least favoured regions”***

Cohesion policy of the European Union

Objectives of the Cohesion policy for the period 2007-2013:

- ***Convergence objective;***
- ***Regional competitiveness and employment objective and***
- ***European territorial cooperation objective***

Разпределение на средствата за постигане целите на политиката за сближаване по цели



цел "Сближаване"

цел "Регионална конкурентоспособност и заетост"

цел "Европейско териториално сътрудничество"

Financial instruments of the Cohesion policy

- Structural funds:
 - **European Regional Development Fund (ERDF)**
Co-finances Programmes on the three objectives of the Cohesion policy
 - **European Social Fund (ESF)**
Co-finances Programmes on the Convergence objective and Regional competitiveness and employment objective
- **Cohesion Fund:**
Co-finances Programmes on the Convergence objective & in member states with GNP lower than 90% of the EU average.

Рамка за прилагане на политиката за сближаване в България

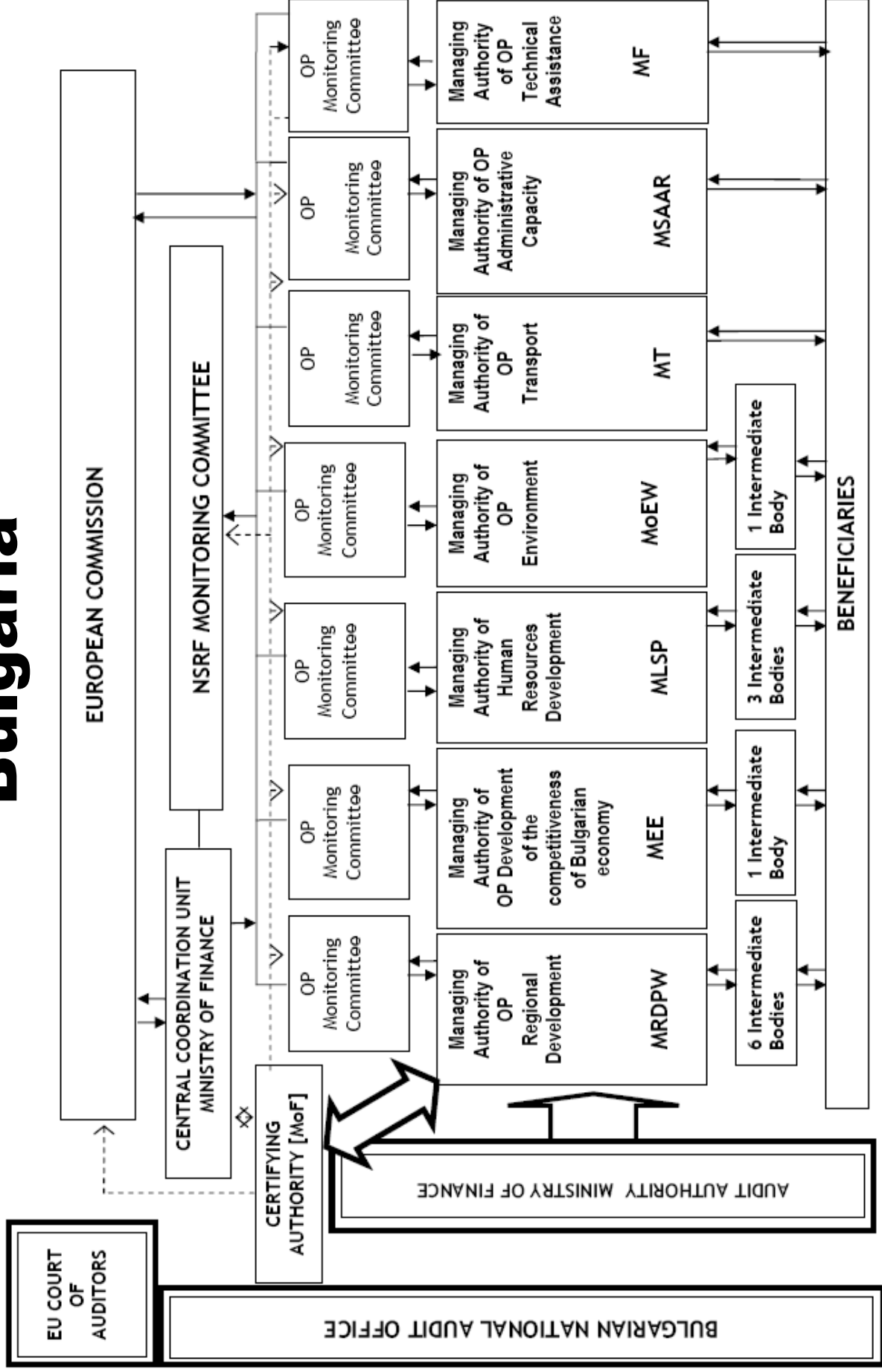
- Национална стратегическа референтна рамка *инструмент за справка за извършване на програмирането на фондовете*
- Operational Programmes:
 - OP “Development of the Competitiveness of the Bulgarian Economy”
 - OP “Regional Development”
 - OP “Human Resources Development”
 - OP “Transport”
 - OP “Environment”
 - OP “Administrative Capacity”
 - OP “Technical Assistance”

Indicative distribution of the financial resources of the operational programmes and sources of financing

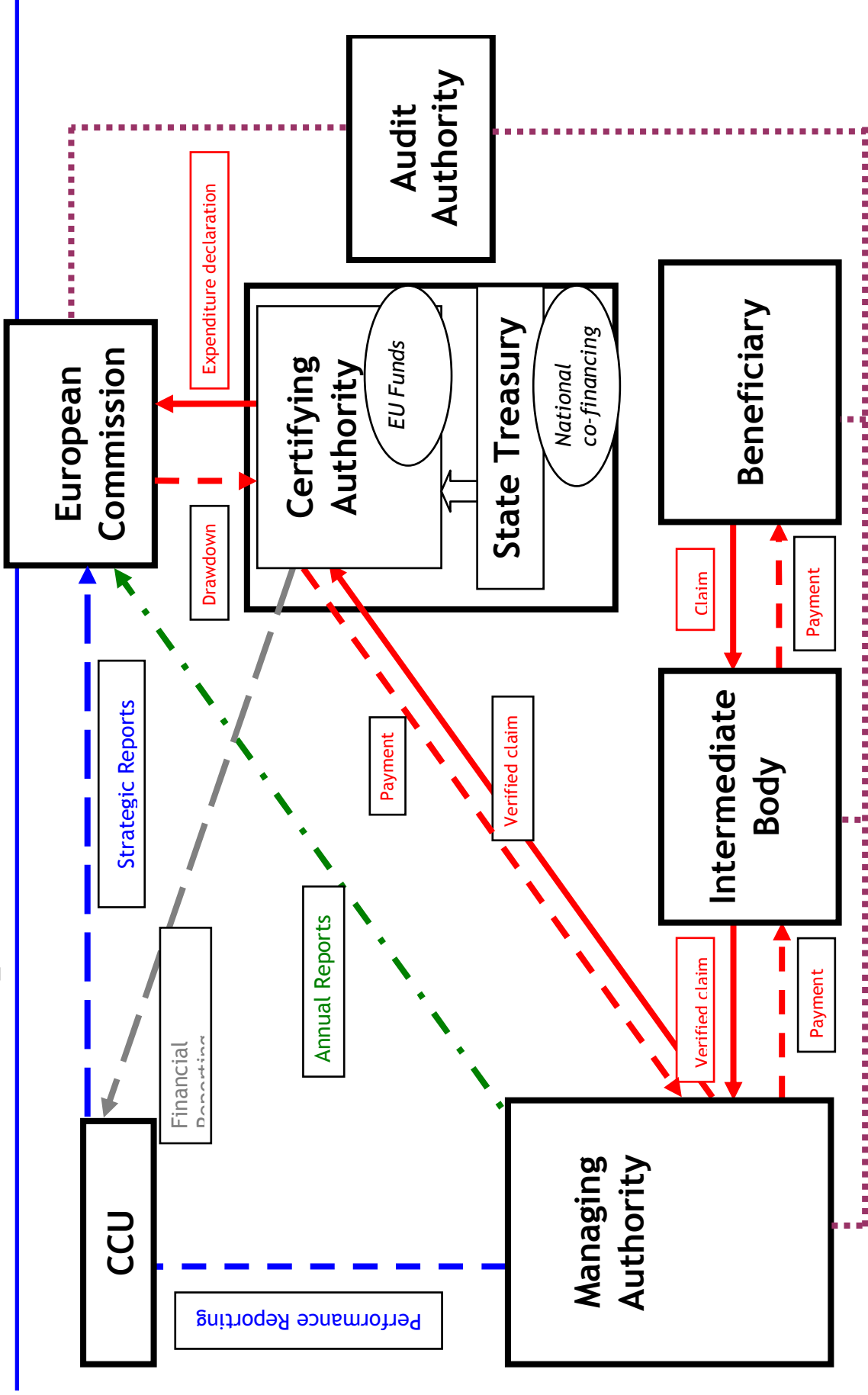
Operational programmes	Fund			National funding	TOTAL
	ERDF	ESF	CF		
OP "Development of the Competitiveness of the Bulgarian Economy"	988	-	-	247	1 235
OP "Regional Development"	1 361	-	-	240	1 601
OP "Human Resources Development"	-	1 032	-	181	1 213
OP "Transport"	369	-	1 256	379	2 003
OP "Environment"	439	-	1 027	232	1 699
OP "Administrative Capacity"	-	154	-	27	181
OP "Technical Assistance"	48	-	-	9	57
By European territorial cooperation objective	179	-	-	n/a	179
TOTAL for all the funds of NSRF 2007-2013	3 384	1 185	2 283	1 315	8 168

(in million euros)

SCF Institutional Arrangements in Bulgaria



National management mechanism for the implementation of the NSRF



Procedures for implementing the measures of the operational programmes

- Public procurements
- Grants schemes
- Public – private partnerships

Member-State obligations

- Reporting and monitoring procedures for irregularities and for the recovery of amounts unduly paid;
- Inform the Commission of all irregularities involving expenditures more than EUR 4 000;

‘Irregularity’

Any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

Type of irregularity – Share in total number of cases

Type of irregularity	2005 (%)	Up to 2005 (%)
Incorrect accounts	15,64	3,81
Non-eligible expenditure	14,42	16,13
Infringement of rules concerned with public procurement	12,88	5,87
Falsified accounts	10,74	4,11
Failure to respect other regulations/contract conditions	10,12	3,23
Missing or incomplete supporting documents	7,06	3,52
Falsified supporting documents	6,44	10,26
Missing or incomplete documents	3,99	3,52
Action not carried out in accordance with rules	2,76	8,50
Failure to respect deadlines	1,84	1,47
Failure to fulfil commitments entered into	1,84	0,88

Irregularities PHARE 2005

Fund	PHARE			
	Number of reports ^[1]	Eligible amount ^[2]	Irregular amount	Amount to be recovered
Bulgaria	15	570 020	257 380	248 720
Cyprus	2	3 094 616	23 807	0
Czech Republic	3	27 762	16 517	16 517
Estonia	6	443 826	307 899	57 328
Hungary	26	6 381 262	1 345 648	402 967
Latvia	2	132 638	6 833	5 644
Lithuania	7	269 941	144 504	140 203
Malta	0	0	0	0
Poland	5	15 339 506	2 874 506	24 293
Romania	38	29 893 187	857 874	297 633
Slovakia	33	7 672 206	123 766	81 127
Slovenia	2	648 192	147 837	147 837
TOTAL	139	64 473 156	6 106 571	1 422 269

^[1] Number of first communications.

^[2] If the amounts were not reported in EUR, the 'Euro exchange rates' on 12 of April 2006, published in OJ C 2006/90/01, were used.

Irregularities SAPARD 2005

Fund	SAPARD			
	Number of reports ^[1]	Eligible amount ^[2]	Irregular amount	Amount to be recovered
Bulgaria	15	1 797 921	892 438	869 177
Cyprus	0	0	0	0
Czech Republic	7	251 405	238 595	200 309
Estonia	4	1 075 279	989 414	80 434
Hungary	24	20 519 810	23 417	0
Latvia	4	65 246	65 246	65 246
Lithuania	3	744 706	121 888	103 474
Malta	0	0	0	0
Poland	24	2 871 024	324 915	43 693
Romania	82	47 258 178	984 520	489 046
Slovakia	1	52 038	52 038	0
Slovenia	3	253 221	61 953	4 786
TOTAL	167	74 888 828	3 754 424	1 856 165

^[1] Number of first communications.

^[2] If the amounts were not reported in EUR, the 'Euro exchange rates' on 12 of April 2006, published in OJ C 2006/90/01, were used.

Irregularities ISPA 2005

Fund	SAPARD			
	Number of reports ^[1]	Eligible amount ^[2]	Irregular amount	Amount to be recovered
Bulgaria	1	5 322 630	5 322 670	0
Cyprus	0	0	0	0
Czech Republic	0	0	0	0
Estonia	0	0	0	0
Hungary	0	0	0	0
Latvia	0	0	0	0
Lithuania	2	40 212 133	2 332	476
Malta	0	0	0	0
Poland	0	0	0	0
Romania	22	146 999 021	1 613 706	9 812
Slovakia	0	0	0	0
Slovenia	0	0	0	0
Total	25	192 533 784	6 938 708	10 288

^[1] Number of first communications.

^[2] If the amounts were not reported in EUR, the 'Euro exchange rates' on 12 of April 2006, published in OJ C 2006/90/01, were used.

Key factor for diminishing risk of irregularities and fraud

- Single institutional framework for management and control of the operations supported by the Structural and Cohesion funds;
- Uniform Legal terminology;
- Introducing the term “irregularity” into national legislation;
- Establishment of the effective mechanism for coordination and communication of irregularities and other malpractices;
- Establishment of the comprehensive mechanism for evaluation of the effectiveness of public expenditures, including central database.