

**Bulgaria**

**Programmes covered:  
National and Cross Border  
Co-operation Programmes  
1999-2001 with a Brief  
Review of Post-2001  
Allocations.**

**November 2007**



**The views expressed are those of the MWH Consortium and do not necessarily reflect those of the European Commission.**

This report has been prepared as a result of an independent evaluation by the MWH Consortium contracted under the Phare programme.

EUROPEAN COMMISSION  
**DG ENLARGEMENT EVALUATION UNIT**

Directorate E – Resources E4 - Evaluation

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## GLOSSARY OF ACRONYMS

<i>acquis</i>	<i>acquis communautaire</i>
AP	Accession Partnership
CAP	Common Agriculture Policy
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CBC	Cross Border Co-operation
CC	Candidate Country
CFCU	Central Finance and Contracting Unit
CMR	Comprehensive Monitoring Report
CPER	Country Phare Evaluation Review
DG	Directorate General
DIS	Decentralised Implementation System
EDIS	Extended Decentralised Implementation System
ERDF	European Regional Development Fund
ESC	Economic and Social Cohesion
ESF	European Social Fund
EU	European Union
FM	Financing Memorandum
IA	Implementing Agency
IACS	Integrated Administration Control System
IB	Intermediate Body
IE	Interim Evaluation
IPAEI	Institute of Public Administration and European Integration
ISPA	Instrument for Structural Policies for Pre-accession
JHA	Justice and Home Affairs
JMC	Joint Monitoring Committee
JPD	Joint Programming Document
M€	Million Euros
MAP	Multi Annual Programming
Matra	Dutch programme for social transformation ( <i>maatschappelijke transformatie</i> ) in Central and Eastern Europe
MEUFD	Management of European Union Funds Directorate
MoE	Ministry of Economy
MoEW	Ministry of Environment and Water
MoF	Ministry of Finance
MLSP	Ministry of Labour and Social Policy
MS	Member State
NAC	National Aid Co-ordinator
NARD	National Agency for Regional Development
NDP	National Development Programme
NGO	Non-governmental Organisation
NIJ	National Institute of Justice
NMS	New Member State(s)
NPO	Non-profit Organisation
NUTS	<i>Nomenclature des Unites Territoriales Statistiques</i>

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PAA	Pre-accession Adviser
PAJC	Public Administrative and Judicial Capacity
PCM	Project Cycle Management
PIFC	Public Internal Financial Control
PIU	Programme Implementation Units
PMC	Phare Management Committee
RR	Regular Report(s)
SAPARD	Special Accession Programme for Agriculture and Rural Development
SF	EU Structural Funds
SME	Small and Medium Size Enterprise(s)
SMSC	Sectoral Monitoring Sub-Committee
SOP	Sectoral Operating Programme
ToR	Terms of Reference
USAID	United States Agency for International Development
VAT	Value-added tax
WWTP	Wastewater Treatment Plant

## PREFACE

The purpose of this *ex post* evaluation is to assess the contribution of the 1999-2001 Phare national and cross-border co-operation (CBC) programmes to supporting Bulgaria in meeting the Copenhagen criteria so as to facilitate its accession to the European Union. This is an in-depth evaluation which also includes an analysis of post-2001 allocations.

This report has been prepared between December 2005 and June 2006,<sup>1</sup> and reflects the situation where the Phare national Programmes in the 1999-2001 period have substantially ended. The evaluation is based on an analysis of documents provided at the start, during and on completion of the national Programmes, including previous interim evaluations, on the results of questionnaires, and on interviews with beneficiaries, contractors, and stakeholders. It examines the performance of the programmes in addressing the objectives stated in the formal programming documents, provides a general assessment of the programmes and draws conclusions and lessons learnt from them.

The evaluation of Bulgarian national and CBC programmes is one of a series of ten evaluations in the new member states. The evaluations of the eight new member states in 2004 will feed into a consolidated evaluation of Phare national and CBC programmes, which, together with the in-depth evaluations of Romania and Bulgaria, will form part of a consolidated *ex post* evaluation of the Phare programme.

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<sup>1</sup> The initial draft was prepared by Colm Dunne and finalised by Ann Hyde, Lead Evaluator. It was reviewed at MWH Central Office by Martin White and Richard Thomas.

## EXECUTIVE SUMMARY

### Scope and objectives

The purpose of this *ex post* evaluation is to assess the contribution of the 1999-2001 Phare national and cross-border co-operation programmes to supporting Bulgaria in meeting the Copenhagen criteria in order to facilitate its accession to the European Union. A review of post-2001 programmes is also provided. The overall objective of this evaluation is to provide accountability with respect to the use of European Commission funds, and lessons learned for decision-making on improvements to pre-accession aid for remaining and future candidate countries.

### Key Evaluation Findings

#### ***Limited overall achievement of Phare due to institutional and operational weaknesses.***

Phare offered a valuable opportunity to accelerate progress towards accession, but this was not fully utilised. Although programme relevance and design were stronger in *acquis*-related sectors and much of the assistance was concerned with legal approximation and the creation of new structures for those sectors, the strategic approach was weak on the Bulgarian side. Institutional capacity for problem analysis and objective setting was generally inadequate or absent and most Bulgarian administrations were under-resourced in terms of human resources, equipment, sectoral knowledge and experience, which made it difficult for them to cope with the Phare environment and contributed to poor project readiness and an overall impression of operational fatigue. Despite a substantial number of Phare interventions related to the modernisation of public administration, this lack of institutional capacity combined with widespread resistance to change has meant that Phare institution building interventions have at the same time overloaded the administration and consistently under-performed. The stalled reforms of the judiciary and of public administration further undermined both effective use of Phare assistance in all sectors and the sustainability of the results.

Performance varied significantly across different sectors. Overall, too many programmes and projects suffered from weaknesses in design and widespread inefficiencies in implementation which led to delayed impact or loss of funds (particularly in the CBC and transport sectors). Moreover, the systemic lack of institutional absorption capacity was a continuous threat to efficient implementation for all capacity building interventions. Nevertheless, in the internal market, agriculture, public finance - and particularly environment - sectors, Phare effectively supported the creation of technical and procedural systems to apply and enforce the newly transposed EU *acquis*.

***Programme relevance and design were stronger in acquis-related sectors, but the strategic approach was weak on the Bulgarian side.*** Where *acquis* requirements were precisely defined in the EU legislation, as with harmonisation of legislation and the introduction of border control procedures for example, there was a pre-defined objective for programming. However, programming was weak in accession areas that required the Bulgarian administration to provide a strategic policy framework, supported by in-country analysis and prioritisation of differing needs. Progress in these areas depended on a high degree of political commitment, which was generally not present. Commitment to planning processes, notably for CBC, was limited and there was no real needs' analysis, particularly at local level. There was little connection between the agreed priorities and the support actually funded. Too often, the support was effectively used as an extension of the national programme with little or no genuine cross-border content. Where such content existed, inadequate collaboration with the

partner country in certain instances led to project failure. In many cases, the main actor deciding where Phare CBC investments should be made was the Commission, rather than the Bulgarian authorities which, while understandable, did nothing to encourage national 'ownership' and created a negative image and perception of Phare CBC assistance.

***Reasonable immediate impact; intermediate and wider impacts weak in the absence of adequate public administration reform.*** The immediate impacts achieved from specific interventions were generally good in relation to the enactment of legislation and the establishment of new institutions and operational procedures in *acquis* areas such as agriculture and environment (though these impacts required disproportionate administrative effort and were almost always achieved much later than originally planned). In the other sectors, such as the accession driven sectors of CBC and social affairs, immediate impact was sometimes weak or missing. Intermediate impacts from support in the earlier period have recently begun to emerge in some *acquis*-related sectors, and in some other areas such as the fight against money laundering. However, lack of progress in public administration reform, with frequent changes in staff and late implementation, have substantially constrained the intermediate and wider impact of Phare assistance in Bulgaria. Impact measurement and monitoring systems are weak, which makes assessment problematic.

***Pre-conditions for sustainability are generally fragile and it is therefore insufficiently assured.*** Programmes were mostly implemented in the context of a largely unreformed public administration which suffered from insufficient administrative and absorption capacity, high turnover of personnel, low salary levels and the widespread under-resourcing of Phare-related tasks. In consequence, prospects for sustainability, especially of institution and capacity building, are poor. In the recent past, measures have been adopted by some ministries to increase the salary levels and to enhance the working conditions of public servants, and this should go some way to improving sustainability of know-how and to strengthening the capacity of public institutions.

***Delays and late contracting seriously hampered operational efficiency.*** Implementation delays were principally caused by inadequate staffing levels in the implementing agencies; the time taken to approve documentation, and overall lack of management responsibility in the contracting process. The Bulgarian public administration is weak, inexperienced and understaffed. Practical improvements were made in management structures from 2002 onwards, and increasing programme ownership has improved the commitment to Phare. Twinning was generally successful, but there was insufficient use of grant schemes, especially to support preparation for Structural Funds at an early enough stage in the pre-accession period.

## Conclusions

### **Conclusion 1: Institutional and operational weaknesses constrained overall achievements.**

Programme design had clear and direct links to the closing of *acquis* chapters and to building capacity to take on the obligations and opportunities of EU membership. An appropriate mix of Phare instruments was used. In the earlier period, much of the effort was concerned with legal approximation and the creation of new structures and, by 2004, outputs achieved reasonable immediate impact especially in the *acquis*-driven sectors.

However overall performance was limited due to many negative influences, including a non-existent or weak strategic approach, especially in the non-*acquis* areas; serious operational inefficiency in all sectors and, most importantly, inadequate political commitment and

management capability to pursue a modernising agenda. Some progress has been made since 2004, but it is not dynamic or widespread enough to compensate for the time lost or to complete preparations to take full advantage of the opportunities of EU membership from the date of accession.

**Conclusion 2: More assistance should have been given, earlier, to embedding a strategic approach to national and sectoral policy making.**

Individual Phare programmes have contributed to the creation or modernisation of *acquis*-related structures and procedures in Bulgaria, and have catalysed progress through the provision of staff training, equipment and other capital items.

However, the lack of strategy has inevitably been disadvantageous, most importantly for issues arising under the political criteria, such as reform of public administration and judicial reform where there is neither *acquis* nor a standard template to build on, and those issues where the *acquis* absolutely requires, but does not define, a national strategic framework covering the areas of responsibility of a number of ministries, such as economic and social cohesion.

**Conclusion 3: Phare support was crucial to initiate public administrative and judicial reform but very little progress was made.**

Phare support was a crucial factor to kick-start the process of public service reform. Although some progress was made in a number of key sectors and in some key institutions, the breadth and depth of change was not sufficient to have an influence across the public sector. There is no visible high-level commitment to the reform process, and what has been achieved has been a slow and intermittent process of change.

A number of permanent institutions were created, crucial to provide the framework for guiding public and judicial reform, but inadequate human resource management and investment in human capital has seriously constrained administrative and judicial capacity, and thus progress in all sectors. Bulgaria could make the necessary resources available but has not seen the value of making this deployment or indeed of the reform process.

**Conclusion 4: Support to building the management structures for Structural Funds was not enough to alleviate serious institutional weakness.**

The general neglect and lack of investment, particularly in municipalities and other potential local partners, coupled with failure to develop the structures necessary for the management and administration of Structural Funds, has meant that Bulgaria is unprepared to benefit appropriately from the socio-economic opportunities that these Funds offer to Member States.

## **Recommendations**

There are two groups of recommendations; strategic and operational. The strategic recommendations are generally applicable only to future enlargements. The operational recommendations could usefully be taken into account in programming and implementing remaining Phare and Transition Facility assistance in Bulgaria.

## Strategic recommendations

### ***Recommendation 1: Future programming of assistance should be strategy-based.***

Assistance should not be started until the relevant national or sectoral strategy is in place to provide a secure basis of information about needs and capacities to enable the Commission and the national authorities to set the priority, sequence, balance, content and pace of assistance. The only exception should be comprehensive EU assistance to such strategy development and project cycle management throughout the public administration concerned, centrally and regionally.

In planning for assistance, the balance of support to public administrative and judicial capacity and other aspects of the political criteria and to *acquis* chapters, and the balance of support across the *acquis* chapters, should take account of the relative difficulty that recent candidates, including Bulgaria, have found with the issues concerned.

### ***Recommendation 2: The preparation of Multi-annual Indicative Planning Documents for the Instrument for Pre-Accession and of national strategies should take full account of lessons learned from Phare.***

In order to maximise the value-added of Multi-annual Indicative Planning Documents as a needs'-based strategic document, a checklist should be prepared by the Commission Services, and used by those responsible for programming, of the lessons learned from Bulgaria (and other recent candidates). Priority points are the need to assess country resources and capacities and adapt the extent and pace of programming to absorption capacity, and to progress public administrative and judicial capacity reform in step with *acquis* institution building. Candidates should also be assisted to develop their own multi-annual strategies, both for investments and for administrative structures and human and financial resources, and this should be an essential pre-condition before assistance is given to Structural Funds-type operations.

### ***Recommendation 3: Public administration and judicial capacity assistance should be given from the start.***

From the start of pre-accession assistance, and throughout the pre-accession period, a high priority should be afforded to assistance to improve public administrative and judicial capacity, throughout the public administration, centrally and regionally, to avoid the pervasive undermining of the sectoral impact of Phare assistance observed in Bulgaria.

## Operational recommendations

***Recommendation 4: There should be full involvement of stakeholders in an effectively scaled programming process.*** The prospects for successful assistance depend of those responsible feeling a sense of ownership and commitment to the objectives of that assistance. Programming of Phare assistance has been too centrally-driven until recently, resulting in lack of transparency and suspicion of bias. Further efforts should be made to develop an approach to programming which is fully inclusive of all the stakeholders including, where appropriate, those at local level. At the same time, the scale of programming should be realistically matched to administrative capacity properly to prepare and implement assistance, otherwise the shortcomings observed in this evaluation, in terms of lack of programme readiness, overload and operational fatigue, and consequent under-performance, will simply be repeated.

***Recommendation 5: There should be greater investment and stronger commitment to administrative and judicial reform for the remainder of Phare and Transition Facility assistance.***

This evaluation has clearly demonstrated the pervasive and debilitating consequences of weak public administration. If the current overload on the national administration is not to persist for the remainder of the Phare and Transition Facility periods, urgent reconsideration is needed of what can be realistically achieved, and a specific and comprehensive public administrative and judicial capacity strategy and assistance action plan should be prepared by the Commission Services and the Bulgarian national authorities together, taking account of measures already in hand.

***Recommendation 6: Concerted effort needs to be made to address and minimise the recurring delays that occur in the contracting and implementation processes.***

The protracted timescales in the contracting process and other implementation delays have become endemic and, in many cases, have significantly reduced the achievement of objectives, impact and sustainability. Much more effort should be applied to project start-up and pre-contract preparatory activities as well as better management of slack time and stricter enforcement of document processing deadlines to reduce delays and to generate and maintain momentum in implementation. The National Aid Co-ordinator should encourage beneficiaries not to wait for final approval before starting preparation of necessary documents.

***Recommendation 7: More and better training is needed on the subjects associated with effective strategic planning.***

The Commission Services, in agreement with the Bulgarian authorities, should provide resources to develop comprehensive training in strategy development and implementation. For better sustainability of training effort, support should also be offered to develop the market place provision for human resource development training to build competences in key areas like policy analysis, monitoring and evaluation.

***Recommendation 8: Good practice and lessons learned from Phare programming and implementation should be more widely applied.***

The Bulgarian administration should ensure that the project cycle management approach, in particular the needs'-based problem analysis techniques for setting desirable and attainable objectives, is applied rigorously in every ministry to optimise the value added of national and EU resources. The prospects for sustainability should be realistically assessed at design stage and provisions included in assistance to maximise the probability of sustainability.

Much more attention should be paid to setting indicators that relate to achievement of objectives and impact that can be used as management tools. Regular, formal assessment of the extent to which agreed indicators are being achieved should be built into Joint Monitoring and Sectoral Monitoring Sub-Committee procedures.

Similarly, those with responsibilities for programming should ensure that cost-effectiveness indicators are defined before approving investments in infrastructure, and they need to be measured after the assistance is completed and the newly built infrastructure becomes operational. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU or national funds. The 'rate of return' tool should be more widely used and properly assessed before assistance is approved.

***Recommendation 9: Co-ordination between beneficiaries should be further improved; especially between those in the national administration and in the Commission Services responsible for assistance management.***

This co-ordination has a major effect on the functioning of Phare assistance through its various phases. The particular elements that could be considered jointly by the Commission Services and National authorities are a better communications mechanism, including use of an intranet between the various parties, improved networking between the parties (with more emphasis on *ad hoc* meeting and less on formal correspondence) to resolve routine difficulties more quickly and share elements of good practice that can have wider application.

## MAIN REPORT

### 1. INTRODUCTION

#### 1.1. Objectives

1. The purpose of this *ex post* evaluation is to assess the contribution of the 1999-2001 (“earlier period”) Phare national and cross-border co-operation (CBC) programmes to support Bulgaria in meeting the Copenhagen criteria in order to facilitate its accession to the European Union. The evaluation also includes an analysis of post-2001 allocations (“later period”). The evaluation of the Bulgarian national programmes is one of a series of ten similar evaluations in the ten candidate countries (CC). The results of this evaluation will feed into a consolidated *ex post* evaluation of the Phare programme.

#### 1.2. Background and Context

2. The key objectives of the Phare Bulgarian national and CBC programmes during the period under review were to provide assistance in the following areas:

- Support public administration reforms, the judicial system, anti-corruption measures and protection of minorities;
- Support economic reform including financial intermediation,<sup>2</sup> small and medium-sized enterprises (SME), reduction of state aid, and simplification of licensing procedures.
- Enhance the administrative and judicial capacity to implement and enforce legislative measures and assume the obligations of EU membership.
- Improve the strategic planning and effective utilisation of EU funds and prepare for Structural Funds (including implementing the Extended Decentralised Implementation System, EDIS).

3. National and CBC programmes provided about M€ 331 during the evaluation period (1999-2001).<sup>3</sup> Total post-2001 allocations until 2004 amounted to approximately M€ 560.<sup>4</sup> The key sectors of assistance were economic and social cohesion, public administration, including adoption of the *acquis* and justice and home affairs (JHA)/civil society. CBC projects represented 26% of the funding. A summary of the Phare programmes from 1999 to 2004 is set out in Annex 2.

4. Bulgarian national programmes have been subject to regular interim evaluations (IE). A Country Phare Evaluation Review<sup>5</sup> (CPEP) pointed to good progress in the harmonisation of Bulgarian legislation with the *acquis*, although the effective implementation of harmonised legislation appeared to be generally some way off. The CPEP highlighted that institution building projects had limited success due to their lack of relevance to the commitment and absorption capacity of beneficiary institutions and that efficiency, effectiveness and sustainability of Phare assistance were negatively affected by continuing high rates of staff turnover in key Phare implementation structures. Phare interventions were expected to have a positive impact in the long term although it was not possible, when the CPEP was prepared, to

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<sup>2</sup> The collection of savings and the loaning out of the proceeds to others.

<sup>3</sup> See Annex 2 for details. The programmes to be evaluated include the so called *Other Financing Memoranda*, which were implemented by national authorities and subject to previous interim evaluation, but excludes Community and nuclear safety programmes. Bulgaria benefited from Phare-funded *multi-beneficiary programmes*, such as TAIEX and SIGMA, which are also outside the scope of this evaluation.

<sup>4</sup> This figure includes some special allocations, e.g. for the decommissioning of nuclear plants, which are excluded from the scope of this evaluation.

<sup>5</sup> EMS Consortium: CPEP, Bulgaria 18 November 2003.

assess the extent to which the achievement of wider objectives could be attributed to Phare or other factors.

5. The 2005 Comprehensive Monitoring Report (CMR) stated that Bulgaria had reached a considerable degree of alignment with the *acquis* in most areas,<sup>6</sup> but demanded increased efforts in many other areas to complete preparations for accession; such as air and maritime transportation; taxation; labour law, social dialogue, public health, anti-discrimination and social inclusion. The report expressed serious concerns about institutional capacity and the efficiency of public administration in general, and specific areas such as controls in the agriculture sector, including the Paying Agency and the integrated administration control system (IACS), and institutional structures and financial management and control in the area of regional policy. The report demanded urgent action in the justice and home affairs sector, including management of EU external borders, preparation for the application of the Schengen *acquis*, police cooperation and the fight against organised crime and fraud.

6. The 2006 CMR noted further progress towards the preparations for membership, with a high degree of alignment with the *acquis* in most areas. However, the Commission identified areas of continuing concern, where it would initiate appropriate measures to ensure the proper functioning of the EU, unless Bulgaria took immediate corrective action. The areas that require further work include the financial control, the justice system, fight against corruption, police cooperation, the fight against organised crime, money-laundering, IACS, and transmissible spongiform encephalopathy (TSE). The CMR referred to the *acquis*-based safeguard measures laid down in the Accession Treaty that will, if necessary, be maintained after accession. These include:

- A mechanism for cooperation and verification of progress in the areas of judicial reform and the fight against corruption, money-laundering and organised crime, which will be set up by the Commission, after consultation with Member States;
- The necessary legal provisions to ensure the proper management of EU agricultural funds, already adopted by the Commission;
- In the area of food safety, certain animals and animal products may not be exported to the EU from Bulgaria because of the presence of animal diseases;
- In the area of aviation safety, particular measures will be needed for Bulgarian aircraft and carriers.

### 1.3. Evaluation Questions

7. This evaluation focuses mainly on the outputs produced by the national and CBC programmes for Bulgaria. It assesses the impact and sustainability of these outputs. The evaluation also assesses the effectiveness and efficiency of the contribution of the national and CBC programmes towards the actual performance of services in the beneficiary country, taking into account EU standards as benchmarks where relevant.

8. Evaluation questions were established in a Terms of Reference (ToR) for the evaluation, and these were divided into performance evaluation questions, and thematic/cross-cutting questions (see Annex 1). The methodology is also given in the ToR in Annex 1. This evaluation is in-depth, and includes not only a retrospective assessment (the *ex post* evaluation of the 1999 – 2001 programmes) but also interim evaluation of post-2001 allocations.

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<sup>6</sup> European Commission: 2005 Comprehensive Monitoring Report, {COM (2005) 534 final}.

9. Following a sampling approach, a number of example projects were selected by the Steering Group for this evaluation<sup>7</sup> covering the following eight sectors: agriculture, cross border co-operation, economic and social cohesion, energy and transport, environment, internal market, justice and home affairs and social affairs. As the scope of this evaluation was in-depth, the sample of projects included post-2001 allocations. The sampling approach enabled conclusions on impact and sustainability at sectoral level to be based on the most recent experiences of Phare assistance and the current position in the Bulgarian administration. An evaluation plan summary is given in Annex 3 and the reference evaluation indicators are given in Annex 4. Details of the sample projects referred to in the evaluation are set out in Annex 5, including a summary of their operational results.

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<sup>7</sup> The Steering Group consisted of representatives of the Evaluation Unit of DG ELARG, the country team in DG ELARG, Financial Assistance Follow-up unit at DG ELARG, the EC Delegation, and the National Aid Co-ordination Unit.

## 2. PERFORMANCE OF PHARE ASSISTANCE

10. This chapter examines the overall performance of Phare national and cross-border co-operation programmes in the 1999-2001 period, and reviews the continuation of Phare assistance in the post 2001 period. It assesses sectoral performance by reference to the performance evaluation questions set in the ToR (see Annex 1). These require a methodical consideration of needs' assessment and design, inputs, outputs, levels of impact and sustainability.

### 2.1. Limited overall achievement of Phare due to institutional and operational weaknesses

11. Although Phare offered a valuable opportunity to accelerate progress towards accession, this was not fully utilised. Programme relevance and design were stronger in *acquis*-related sectors and much of the assistance was concerned with legal approximation and the creation of new structures. However, the strategic approach was weak on the Bulgarian side. Institutional capacity for problem analysis and objective setting was generally inadequate and there was a shortage of internal resources to develop sectoral plans in many line ministries.

12. Performance varied significantly across different sectors. Overall, too many programmes and projects suffered from weaknesses in design and widespread inefficiencies in implementation which led to delayed impact or loss of funds (particularly in the CBC and transport sectors). Moreover, the systemic lack of institutional capacity was a constraint for all capacity building interventions. Nevertheless, in the internal market, agriculture, public finance - and particularly environment – sectors, Phare effectively supported the creation of technical and procedural systems to apply and enforce the newly transposed EU *acquis*.

13. The stalled reform of the judiciary and public administration undermined both the effective use of Phare assistance in all sectors and the sustainability of the results. There have also been capacity absorption issues with some aspects of the proposed reforms. Some progress was made since 2004, but not dynamic or far reaching enough to compensate for lost time or to close the gap in preparations to be ready to take full advantage of the opportunities of EU membership from the moment of accession.

### 2.2. Insufficient high-level commitment to a strategic approach for Phare assistance

14. This section examines the needs' assessment and design of the Phare programmes in the 1999/2001 and post-2001 reference periods. It focuses on the extent to which the objectives/strategies of the national programmes identified the needs and the involvement of the stakeholders in the design (ownership). The key considerations were the adequacy of underlying strategies (clarity of objectives set and availability of needs' assessment), and the degree of consultation with stakeholders.

15. The sectors supported by Phare fall into two groups, '*acquis* driven' and 'accession driven'. The former have highly specific requirements with a direct link to the closing of the *acquis* chapters. These included agriculture, environment, energy and transport, internal market and economic development/finance. The second group of sectors supported the progress towards accession, that is, *acquis* chapters with less clearly defined requirements, or activities directed to meeting the Copenhagen criteria, including public administration and judicial capacity, the justice and home affairs sector, social affairs and economic and social cohesion (ESC).

16. ***Where sectoral strategies did exist they arrived very late in the pre-accession period*** and did not attract sufficient commitment to offer the context and priorities for programming. The concept of creating long-term overarching ‘strategic’ documents to provide the context for Phare assistance has not yet been fully taken on board in Bulgaria. Strategic documents created internally have had very little, if any, effect on programming over the pre-accession period.

17. Some sectors developed strategies with Phare assistance in the earlier period (e.g. environment, justice and public finance sectors, see Box 1), but there was not enough high-level inter-ministerial commitment behind these strategies to support sound multi-annual programming. In addition, the recurrent restructuring and frequent personnel changes in the Bulgarian public administration made it difficult for strategies to remain relevant for any length of time. Bulgaria, like many of the CCs before it, looked to the *acquis* and other external strategic documents to provide the context and direction for Phare programming.<sup>8</sup>

**Box 1: Sectoral strategies did exist for some sectors**

The *environmental* sector strategy was relevant for the pre-accession years as a guide for meeting *acquis* requirements through the enactment of primary and secondary legislation. However, long-term relevance beyond the provisions of the *acquis* is limited. Although sustainable development is a key issue, it has not been reflected in the direction or design of Phare assistance.

In the *justice* sector, a strategic approach is pushing the reform process. Earlier diagnostic reviews concluded that the sector was unreceptive to modernisation and was corrupt in many areas. A 2000 SIGMA report drew attention to profound weaknesses in the sector. USAID, in partnership with Matra, developed a reform strategy that, together with the preparation of a detailed action plan, provided the direction and pathway for Phare support.

18. ***Highly-specified requirements of the acquis provided a good base for programming.*** The annual programming priorities for Phare in Bulgaria emerged out of a process of negotiation between Commission representatives and from a gap analysis of the findings and recommendations contained in the Commission’s annual report on Bulgaria’s progress towards accession.<sup>9</sup> In the *acquis*-driven sectors, programme design was tied to accession priorities and the overall objectives were usually stated in terms of meeting the objectives of a relevant chapter of the *acquis*. There was a clearer sense of direction and a verifiable endpoint.

19. Much of the assistance in *acquis* driven sectors was concerned with legal approximation and support to the creation of new structures, and for the enforcement of regulatory obligations. For example, the Accession Partnership (AP) priorities for the environment sector are related mainly to legal approximation and to developing the enforcement capacity and the assistance focused on these priorities. Similarly, in the internal market sector, Phare support has been directed towards the stated accession priorities and has focused on institution building and legal approximation.

20. ***It was less clear how to programme support in the accession-driven sectors.*** In the accession-driven sectors, where there should have been complementarity between the Phare priorities and a strategically defined policy framework, based on in-country analysis and prioritisation of identified need, the direction was much less apparent.

21. Programme design in the accession-driven sectors in the earlier period was weakened by a combination of inexperience of the national counterparts and weak political commitment to

<sup>8</sup> Consolidated Summary Report, “*From Pre-Accession to Accession - Interim Evaluation of Phare Support Allocated in 1999-2002 and Implemented until November 2003*”, March 2004.

<sup>9</sup> These reports are often described as the Regular Report.

the reform agenda being offered by Phare for these sectors (see Box 2). The expertise of final beneficiaries in the use of the technical toolkit for studying needs, identifying problems and converting them into coherent sectoral responses was limited. The identification of real need was often vague. The analytical information and the systems to supply the necessary data to support programme design were limited within the state administration. The institutional structures and the expertise to support the development of a policy framework at national and regional levels were limited and the mechanisms to involve municipalities in economic development planning were largely missing.

**Box 2: Weak strategic commitment to CBC**

The Joint Programming Document (JPD) provides the framework for CBC assistance, which should be prepared by the lead ministry in close cooperation and partnership with local actors, for example municipalities and locally based organisations from both sides of the border. However commitment to planning process was limited and there was no real needs' analysis at local level to support the JPD. The proposals submitted by municipalities had little or no foundation in local economic development plans developed on the basis of based proven need. In many cases, interviewees stated that the main actors deciding where Phare CBC investments should be made was the EC headquarters and ECD, rather than the Bulgarian authorities in the border regions.

22. ***In the later period, since 2002, programme design in the accession-driven sectors has begun to improve*** due to the availability of key strategic planning documents like Agenda 2000 for ESC, and the 2002 Roadmap,<sup>10</sup> which contributed to a better focus and understating of horizontal issues like public administration and judicial capacity (PAJC). Two key Bulgarian strategies (Strategy for the Modernisation of the Public Administration and Strategy for Reform of the Bulgarian Judiciary) were approved in 2002. Experience and prior lessons have been more constructively utilised and as the expected deadline for accession approached, there was more investment and attention in these areas of intervention.

23. ***Insufficient involvement of stakeholders in the programming process.*** Programming of Phare assistance has been a centrally-driven process controlled by the National Aid Co-ordinator (NAC) in Bulgaria. Until recently, the process used to select and approve proposals for inclusion in the Phare programme was subject to some criticism both from applicant line ministries and some task managers in the ECD for its lack of transparency and for the exclusion of stakeholders in the decision-making process. After line ministries submitted proposals for inclusion in Phare programmes, final decisions were made internally within the NAC without open participation or consultation with line ministries. The ECD and line ministries were generally unclear about why certain proposals were accepted and others were rejected, which led to a feeling of detachment in many line ministries. Recently the NAC has tried to make the process more open and inclusive, and has begun informing line ministries which projects have been rejected and the reasons for rejection.<sup>11</sup>

24. ***Multi-annual programming provided limited improvement.*** Multi-annual programming (MAP) was introduced in 2004, but it has not been possible to maximise the full potential of this approach because the multi-annual framework has retained a strong reference to the annual programming process, and in many areas there was a lack of adequate strategic documentation (see 21). Every year either a new phase of a project or the continuation of the earlier phase has

<sup>10</sup> Communication from the Commission to the Council and the European Parliament, Roadmaps for Bulgaria and Romania, November 2002.

<sup>11</sup> In its comment on the draft version of this report, the NAC stated that the decision-making/project selection process has always been based on strict and clear rules and criteria reflected in checklists filled in for each project proposal that have been available to all interested parties. All eventual rejections and proposals for changes have been justified and comments have been provided to the beneficiaries that had the option to object them and provide a stronger justification on the respective project proposals.

to be programmed and incorporated into the Financing Memorandum. Opinions about the MAP are mixed. Some consider that while the idea for MAP is good on paper it is difficult to put into practice. Others praised the concept as it helped to reinforce the need to think in terms of a longer term sectoral perspective (the absence of which had been a criticism of annual planning) and place a higher weight on the specific purposes (immediate impact) and broader results (intermediate impact) of assistance rather than just on outputs. The preparation of a multi-annual sectoral fiche was viewed as a useful preparation for the planning for Structural Funds (SF).

### Box 3: Pre-project preparation for Sofia WWTP

Planning and needs' assessment for the Sofia wastewater treatment project was insufficiently thorough or accurate from the outset. The initial concept was proposed by the municipality with an estimated cost of M€ 17. On the advice of DG Environment, a detailed feasibility study was carried out before the project fiche was prepared, which established that a full rehabilitation project would cost M€ 33. However, the FM was signed with a budget of only M€ 23. A tender was launched with a mixture of obligatory and optional components. A contract was signed for M€ 18, covering mainly the obligatory components. As a consequence of inadequate funds, the full rehabilitation work remains incomplete.

25. **Programme planning was often out of date when the proposal was being included in a Phare programme.** For large infrastructure projects in the environmental, transport and CBC sectors, the pre-programming preparation was weak and many of the projects were based on out-of-date proposals supported by over-simple feasibility studies in terms of location, budget and technical relevance. As a consequence the design of projects had to be realigned and amended after the Financing Memoranda (FM) were signed to guarantee sectoral relevance and viability (see for example, Box 3). However, awareness did grow over time and the situation began to improve in the later period.

### 2.3. Pervasive delays in contracting and implementation seriously hampered efficiency

26. In this section, the efficiency with which inputs/activities produced outputs is considered. The criteria used included rates of commitment and disbursement of funds, implementation scheduling, the visible quantification of output, the relative cost effectiveness of programmes, and the choice of implementation method (twinning, technical assistance, or grant schemes).

27. **Project management capacity across Phare administration was weak.** Efficiency relies heavily on the capacity of the implementing bodies and the ECD, and co-ordination between all the actors. Overall project management capacity was generally poor in both the earlier and later periods. This was compounded by resource shortages, for example at the Central Finance and Contracting Unit (CFCU) up to 2004, and scarcity of reliable operating data, which continues up to the present. The result is a predominantly reactive approach to situations, rather than a proactive one that anticipates the actions required for forthcoming interventions. There were major delays and significant time lags between programming and implementation. In most situations, very little was done to prepare for future projects.

### Box 4: Delays in project fiche preparation

Basic changes to a project fiche took up to two months to be approved by the ECD. More substantive changes took much longer (e.g. a change to the project evaluation list for ecotourism to avoid a conflict of interest took 6-9 months). There were no agreed timescales for acceptance that might have improved the efficiency of the approval process. There appeared to be little or no follow-up when a change request was submitted. The approval procedure involved many non-value added steps (that is several iterations or exchanges of documents to resolve issues). Even at this late stage, there is a case for revising co-ordination arrangements to speed up approval processes.

28. Major causes of delays were the lengthy procedures for processing basic modifications to project fiches and the fact that preparation of programming documents only started after signature of the FM (see Box 4). An analysis

of the times to process project fiches in a small sample of projects (see Annex 8) showed delays ranging between 33 days and 154 days. There was also a very rigid adherence to regulations, which is commendable but in many ways this was at the expense of efficiency.

**29. *Late contracting was extensive, and there was no real management of the problem.***

Late contracting was very common, and there is a local view that this was exacerbated by the timing of the signing of the FM. In pre-2004 programmes,<sup>12</sup> the date of signing the FM coincided with the contracting deadline for the previous year when staff resources at the CFCU and in the ECD were stretched to full capacity. The stress of completing one year led to a lull in the subsequent period and momentum did not pick up again until the next contracting deadline approached. The effect of the delays in the completion of the 2004 programming has been to create a significant overlap in the contracting schedule for Phare 2004 and Phare 2005 projects. Serious efforts were made in early 2006 to complete the contracting in an orderly fashion and to avoid the contracting crush as the deadline approached.

30. The “last minute” approach to contracting meant that in most cases implementation periods were reduced (see Box 5),<sup>13</sup> that the process was unnecessarily hurried, and that there was no scope to re-tender, if no suitable application was received, or to re-allocate resources if the costs were lower than originally anticipated. Although all of the central actors share some responsibility for the delays, the under resourcing of the CFCU until recently and the timelines for approval procedures in the ECD were dominant contributing factors. However, no single organisation is managing the timetable leading up to contracting and no single official takes absolute responsibility to ensure that the allocated Phare assistance is disbursed. The lack of supporting information confirms an overall lack of management responsibility for the contracting process.<sup>14</sup>

**Box 5: Delays in the contracting process**

- According to the CFCU the main cause of delays is in the preparation and approval of tender dossiers. Much of the delay is in the time required for ECD approval for this process where in many cases independent experts are hired to review the documentation.
- The CFCU considers that 80% of projects approved by them are ready to go – but then even small, and possibly unnecessary changes required to the project fiche can take considerable length of time.
- Alterations appear at different times. There are cases where as soon as one change is approved the need for another one will emerge;
- Requests for changes can halt the process – work does not continue on the assumption that the change will be approved;
- There is no difference in approach between a change that affects the integrity of the project and superficial changes that are purely about the absolute accuracy of documents. For example, a change of name to an institution (not the change of institution) took one and a half months to achieve.

31. ***The multi-annual approach created additional pressure*** which compounded the already severe contracting inefficiencies. The first phase of the multi-annual programme was mostly delayed, which caused a build up of pressure in the second year to finish Phase 1 but also to move into and to complete Phase 2. For example, in 2004, the adoption of the FM took eight months which meant that all the multi-annual implementation timetables were out of date from the outset. The knock-on effect of this was widespread requests for implementation extensions to complete the first and second phases. These delays affected the 2006 FM and resulted in reconsideration of the viability of the third multi-annual phase.

<sup>12</sup> From Phare 2004 onwards, there were three FMs signed in each year. Early September 2004 (contracting November 2004), the main part in February 2005 and a final component in May 2005.

<sup>13</sup> In one project, the implementation period was reduced to 17 months of which over 50% was allocated to contracting.

<sup>14</sup> Attempts were made during the evaluation to investigate the late contracting process in detail, but this was not possible because the CFCU was unable to provide basic management information about the progress of contracting for the projects included in the evaluation sample.

**32. *Inefficiencies and shortening of implementation time limited effects of Phare support.***

While there have been some notable successes in some areas, inefficiencies and shortening of implementation time have limited the effects of the Phare support. Late contracting and inadequate responses to tenders resulted in loss of funds in some sectors.<sup>15</sup> For many IT projects, late contracting in a rapidly changing environment meant that specifications and requirements became out-dated. Results of capacity building support (particularly staff development and the introduction of new internal procedures) were also reduced by shortened implementation times. Although significant effort and resources were directed towards delivering project outputs, there is a limit to how much new information can be absorbed in a short period of time (see Box 6).

**Box 6. *Limited output in capacity building***

The initial 24 months envisaged for implementation of a technical assistance contract to improve the strategic planning systems (BG 0103.01) was reduced to 18 months due to the delayed tender preparation. This was then further reduced to 16 months as a result of difficulties relating to the management of the member state TA teams. The project was delayed by a lack of capacity in the beneficiary; then the team leader was not approved by the beneficiary, and then the team leader was rejected by the ECD. By the time a new team leader was selected and approved a further six months had lapsed, leaving only 10 months for implementation. The project did deliver a highly efficient team of 24 experts but in the end the achievements fell well short of the expected outcomes.

**33. *Limited absorption capacity was a continuous threat to efficient implementation.***

Most Bulgarian administrations were under-resourced in terms of human resources, equipment, sectoral knowledge and experience, which made it difficult for them to cope with the Phare environment that was generally complex and bound by bureaucratic procedures requiring inputs from many individuals. Staff were overworked with the lengthy contracting processes, and under significant pressure to deliver high-quality outputs. This gave an overall impression of operational fatigue. Although in recent times some steps have been taken to improve the conditions of service for public servants, the effects of these are not yet apparent, and absorption capacity is still an area of concern.

**34. *Practical improvements were made in the Phare management structures from 2002 onwards.***

The transfer of the National Aid Co-ordinator (NAC) to the Management of European Union Funds Directorate (MEUFD) of the Ministry of Finance (MoF) was an important change and it had the desired effect of tightening up and improving the management of Phare. There were improvements in the management of co-financing and more recently the National Fund (NF) has been in a position to front load project start-up if EU funding was late and provide supplementary finance should an unanticipated expenditure or gap in the budget arise during implementation. This has helped to improve the efficiency of implementation in the later years and in some cases has circumvented project fiche amendments. It does however suggest an inadequacy in co-ordination of project and budget planning procedures.

**35. *Increasing programme ownership has improved commitment to Phare.***

The consolidation of monitoring arrangements through Sectoral Monitoring Sub-Committees (SMSCs) and the Joint Monitoring Committee (JMC) was set in place from 2002 onwards. The key effect of this has been that that Phare is no longer thought of in terms of an external donor and the increased ownership of the programmes by the Bulgarian ministries has been an important change. Similarly the introduction in 2004 of monthly monitoring meetings organised by the NAC and the SMSC Secretariats, involving the ECD, implementing bodies,

<sup>15</sup> For example, in the agriculture sector some € 348,000 worth of phytosanitary equipment could not be contracted and one of the supply lots failed, resulting in a loss of resources.

NF and all beneficiaries has been an important factor that has gone some way to improving implementation efficiency and to strengthen co-ordination between the relevant stakeholders. While these changes have provided a much-needed boost to the overall management of Phare activities, the extent of the backlog of development that had accumulated by 2004 has placed a considerable burden on the central co-ordinating institutions.

36. ***Choice of implementation instrument was mostly appropriate, but grant scheme projects have not always followed needs.*** Twinning was generally successfully used in legislation harmonisation and institution building in the public institutions, and TA has tended to be used for interventions requiring specialist input. Between 1998 and 2003 there were 86 separate twinning projects.

37. However, the extent of the use of grant schemes in Bulgaria has been small and they have suffered from many failures leading to unspent funds, and a lack of transparency in the decision making process for the selection of projects (see Box 7). The final decision on projects to be funded was often taken at a political level, notwithstanding the efforts undertaken at the project design stage to prioritise investment projects according to identified needs.

**Box 7: Example of grant scheme project**

A 2002 eco-tourism project in the internal market sector had a grant component. A good aspect of the project was the extent of inter-ministry co-operation on the steering committee where four ministries were represented. On the other hand, the design of the scheme was poor as it emerged that National Parks (an intended beneficiary group) could not participate because they were a part of the beneficiary ministry. In 2004 the project fiche was change to remove the conflict of interest but the change took six months to be ratified. A further problem arose when some of the selected beneficiaries were later declared ineligible when it was discovered that they had no property assets.

38. The management and administration for CBC grant schemes, for example, was controlled from Sofia with little genuine input from the administrations in the border regions. There was little connection between the priorities set out in the Joint Programming Document (JPD) and the projects actually funded, and criteria other than needs were used for project selection, some positive, such as readiness of a project to start and equitable distribution, and some negative, such as vested interests.<sup>16</sup> Lack of involvement of border region institutions has created a negative image and perception of Phare CBC assistance.

39. In the civil society sector there were concerns over the susceptibility of grant schemes to corrupt practices in the award process. There are quite close connections between high-ranking public servants, politicians or the partners of politicians, and the NGO sector. Until relatively recently, the practice of multiple registrations of NGOs by the same person or group of people using the same address has been commonplace. In a recent civil society programme, the EC Delegation took steps to ensure that no multiple applications filtered through the evaluation process. Although this was a time-consuming and human-resource-intensive practice it was a positive step that should go some way to guarantee the integrity of this and, if repeated, the future civil society grant scheme programme.

#### **2.4. Phare institution building for *acquis* sectors constrained by systemic lack of administrative capacity.**

40. This section considers the Phare programme outputs in terms of the improvements in legislative/ administrative structures, systems and resources with specific reference to the ability of the Bulgarian administration to take on the obligations of the *acquis*.

<sup>16</sup> The considerable deficiencies in infrastructure provision in all border regions meant that it was not difficult for project sponsors to make a justification for their own projects.

41. **Phare supported modernisation in some key sectors, but performance was constrained by limited capacity and resistance to change.** There is evidence of the delivery of good outputs from both institution building and investment interventions in some key sectors in the 1999/2001 period. However, despite a substantial number of projects, either directly or indirectly related to the modernisation of public administration, and significant effort from many individuals, the lack of institutional capacity across many of the line ministries combined with widespread resistance to change has meant that the performance of Phare institution building projects did not make as much of a contribution as was originally planned and expected.

42. The key outputs are summarised in Box 8 and more detail of sectoral performance is given in Annexes 5 and 6. In sectors such as agriculture, environment, public finance and JHA, Phare support for the transposition of EU standards into new legislation led to the creation of new institutions, the development of systems and procedures (both manual and electronic) and staff training and investment in equipment (e.g. new information management systems). In other sectors, such as public finance and internal market, existing institutions were modernised. Where this work continued in the post-2001 period, (for example in internal market and justice sectors), the effectiveness of performance improved. Phare support for the creation of new institutions and the harmonisation of others has gone some way to achieve a better allocation of roles and responsibilities across the centralised administrations in Bulgaria.

Box 8 : Examples of Phare outputs	
Sector	Output
<b>New Institutions</b>	
Agriculture	Agriculture Statistic Directorate
Public Finance	Internal Control Directorate Audit of EU Funds Directorate
JHA	National Institute of Justice
<b>Modernised Institutions</b>	
Public Finance	National Customs Agency
Public Finance	Public Internal Financial Control Agency
Internal market	SME promotion agency was reshaped to take account of comments in the Commission Regular Report. Merger of the production and trade functions in the Ministry of Economy Combining foreign trade functions in the Ministries of Economy and Energy.
<b>Investment outputs (equipment and systems)</b>	
Public Finance	New organisational structures in the Ministry of Finance, modernisation of systems, including state budgeting and financial reporting, and economic modelling
Agriculture	Inspection and control areas like TSE control, phytosanitary control, biological testing and the registration of plant protection products.
CBC	Vessel Management Information System project for the Black Sea
Public Administration	Various IT systems for human resource management. Unified software installed on a central server will be accessed for the management of appointments, promotions, etc. and has been tested in nine pilot administrations. A web-based information database for public administration.

43. **Mixed performance of support to internal market, agriculture, and environment sectors.** Phare supported the creation of technical and procedural systems to apply and enforce the newly transposed EU *acquis*. Important restructuring of institutions in the internal market (Ministries of Economy and Energy) was successful both in the earlier and later period, and the agencies showed good cooperation. Following earlier delays, administrative structures in the agriculture sector were strengthened to improve the testing and control of animal and plant diseases. However, further efforts are needed to strengthen veterinary controls and the fisheries inspection and control. In the environment sector, twinning was instrumental in achieving harmonisation of the primary legislation, and a key output from twinning in the earlier period was the first environmental strategy for Bulgaria (2000 – 2006). Twinning in the later period made good progress in delivering the required procedural changes for the implementation and enforcement of the legislation. Further consolidation of this progress depends on the ability of the new structures to retain key staff.

44. ***Phare generally underperformed in the social sector.*** In the earlier period, Phare supported the Ministry of Labour and Social Policy to develop and implement job creation programmes at a time of economic crisis in Bulgaria, when there was virtually no economic activity. Although the job creation programmes initially appeared to deliver results, over time the crude ‘active labour market’ methodology became outdated and no longer appropriate for a pre-accession country with a growing construction economy. However, Phare social sector programmes did not respond to these changes and investment in large low- performing employment and training programmes continued (see Box 9). In the later period, more successful social sector programmes provided physical investment to upgrade the vocational educational facilities across a number of key locations.

45. ***The performance of CBC assistance was weak on a number of levels.*** CBC

infrastructure projects were problematic and were often not adequately prepared to guarantee successful completion and achievement of the immediate objectives. The worst examples were two border crossing points with serious delays due to poor or indifferent performance from the contracting ministry and the contractor,<sup>17</sup> and such weak cooperation between Bulgaria and the Romanian counterpart that the Commission Services suspended transfer of payment of EU funds. Other projects eventually achieved the anticipated result, but much later than originally expected. Although the outputs from the Joint Small Project Fund usually had a positive impact on those individuals who participated, they were generally small-scale one-off interventions with no strong economic development focus.

46. ***Still far to go with restructuring the Bulgarian justice sector.*** Individual Phare capacity building programmes for the JHA *acquis* often successfully delivered their outputs. Twinning was used effectively to develop revised versions of the penal, civil, procedural and administrative codes, all of which were enacted, and the formation of the National Institute of Justice was a positive step. The IT reform process, when fully completed, should result in the modernisation of procedures and practices across all courts in Bulgaria. However, although these specific programme results are important, they did no more than address isolated topics and could not contribute significantly to the quality of justice because of their context was the unreformed governance of the justice sector as a whole. On the other hand, Phare support to the more specific requirement of the Home Affairs *acquis* was generally more effective.

## **2.5. Reasonable immediate impact; intermediate and wider impacts weak in the absence of adequate public administration reform**

47. This section provides an updated view of the progress being made of Phare support in terms of impacts achieved.<sup>18</sup> While some progress has been made in achieving immediate

### **Box 9: Outputs in the social sector**

Phare supported ‘Beautiful Bulgaria’ - a large-scale employment and training project. This temporary employment scheme involved 11 municipalities and over the years created 8,500 jobs (one third for Roma) for renovation of public and private buildings that had historical or cultural value. Some 179 sub-contracts were concluded, 221 sites were refurbished and business start-up training courses were delivered to 526 unemployed persons.

The intermediate impact of Beautiful Bulgaria has not been fully realised, as the project failed to establish a strong link between participation in the project and real employment for most participants. Only 15% of jobs created became permanent, which is significantly lower than similar intermediate labour market projects in other countries - where 50% of project participants would be expected to find permanent work.

Participants obtained a work-based qualification, but there are no statistics or method to determine whether this improved employability brought benefits to individual participants or to the construction market.

<sup>17</sup> Progress was also delayed by floods.

<sup>18</sup> The *results or immediate impacts* are the short-term or initial effects of an intervention at the level of the direct beneficiaries. The *intermediate impacts* are short-to-medium term effects on both direct and indirect beneficiaries and

impact with direct beneficiaries, issues of political commitment of the beneficiaries, absorption capacity, co-financing and retention of key staff have restricted intermediate and wider impacts. Impacts of assistance to *acquis* sectors are rated in Table 1 below. Overall, only the environment sector showed a strong impact from Phare interventions. The Agriculture and Internal Market sectors performed reasonably well, with ESC, Transport and Social Affairs, somewhat weaker, but the level of performance of Phare assistance to CBC and to justice was low.

**Table 1.- Mixed rating of sectors for different categories of impact**

Sector	Immediate	Intermediate	Socio-economic	Overall
Agriculture	average	average	average	average
Cross Border Cooperation	low	low	low/average	low
Economic and Social Cohesion	low/average	low/average	low/average	low/average
Transport	low/average	low/average	low/average	low/average
Environment	average	high	average/high	average/high
Internal Market	average	average	average	average
Justice and Home Affairs	low/average	low	low	low
Social Affairs	low/average	low	low/average	low/average

48. *Some evidence of immediate impact with direct beneficiaries.* Phare assistance has achieved some immediate impact but a lack of implementation capacity means that many achievements fell short of expectations. In the stronger sectors (agriculture, environment and internal market) immediate impacts achieved from specific interventions ranged between good and very good, but at the expense of disproportionate administrative effort and substantial delay. In other sectors, such as the accession driven CBC and the social sectors and also in areas closely related to the political criteria, immediate impact was sometimes weak or missing (for example, there is little impact from the support to create, develop and support a quality development programme for Roma inclusion (see Box 10).

49. In the *acquis* areas, Phare was instrumental in achieving the enactment of primary and secondary legislation and establishing new institutions and operational networks.<sup>19</sup> In the agriculture and environment sectors the commitment for institutional reform and modernisation is growing and earlier Phare programmes have strengthened the legal, organisational and administrative pre-conditions for that process. This is demonstrated by the existence of some new systems, methodologies, and regulations, and the installation of new or upgraded equipment, software applications, statistical collection methods, the development of databases and national and international networking that can be attributed to earlier Phare

**Box 10: Weak impact in the area of minorities**

The central institutional structures to support implementation of Phare assistance to Roma minorities appear to be in decline. The National Council on Ethnic and Demographic Issues (NCEDI) is mandated to co-ordinate government policies, programmes and funds related to ethnic issues, and facilitate the dialogue and interaction between ethnic minorities, government and civil society. After changes in the Government in the summer of 2005, a new Council was not appointed. In November 2005 the Deputy Prime Minister became chairperson of the NCEDI and new members of the NCEDI were appointed on 26 February 2006. However, no meeting of the NCEDI has been held in more than a year. Also, on the basis of an EU recommendation, a Directorate for Ethnic and Demographic Issues was to be established, employing ~ 20 people. Despite a commitment to the establishment of the Directorate, at the cut-off date of this report, no staff had been appointed.

*socio-economic impacts (global impacts)* are the longer-term effects usually expressed in terms of broad socio-economic consequences in the sector, region or country as a whole.

<sup>19</sup> For example, the Agriculture Statistic Directorate, the Public Internal Financial Control Agency and the National Institute of Justice.

interventions.

50. ***Significant results from Phare support to the JHA sector are uncertain in an unreformed context.*** The aim is that, through a combination of different interventions, for example recruitment of and training of new magistrates and the introduction of new systems and procedures, a growing cohort of new recruits with modern views towards corruption and transparency will be absorbed into the system every year and that these growing numbers of enlightened people will accelerate the judicial reform process. While procedural reform will modernise the operational environment, without political commitment behind the reform process it is unlikely, in itself, to change the outmoded behaviour of the current system. There is an additional risk when the instrument of change is newly trained recruits (young people with limited influence) and new systems that they will simply conform to fit into the existing environment rather than struggle to influence and drive forward change.

51. ***Intermediate impact is mainly limited to interventions from the earlier period.*** Intermediate impacts and value added from the Phare interventions in the earlier period are beginning to emerge in some of the *acquis*-related sectors. However, as a consequence of delays and widespread institutional weakness, hardly any intermediate impact has yet emerged from Phare applied in the later period, especially in the accession-related sectors, such as CBC and social affairs.

52. The strongest sector in terms of intermediate impact was environment, built on some good results with twinning. One example is the development of an innovative wetlands project. This is a relatively new concept, combining environmental management and community development, which is being piloted in Bulgaria. If successful, the concept has the potential to be a highly influential development model in the longer term that can be replicated in other countries. Also in the environmental sector, the recommendation and instruction from a twinning partner led Bulgaria to adopt a river basin management approach for four separate river areas in Bulgaria in line with the EU Water Framework Directive. This has proved to be a success and will continue to be an effective management approach for the river system in Bulgaria. The long-term environmental and economic implications stemming from improved river management in Bulgaria have the potential to increase impact significantly.

53. ***In some sectors, Phare assistance has resulted in increased professional contacts and peer networking.*** For example, contact is occurring on a regular basis on money laundering issues, environmental development and on various aspects related to training of the judiciary. In particular, the potential for intermediate impacts is beginning to emerge in the fight against money laundering where Phare support is being given to establishing the Financial Intelligence Agency (on the basis of a national strategy and action plan), and to maintaining up-to-date legislation. However, although the number of reported potential prosecution cases has increased from 300 to 600, no case has yet been processed through the courts, so intermediate impact has yet to materialise. Although the general conditions for intermediate impacts remain generally weak, due to weak enforcement and sanction procedures in the public prosecutor's office, Phare support is targeting the required improvements in co-ordination, feedback and communication mechanisms with the aim of making the system operationally effective. The availability of good practice information from member states, often introduced via TAIEX, has also been a useful 'soft' contribution to intermediate impact.

54. ***Wider impact has been negligible in nearly all sectors.*** With the exception of the environment sector, and some parts of the agriculture and internal market sectors, wider impact was effectively precluded by inadequate progress in public policy formulation resulting from a

lack of commitment to good governance, complacency about corruption and acceptance of a lack of transparency and inclusiveness in all aspects of civil society. Consequently, although there are many committed individuals working to support modernisation and reform, the Bulgarian administration still lacks the necessary critical mass of reformed systems, structures and attitudes to drive the change process forward. Wider impact has been undermined by the constant inflow and outflow of people from public administration with consequential ever-changing policies and plans, which has created an atmosphere where changes in public administration (even positive changes) are seen as only transient. This has a pervasive adverse effect on all sectors. For example, the wider impact in the JHA sector was also undermined by the lack of progress in reform of the judiciary.

55. The potential to achieve wider objectives was also weakened by the delays in implementation. Firstly, the delays in the programming cycle caused a reduction in relevance, and uncertainty in preparatory activities and partnership, in consequence of which commitments were difficult to sustain. Secondly, the delays in contracting and shorter implementation times jeopardised the results and impact of many planned interventions (see para 32).<sup>20</sup>

56. *The next few years should bring an accelerated pace of change.* There are signs that the next few years will bring an accelerated pace of change, as much of the current Phare assistance will move beyond the planning and early implementation stages to absorb and stabilise the results of earlier efforts. However this is also dependent on the public institutions absorbing and acting upon the various Phare interventions that will have an impact on improving the employment conditions for civil servants.

57. *Expected impacts have generally been poorly specified at design stage.* It is evident that the 'logframe' methodology has been largely neglected when the expected impacts of Phare assistance have been described in the course of programme and project design. Impacts, particularly intermediate and wider socio-economic impacts, have mostly been described in very general terms unrelated to what the activities and outputs may reasonably be expected to deliver. Indeed, for some types of assistance including infrastructure, social services, and support to vocational schools, the objectives, even the immediate objectives, were often defined in terms more appropriate to wider socio-economic impact, which impacts can be seen only in the longer term and in consequence of a range of assistance, not just one intervention.

58. *Lack of impact measurement constrains both evaluation and analysis of cost-effectiveness.* No system is currently in place to measure impact. Provision was not made for the external data gathering activities that are essential to supply the information needed to study wider impact. Internal evaluation and data analysis structures are largely missing and where they do exist, they are quantitative in nature measuring for example only the quantity of works, the numbers of training and other deliverables that have been completed.

## **2.6. Pre-conditions for sustainability are generally fragile and insufficiently assured.**

59. This section considers sustainability in terms of the long-term viability of institutional reforms following the withdrawal of Phare support. The preconditions for sustainability include the level of beneficiary commitment, consolidated and stable administrative capacity, timely provision of co-financing, and the integration of the assistance with local strategies.

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<sup>20</sup> The reduction in implementation time was severe in the project sample included in this evaluation.

60. *Prospects for sustainability are moderate in many sectors but risk being undermined by weak administrative capacity.* While Phare has strengthened the legal, organisational and administrative pre-conditions for sustainability in many *acquis*-intensive areas, programmes are too often being implemented in the context of an unreformed public administration and without adequate counterpart capacity.

61. Where the nature of the deliverables was the creation of new or upgraded structures, these organisations are functioning. In the agriculture and environment sectors the commitment to change is good, as represented by the implementation of improved systems, methodologies, and regulations, and the installation of new or upgraded equipment, software applications, statistical collection methods, the development of databases and national and international networking. Institutions newly established with the support of Phare, such as the PIFCA, National Institute of Justice, the Agriculture Statistic Directorate are functioning and will soon be in a position to demonstrate that institutional sustainability has been achieved (see Box 11). The State Budget allocation for 2006 reflects significant national support.<sup>21</sup>

62. *Sustainability is at risk in many cases due to difficulties with retention of staff.* The investment in training and capacity building will only be fully realised and sustained if the civil servants involved remain in their jobs, and if not in their jobs then at least in the sectors for which they were trained. However in Bulgaria the civil service is regarded as a short-term training ground where young graduates spend a few years building up their knowledge and making connections in public service, before moving into the business sector. All ministries are affected by high turnover of staff, and even within the civil service there is poaching of staff by the better-paid ministries from lower paid institutions like the Ministry of Environment. The under resourcing of the Phare related positions as well as the pressurised and rapidly changing working environment is a major contributing factor which drives many, particularly trained and experienced staff, to look for more rewarding and less stressful employment opportunities elsewhere.

63. Although Bulgarian institutions in most sectors will be able to complete the essential tasks related to the obligations of membership, the workload in these areas is high and is constantly increasing. This has a negative impact in that staff have little or no time to participate in discussions in Brussels on formulating EU policy, or to participate in further training or be involved in transfer of knowledge to new potential candidates for EU membership.

**Box 11. Example of mixed sustainability**

Institutional structures for the **environment** sector are stable and the chances for sustainability are good, particularly through the prospects of continued support from the SF. Sustainability was enhanced through good links between early and later programmes. The commitment to sustainability is demonstrated by an expansion of the achievements generated by Phare support, e.g. the shift towards comprehensive sustainable development programmes, the continued modernisation of the working environment through the introduction of new equipment and procedures and the preparation of plans based on methodologies introduced through Phare; for example the river basin management and the wetlands development programmes.

In **social affairs**, UNDP has been the contractor responsible for the management of two Phare SME support projects, Beautiful Bulgaria and the Joint Opportunities for Business Start-ups. Much of what has been achieved has been for the benefit of the UNDP rather than in the Bulgarian authorities. UNDP is preparing an exit strategy following accession. There is a risk that the institutional and operational capacity that UNDP filled will then remain as a gap, and that this will occur when Bulgaria requires the capacity to guarantee implementation of the European Social Fund. The prospects for sustainability should improve when the Ministry of Labour and Social Policy takes the project over in 2006. There continues to be a strong demand for the project (more than four times the maximum available budget).

64. *Recently introduced measures may improve the working environment in the public service.* In the very recent past measures have been adopted by different ministries to increase the salary levels and to enhance the working conditions for public servants. In terms of sustainability this is a very welcome decision, but it will take time to filter down and to have a significant effect on staff turnover. There is still a risk that the effect of the decisions will not be experienced sufficiently soon to guarantee the sustainability of the volumes of staff training that has been applied with Phare assistance. However, the fact that the staff recruitment and retention problem has been acknowledged and that some initial steps to turn the problem around by a number of key ministries is itself a major achievement that can be attributed to the human resource development work carried out in the Phare public administration reform programmes, and should go some way to assure sustainability of know how and to strengthen the capacity of the public institutions.

### 3. THEMATIC/ CROSSCUTTING FINDINGS

65. Having examined overall and sectoral performance of the Phare programme in Chapter 2, this chapter reviews progress made with the support of Phare towards three key thematic areas of the pre-accession strategy:

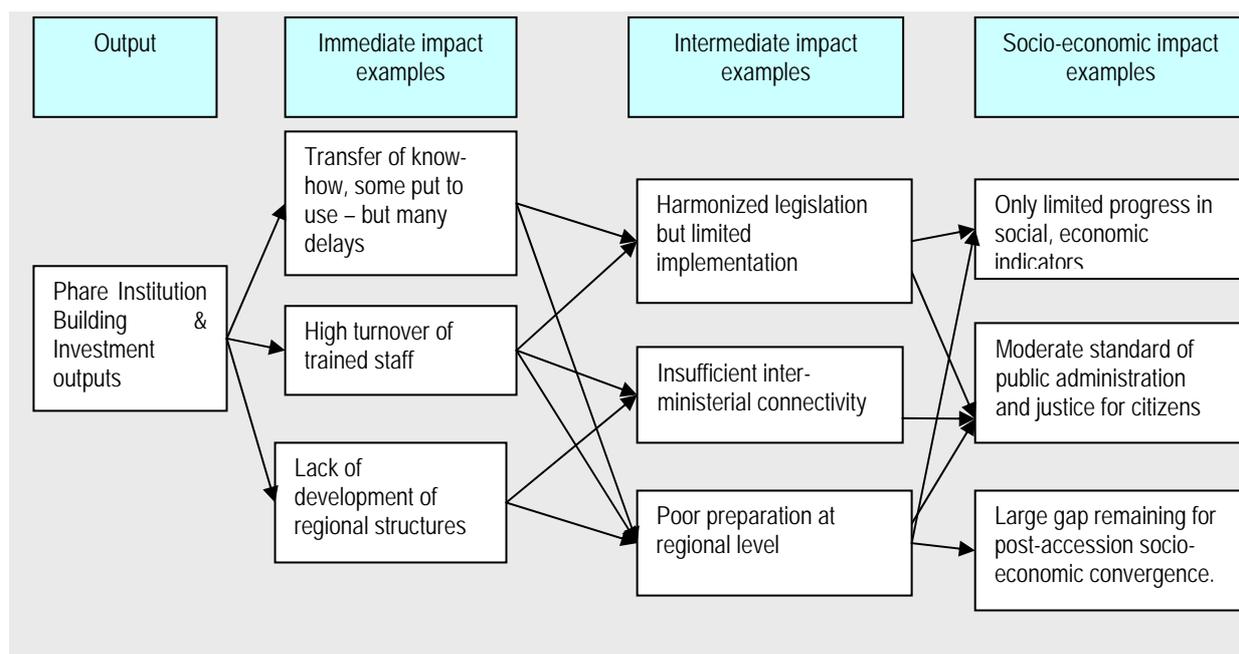
- Phare's factual contribution to Bulgaria's improved performance in the pre-accession process,
- Building public administrative and judicial capacity (PAJC) to apply the *acquis*, and
- Supporting ESC and the preparation for the SF.

#### 3.1. Bulgaria's pre-accession process was heavily dependent on Phare assistance

66. The first thematic crosscutting criterion is to assess whether Phare support in practice addressed the *ex post* needs of the Bulgarian beneficiaries. The evaluation sought to assess whether the original objectives (*ex ante* needs) of the programme were appropriately set. The essence of this evaluation criterion is to consider the extent to which Phare support improved the performance of the Bulgarian beneficiaries.

67. **Capacity to fulfil the obligations of EU membership is present but needs to be further developed.** Not enough was done with Phare in the earlier period to guarantee that the key ministries would be adequately prepared for EU membership. Much of the Phare 1999-2001 assistance was concerned with the important process of preparing the ground in terms of legislation, harmonisation and approximation, creation of new structures and institution building activities. However these efforts have been somewhat constrained by the shortcomings in public administration, such as frequent and political restructuring, poor project management, poor human resource management, frequent personnel changes, and resistance to change. A further key weakness is the virtual absence of administration and implementation structures outside of Sofia. These issues are reflected in the following indicative cause and effect diagram for Bulgaria.

**Figure 1.- Impact cause and effect diagram - Bulgaria**



68. Figure 1 is a basic representation of the influence of key factors on the delivery of impact from Phare interventions. It shows that a combination of institution building and investment outputs should provide a transfer of knowledge, skills and expertise from member states to the candidate countries. By combining this knowledge transfer with the development of new or upgraded structures and more efficient administrative systems (supported by investments in office information and communication technology), an immediate impact should be achieved to transform the operating capabilities of the supported institutions.

69. Figure 1 acknowledges the many positive effects of Phare, including transfer of knowledge and investment to Bulgaria. However, it also indicates where potential impact has not been fully realised for a number of reasons, including the delays in approval and contracting processes and the late commencement of a public administration reform strategy, an unreformed civil service leading to high staff turnover, and a lack of development of regional structures. These issues have restricted the achievement of intermediate impacts in many sectors.

70. For the sectors directly concerned with the closing of *acquis* chapters, the findings in Chapter 2 show that Phare assistance in the earlier period (1999-2001) started to indicate what legislative and administrative structures would be necessary for membership. From an *ex post* perspective, the intermediate impact has not yet been fully achieved in the Bulgarian administration and as a consequence the level of preparedness falls some way short of the planned position at this time. The wider objective of improving the performance of the Bulgarian administration with particular reference to its post membership obligations has not been adequately achieved in terms of administrative substance and institutional relevance.

71. ***Absence of regional or local involvement in Phare implementation is a significant weakness.*** Most of the earlier efforts were concentrated in the central ministries, and very little attention has been given to build institutional or administrative capacity at regional and local levels, although there were a few exceptions, for example in the environmental sector, where concentrated accession-focused training was provided at regional level. The limited use of grant schemes in most sectors has limited the coverage and scope of Phare implementation and has curtailed the involvement and potential growth in capacity of regional administrations, municipalities and civil society organisations.

72. ***External Phare expertise has been a substitute for institutional know how.*** The institutional know-how that was used for the pre-accession institution building process was supplied through Phare, via twinning advisors, consultants and TAIEX. However, because the level of know-how transfer was constrained by institutional instability which is endemic across many public institutions, foreign experts were used intensively to compensate for widespread institutional weakness and to plug the operational and institutional gaps that exist in many of the line ministry structures. This institutional uncertainty has continued in the preparation for Structural Funds (see 83).

73. ***Accelerating the capacity building process depends on a level of institutional strength and stability that is not apparent in Bulgaria.*** There has been an attempt to accelerate the capacity building process in the later period, and to concentrate more effort on building regional and local capacity in advance of accession. However the success of such intense efforts depends heavily on the strength and stability of the institutions involved, and at this time the regional strands of most public institutions are not sufficiently robust or institutionally stable to guarantee long-term sustainability. Therefore Bulgaria faces a significant challenge in advance of accession to turn this situation around by making a serious commitment to ensure

that those who have the relevant know how are given the opportunity and the necessary support to inject speed and enthusiasm into the process of change.

### 3.2. Phare achievements were restrained by underperformance in horizontal PAJC

74. The second thematic/ crosscutting evaluation criterion was the examination of the Phare contribution to the public administrative and judicial capacity (PAJC) of the Bulgarian beneficiary administrations. Horizontal PAJC issues are non-sector specific but are needed to meet the requirements of the first Copenhagen criterion – the ‘Political Criteria’.<sup>22</sup> Experience of such reforms in many countries is that the agenda has a very long time horizon and takes a considerable amount of time in its planning phase, and therefore needs to start very early in the pre-accession period.<sup>23</sup>

75. *Slow progress on horizontal PAJC.* In response to the Roadmap, a public sector reform strategy is in place but the process is patchy and generally fragmented. Although Phare made a substantial contribution to initiate progress in important areas like civil service reform, improvements in strategic planning, anti-corruption strategy and strengthening human resource capacity, the Bulgarian administration does not have sufficient robustness to capitalise fully on the outputs from these interventions. The same factors that impair sustainability of Phare assistance have constrained the contribution that has been made to building PAJC in Bulgaria. Progress in public administration priorities, such as decentralisation, public policy reform and strategic planning, has not reached the stage of wide-scale implementation and there is limited commitment behind the process. The lack of progress on remuneration reform for public servants was a contributing factor that slowed down other related civil service reform initiatives.

76. *Public administration reform started too late.* An important intermediate impact of Phare interventions was the introduction of drivers of change and modernisation based on good practice in EU-15 member states. In the case of Bulgaria, this effort was applied against a background of a public administration and judicial structure that were not geared for change. From these interventions, a number of positive signs have emerged in certain ministries. However, in the critical area of public administration reform, the key civil service reforms were launched too late to underpin the modernisation efforts of sectoral Phare interventions. Only in 2003, did the Government approve an action plan for the implementation of a revised ‘*Strategy for Modernisation of the Public Administration – from Accession to Integration*’, and adopt amendments in the Civil Service Law that made recruitment of civil servants through competition mandatory and strengthened the merit principle in recruitment and performance. The Code of Conduct of State Administration Officials was adopted only in 2004. Legislative amendments in the area of mobility and pension schemes, career development and structural organization of the administration are only now awaiting approval by the National Assembly.

77. *Inadequate support for the development of managerial skills.* There has been little Phare support relevant to the development of senior civil servants’ managerial skills.

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<sup>22</sup> As emphasised in the 2000 Phare Review communication, these would involve general public administration reforms including civil service reforms, inter-ministerial coordination and anti-corruption programmes. The requirements of strengthening and reforming the administrative and judicial capacities were stressed in the Madrid, Luxembourg, Feira and Gothenburg Councils.

<sup>23</sup> It is also the case that the Commission had not formulated a specific strategy for public administrative reform and judicial capacity building overall. The Accession Partnerships (AP) and the National Programmes for the Adoption of the *Acquis* (NPAA), whilst noting the need for upgrading public administrations in general terms, focused on the requirements of the *acquis*, and the 2002 Action Plans for Administrative and Judicial Capacity, while listing outstanding horizontal PAJC components, did not sequence, prioritise or correlate common components of them.

However, some efforts are being made in Phare 2004 to strengthen the capacity of the Institute of Public Administration and European Integration (IPAIE) to provide a management development programme aimed at senior civil servants, but the scheduling of this project means that implementation will only take place in 2006 and 2007. Such a management development programme was needed much earlier in the accession preparation programme.

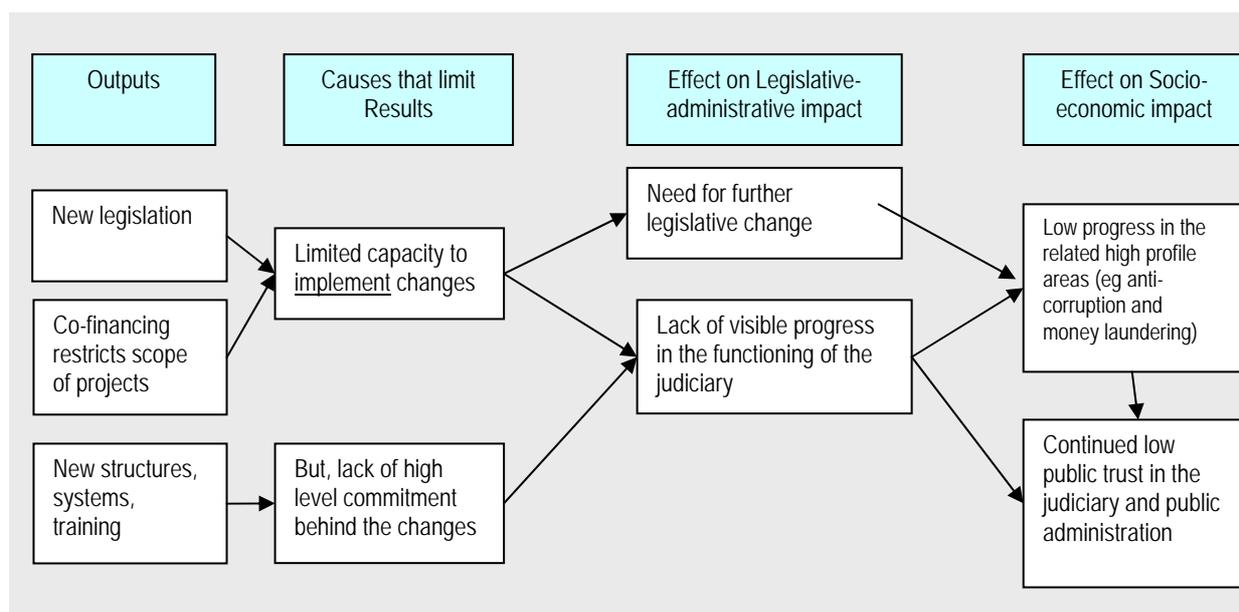
78. ***Horizontal adverse effects of the slow performance in public administration reform are pervasive across all sectors.*** Phare assistance in certain sectors has provided intense levels of training and know-how transfer has been significant,<sup>24</sup> but the effects of this are not sufficiently widespread to observe on the administration as a whole. Training is an ongoing process in the public service of Bulgaria and there are a number of institutions responsible for the provision of professional and new entrant training for public servants. For example there is a Public Finance School that is an internal and permanent feature of the Ministry of Finance; the IPAIE, a state institute responsible for training for new entrant public servants and for servants that are appointed at managerial position for a first time; and the National Institute of Justice responsible for recruitment and training of magistrates. Therefore the institutional framework structure is partly in place to underpin and deliver the necessary capacity building interventions, but progress has been slow and commitment is weak, which has led to an approach that is fragmented and without clear direction.

79. The following impact cause and effect diagram (Figure 2) illustrates how the limited scale of intermediate and wider impacts in a key sector – justice – is a factor in the failure to stimulate change and to counteract the weakness in judicial capacity in Bulgaria. The figure acknowledges the effort that has been applied to achieve impact in the sector, as reflected by outputs and immediate impact that were discussed in Chapter 2. However the changes that have been realised were restricted to a small part of the sector and are not sufficiently visible to alter the external perception of the sector. Figure 2 illustrates how the overall lack of judicial capacity, in this case in terms of the efficiency of the court system, to apply and visibly enforce new areas of legislation that symbolise change and modern EU values such as money laundering or the fight against corruption further compound the lack of public confidence in the judiciary.

80. Figure 2 highlights the negative effects that a combination of a lack of support from senior officials and a lack of implementation capacity can have in terms of low public confidence. In the case of anti-corruption strategy, there are many worthwhile initiatives to change the behaviour and tolerance of corruption in society, especially through education programmes that target young people. This important work is put at risk if the judicial system is unable to carry through a successful enforcement of the strategy.

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<sup>24</sup> For example in the environmental sector the twinning interventions have been at the core of delivering training and working in partnership with their Bulgarian counterparts to ensure they have the knowledge, understanding and vision of what will be required.

**Figure 2.- Impact cause and effect diagram – modernisation of the justice sector**

81. ***Experience of the new member states has shown that many more well-trained and well-qualified staff will be required for SF.*** Possibly as much as ten times more staff may be required, but at this time this knowledge does not seem to be motivating the action that needs to be taken (see 87). Phare support to the PAJC is continuing through the 2004-06 multi-annual programmes and an Operational Programme “Administrative Capacity” will be prepared to continue this work after accession. However until human resource management is recognised as an essential tool in the management of the public service, progress is likely to be limited. It is the significant number of skilled, well-qualified, hard-working individuals with modern attitudes that are currently working in the public sector who are the key to change and the instrument that can guarantee improvement and significant growth in administrative capacity.

82. ***Commitment to public administration reform in Bulgaria is growing but it still lacks commitment or visibility.*** The lack of progress in civil service reform (including remuneration reform) has attracted some attention in fairly recent times. A Council of Ministers report in 2005 criticised the lack of investment in human capital in the Bulgarian administration and a survey by the Ministry of Interior regarding internal corruption identified low rates of pay as one of the six factors behind corruption. The message about the need and value of investing in the human capital seems to be gathering some strength and is beginning to be acknowledged as important by certain key institutions. The fact that human resource management is higher on the agenda is a positive change and an indication that some serious effort may be applied to resolve what is an unacceptable and undermining situation for a new Member State.

### **3.3. National preparations for Structural Funds came too late and with little enthusiasm for achievement**

83. The third thematic/crosscutting criterion addresses the extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of Structural Funds. Previous evaluation and assessment reports have noted that further efforts were required to make the structures at central, regional and local level fully functional and that Bulgaria needed to focus on administrative capacity and preparing the whole system from the managing authorities and intermediary bodies through to the final beneficiaries for efficient management of the

Structural Funds. In the early period, a single SMSC for ESC was not in place, and ESC interventions were monitored under other sectors, like social affairs.

84. ***Structural Fund preparation in Bulgaria was insufficient for accession in 2007.*** There are some examples of positive and immediate impacts from Phare support in this area, but the effect is not sufficiently far reaching or decentralised to have made adequate provision for the absorption of Structural Funds. Recent effort suggests some acceleration of the process, but this may be too little, and too late to ensure a rapid uptake of Structural Funds in 2007.

85. A lack of institutional stability in the ESC sector has hindered the preparation process, and at the time of the evaluation field work there was uncertainty about what the MA and IB structures would look like. For example, in the environment sector, The Ministry for the Environment and Water (MoEW) has been proposed as the MA, but has not been adequately trained or prepared for this role. At regional level, six regional directorates that are expected to act as Intermediary Bodies (IBs) have not been involved in SF preparatory activities.<sup>25</sup> A tender dossier was prepared in April 2006, to provide training to the six proposed IBs, but this has come very late in the preparatory process. Furthermore the MoEW and regional directorates are under pressure to meet the *acquis* requirements and do not have sufficient resources to participate and absorb an SF training programme. There is a growing risk that because of the ongoing institutional uncertainties that expertise could be lost and the prospects of developing and maintaining a body of experience will diminish.

86. ***Effort has been concentrated on the MAs, and IBs will be ill-prepared for SF implementation.*** Knowledge transfer and training activities have been heavily concentrated in the institutions that will be the MAs for SF, but the same effort has not been applied to the institutions that will become IBs. The decision about the MAs was made reasonably early as it tends to be clearer which ministries should become the MAs, but there has been uncertainty about which institution would become IBs. As a consequence there has not been the same opportunity to involve the organisations in preparatory training. The functions will be new to many of the organisations selected to be IBs, and given that they are complex and administratively demanding, they will place considerable pressure on untrained and under-prepared institutions. Furthermore the institutional capacity to fulfil the role of both MA and IB tends to require a significant increase in well-trained experienced individuals. At this time there is fairly widespread awareness about the growing demand for good staff, but this knowledge has not yet been transferred into actions.

87. Since 2004, the Ministry of Labour and Social Policy (MLSP) became the implementing agency (IA) for the Phare labour market initiatives project, which in many ways is a pre-cursor to ESF. The time operating as the IA for these programmes should have provided valuable experience to the potential IB for the HRD Operational Programme (OP), but in Bulgaria this learning opportunity has not been fully realised as the Ministry will become the MA for the HRD OP and much of the administrative responsibilities for implementation, the areas where the Ministry has gained most knowledge through the management and implementation of Phare, will be transferred to the IBs – the Ministry of Education and other institutions.<sup>26</sup>

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<sup>25</sup> The regional institutions were involved in training, but this was not concentrated towards the administration of SF.

<sup>26</sup> In its comments on the draft of this report, the NAC stated that IBs involved in the implementation of OP “Human Resources Development” are second level spending units under MLSP which should assist know-how transfer, and that the Ministry of Education has long experience with joint management of grant schemes together with the MLSP.

88. ***Regional structures are very much underdeveloped.*** The regional structures to support economic development on a geographic context are generally very weak in Bulgaria. There is no commitment to regionalisation at political level and no strong institutional structures to support decentralised activities. Moreover the structures that will be needed to support the absorption of SF are very much underdeveloped and fragile in the sectors where they have been established. The Ministry of Regional Development and Public Works acknowledge that the biggest risk for Bulgaria on accession is the lack of capacity at regional and municipality level. There was a Special Preparatory Programme in 2001 to invest in training activities to build institutional and human capital at a regional level. The programme made a start, but the process of development was not continued and there was a pause for the reorganisation that took place in 2002. Interventions to build the capacity at regional level did not really get started again until 2005. There is now, albeit very late, ongoing Phare support to train municipalities in the planning and design concepts that underpin SF interventions.

89. ***Insufficient attention has been given to build capacity of municipalities and other likely SF partners.*** There has been a neglect of investment in municipalities or other potential future partners to prepare them to benefit from the socio-economic opportunities that are offered by the SF. Experts from the MoF have organised workshops around Bulgaria to outline the arrangements for what should happen after accession. The aim of the workshops is to inform municipalities of what is expected from them. There is also a public awareness campaign. Consideration is also being given to using TAIEX support later in 2006 to extend this work to areas not covered by the Phare projects. This however is very much an information dissemination process and is not a substitute for the extensive capacity building or learning-by-doing activities that should have taken place.

90. Even Phare cross border programmes have fallen short of what could have been achieved if more attention had been given to promote genuine border region involvement. For Bulgaria and for Phare this is very much an opportunity lost as it takes significant time and effort to germinate and grow local participation. It is however a situation that will have to be rectified and that will require significant attention and investment of SF.

91. A key decision has been made that the national budget will ensure the co-financing of projects at municipality level, which will encourage municipal participation for the first three years. However, this will not compensate for the lack of operational capacity and prior experience of preparing and implementing EU projects.

92. ***Limited use of grant schemes has constrained SF preparation in some areas.*** There has been little or no investment to strengthen the capacity of municipalities and other potential future partners to prepare them to benefit from the socio-economic opportunities that are offered by the Structural Funds. The first Phare supported grant schemes in this area were implemented in 2003/04 with disappointing results (see 36). A key decision has been made that for the first three years the national budget will ensure the co-financing of projects at municipality level.

93. ***Phare 2005 is providing much needed support to accelerate the preparation for accession.*** The NAC is performing a special co-ordinating role for all projects associated with the preparations for SF. Phare 2005 is supporting the preparation of the Sectoral Operating Programmes for the main areas, although some of these efforts were blocked by the MoF. There is widespread use of TA and twinning to support the co-ordinating MAs for SF and so far the NDP has been prepared with the support of TA. Many of the SF preparation projects involve training projects to support the preparation of staff to assume roles in MAs and

implementing bodies. As these projects are due to finish in June 2006, there is a concern that there will not be adequate support in the second half of 2006 and that the emerging gap in know how and support will place insurmountable pressure on the fragile institutional structures that have been created for SF.

94. Support is also coming from non-Phare sources. ISPA is supporting the development of a pipeline of projects for the transport and environment sector. Support is also obtained from other external donors. The drafting of the administrative capacity SOP was achieved with multi-lateral donor support. Matra funds are supporting a project for the development of performance indicators for the SOPs. CBC should be a precursor to INTERREG but there could be serious absorption capacity issues as there has been no real participation of the border regions in the policy and planning for CBC and the institutional structures and operational capacity in the border regions are very much underdeveloped.

95. There is good support for the development of the information systems for monitoring the SF. Twinning support, with a budget of approximately M€ 2, for the development of the Unified Information System is at inception stage. This system will cover the central co-ordinating unit and six of the seven SOPs.

96. ***SF preparatory programme was not as intensive in Bulgaria as some other accession countries.*** The SF preparatory process in Bulgaria has not been as intensive as in some of the earlier wave of candidate countries. This could simply be because there were fewer SF preparatory projects included in the FMs or because the effort was still being directed towards the *acquis* requirements and the emphasis had not shifted towards SF preparation activities. Whatever the reason a contributing factor was and continues to be the lack of institutional capacity, to absorb and implement the volume and complexity of interventions that are required to create an EU-ready environment.

## 4. CONCLUSIONS AND LESSONS LEARNED

97. This chapter sets out the conclusions on strategy and performance of Phare support in Bulgaria. It is crucial that lessons are fully learned about the strengths and weaknesses of the how Phare support for Bulgaria was programmed and realised in order to optimise the approach to future pre-accession support. As a way forward, this evaluation recommends four sets of actions and provides lessons learned from the Bulgarian example.

### 4.1. Conclusions

98. The conclusions cover overall Phare performance in Bulgaria, and three key issues:

- Whether Phare support in practice addressed the *ex post* needs of Bulgarian beneficiaries;
- Building public administrative and judicial capacity to apply the *acquis*;
- Supporting economic and social cohesion including preparation for Structural Funds.

#### **Conclusion 1: Institutional and operational weaknesses constrained overall achievements.**

99. Phare programme design had clear and direct links to the closing of *acquis* chapters and to building capacity to take on the obligations and opportunities of EU membership. An appropriate mix of Phare instruments was used. For the earlier period under consideration, much of the effort was concerned with legal approximation and the creation of new structures. Substantial progress had been made by 2004, and outputs delivered by Phare achieved reasonable immediate impact especially in the technical *acquis*-driven sectors.

100. However, the overall performance was limited and fell short of expectations. There are many factors that have limited the performance of Phare in Bulgaria, including a non-existent or weak strategic approach, especially in the non-*acquis* areas; serious operational inefficiency in all sectors, and most importantly, inadequate political commitment and management capability to pursue a modernising agenda. Some progress has been made since 2004, but it is not dynamic or widespread enough to compensate for the time lost or to complete preparations to be ready to take full advantage of the opportunities of EU membership from the date of accession.

#### **Conclusion 2: More assistance should have been given, earlier, to embedding a strategic approach to national and sectoral policy making.**

101. Phare has been partly effective in the creation or modernisation of *acquis*-related structures and procedures in Bulgaria, and has started the process of staff training and the provision of equipment and other capital items. One of the factors for success was that the objective of assistance was clear, largely defined by the *acquis*, and widely accepted as necessary. There was a rapid transposition of the *acquis* into legislation, reflected by the closing of *acquis* chapters. There has, however, been limited achievement of the intermediate and wider impact that would have been expected from implementation of the *acquis*, which has reduced Phare's overall performance.

102. The concept of a strategic planning and pathway for change has been introduced too late and generally the concept is too embryonic to have had a significant impact in the period under review. Inevitably this lack of strategy has been most disadvantageous for issues arising under the political criteria, such as PAJC and where there is neither *acquis* nor a standard template to build on, and those issues where the *acquis* absolutely requires, but does not define, a national

strategic framework covering the areas of responsibility of a number of ministries, such as ESC.

103. There is also a risk that the level of know-how transfer has been constrained by the institutional instability that is endemic across many of the public institutions. In many ways, foreign experts have been used intensively to compensate for institutional weaknesses that exist in many of the line ministries. The institutional know-how that has been used for the pre-accession institution building process has been supplied through Phare, via twinning advisors, consultants on technical assistance projects and also TAIEX interventions.

**Conclusion 3: Phare support was crucial to initiate reforms to public administration and the judiciary but only limited progress was made.**

104. Phare support has been a crucial factor to kick-start the process of public service reform. Although some progress has been made in a number of key sectors and in some key institutions, the breadth and depth of change was not sufficient to be felt across the public sector. There is no visible high-level commitment to the reform process. As a consequence what has been achieved has been a slow intermittent process of change.

105. A number of permanent institutions have been created which are crucial for providing the framework to guide and support widespread public and judicial reform. On the other hand, inadequate human resource management and investment in human capital has seriously constrained PAJC in Bulgaria, and thus progress in all sectors.

106. Bulgaria could have the necessary resources available but has not seen the value of making this deployment or indeed of the reform process. Each ministry has many skilled, well-qualified, hard working individuals with modern attitudes who are the key to change and who constitute a potential instrument that could guarantee improvement and significant growth in administrative capacity in Bulgaria. There is still a need, however, for those skills and attitudes to be more pervasively deployed across the public administration as a whole. There is also a need for a change in perception of the value of the work of civil servants and greater recognition and remuneration for skilled and motivated public servants. This requires that the civil service reforms that are already in progress should be carried through to completion to provide a platform for further development.

**Conclusion 4: The Phare contribution to building the management structures for Structural Funds was not be enough to alleviate serious institutional weakness**

107. Inadequate investment in building the structures necessary for the management and administration of SF, particularly at regional and local level, has created a serious weakness in the institutional framework for SF. A serious risk for Bulgaria in terms of absorption of SF is the lack of capacity at regional and municipality level. The general neglect and lack of investment in municipalities or other potential future partners has meant they are unprepared to benefit from the socio-economic opportunities that are offered by the Structural Funds.

## **4.2. Lessons Learned**

108. This report has demonstrated areas where the lessons to be learned from the experience of Bulgaria so far have been taken on board by the Commission Services and the national authorities. However, many of these lessons, which are set out below, need to be taken into account at the start of, or much earlier in, any pre-accession period. They are therefore

principally of relevance to future enlargements and they are of two kinds, strategic and operational. Some of the lessons learned included here are also common to Romania.

## **Strategic Lessons**

### ***Lesson 1: Adopt a strategic approach for non-acquis specific interventions.***

109. In the technical *acquis*-driven sectors, the achievement of intermediate impact is assisted by the availability of a specific objectives and gap assessments. For sectors that are accession rather than *acquis*-driven and for horizontal Phare interventions, the degree to which these are driven by strategic objectives is less apparent and accordingly, there is less support for the identification and achievement of intermediate impact in these sectors. Coordinated sector strategies are needed. The skills and expertise for the pre-planning work (including needs' analysis, problem analysis and objective setting) need to be provided on a sufficient scale for the planning methodologies to gain acceptance. There is also a need to target senior officials (political and administrative) from an earlier stage.

### ***Lesson 2: Give more support to horizontal PAJC including coordination arrangements.***

110. The time needed to prepare for accession, particularly in the more difficult technical areas (agriculture) and in horizontal areas (PAJC, ESC) was seriously underestimated, resulting in the likelihood (as was the case for the 1 May 2004 candidates) that preparations for membership will not be complete and leading to the need for a Transition Facility. The availability of the Administrative Capacity Operational Programme under the Structure Funds is a further indication of the large amount of work that remains in the horizontal areas. Everything possible should be done to avoid such a situation recurring in future enlargements. This requires accurate needs' and capacity assessment before assistance starts; a realistic rate of deployment of assistance and funding in relation to the growth in national capacities and resources, and an adequate time for testing systems before accession (e.g. paying agencies, Integrated Administrative and Control System for the Common Agriculture Policy, and ESC bodies).

111. In future, EU support to candidates should do far more to help them to appreciate the nature, scale and financial and human resource implications of operating PAJC reforms to the standard needed to meet the Copenhagen political criteria and underpin satisfactory operation of the *acquis*. Such support should include assistance with high-level networking and peer support for a benchmarking approach to the improvement in national PAJC.

112. Candidates should be encouraged and assisted to establish adequate machinery of government to ensure that the cooperation and collaboration which EU policies require between ministries and agencies for policy development and implementation can be fostered.

## **Operational lessons.**

### ***Lesson 3: Invest in staff resources for those involved in the programming and implementation of projects and in the central actors involved, plan the investment to avoid any weak links, and improve co-ordination to enhance the performance of pre-accession assistance.***

113. Many of the causes of poor performance in the programming and implementation of Phare assistance can be traced back to two areas of weakness: staff allocation in the

Programme Implementation Units (PIUs) and poor co-ordination between the final beneficiaries and the central actors (NAC, IA, ECD). In setting up the central management and co-ordinating structures it should be kept in mind that the system will only be as strong as its weakest link. For example, the positive changes in 2002 with the repositioning of NAC were counterbalanced by an inability to deal with the resourcing issues at the CFCU. Accordingly, it is essential that all the actors are sufficiently resourced and trained for the roles they are expected to play. This did not happen in Bulgaria and is a contributing factor to the current situation.

114. Similarly, good staff continuity in the PIUs and a reduction in the level of responsibility placed in the hands of a small number of staff would strengthen the overall performance. The training of PIU staff in the rules and regulations of pre-accession assistance (including project cycle management (PCM) techniques) should be allocated to a central national actor (possibly the NAC). Training should be provided to the more senior managers who oversee the work of PIU staff. As PIUs can often work in isolation from their peers in other sectors, some investment in networking of PIUs and in improving co-ordination and communication with the NAC and IAs would be worthwhile.

***Lesson 4: Phare programming would benefit from stronger quality control and a greater degree of flexibility.***

115. Multi-annual programming is highly desirable, but the current arrangements maintain the annual approval cycle. Some of the problems with contracting and implementation delays could have been minimised if it had been possible to have a greater degree of overlapping between project phases. The counter argument was that the time spent on draft documents, like tender specifications, might be wasted if programming proposals were significantly altered during the proposal stage. A key principle of quality management is preparing documents right the first time. The embedding of internal quality control to achieve this usually requires early interaction between the co-ordinating actors and PIUs and a greater degree of collaboration in the preparation of the documents. There is scope for improving the quality control processes in the Phare management cycle.

116. The management systems should also be sufficiently flexible to react appropriately to significant reassessments of priority arising from major progress reviews like the 2002 Roadmap, the 2003 revision of the AP, and Sigma reviews. It would have been useful if there was a more direct use of the Roadmap and AP for the reshaping of programme objectives and for progress monitoring purposes.

117. The annual funding mechanism acted as a driver to keep the system moving, even where management problems were accumulating. This poses a risk to the value for money derived from the continued spending of allocations when the management problems are not being properly addressed. It would be helpful, and in the best interests of the beneficiaries, if there was a funding pause for reflection when problems become apparent.

***Lesson 5: Sectoral monitoring systems should be closely aligned to strategies.***

118. Weaknesses in the functioning of the monitoring system contributed to the problems experienced in Bulgaria. The local definition of sectors was not well aligned to the Commission perspective and this may have contributed to the limited progress in ESC. Some sectors, like internal market, were widely defined which diluted the strategic focus within the

sector. A greater alignment, perhaps through a larger number of more discretely defined sectors might allow more effectively management.

***Lesson 6: Pay more attention to impact indicators of achievement.***

119. Indicators of achievement, where they exist, have not been used at all adequately in the management of interventions. For example, better use of cost-effectiveness indicators could be made in investment assistance if they were defined before approving infrastructure assistance, and were monitored after the completion. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU and Bulgarian funds.

120. In many interventions, particularly those with a long time horizon for achievement of impact, the activities stopped short at installation of the new systems or arrangements. There would be a better chance for impact if assistance was programmed to include some assessment of the quality of implementation.

121. In some cases, although good indicators were identified, the systems to provide the data to measure the indicator (e.g. conducting a survey) were not provided for. In the validation of programming documentation, particular attention should be paid to the availability of sources of information to calculate the identified indicators.

**4.3. Recommendations**

122. There are two groups of recommendations; strategic and operational. There are four strategic recommendations and one operational recommendation that are the same for Bulgaria and Romania and are based on a number of common problems which emerged separately during the *ex post* evaluation process. The strategic recommendations are generally applicable only to future enlargements. The second group are operational recommendations that could usefully be taken into account in programming and implementing remaining Phare and Transition Facility assistance in Bulgaria.

**Strategic recommendations**

***Recommendation 1: Future programming of assistance should be strategy-based.***

123. Assistance should not be started until the relevant national strategy (sectoral or PAJC) is in place to provide a secure basis of information about national needs and capacities to enable the Commission and the national authorities to set the priority, sequence, balance, content and pace of assistance. The only exception should be comprehensive EU assistance to such strategy development and project cycle management throughout the public administration concerned, centrally and regionally.

124. In planning for assistance, the balance of support to PAJC and other aspects of the political criteria and to *acquis* chapters, and the balance of support across the *acquis* chapters, should take account of the relative difficulty that recent candidates, including Bulgaria, have found with the issues concerned.

***Recommendation 2: The preparation of Multi-annual Indicative Planning Documents for the Instrument for Pre-Accession and of national strategies should take full account for Lessons Learned from Phare experiences.***

125. In order to maximise the value added of MIPD as a needs' based strategic document, a checklist should be prepared by the Commission Services, and used by those responsible for programming, of the lessons learned from Bulgaria (and other recent candidates). Priority points are: the need to assess country resources and capacities and adapt the extent and pace of programming to absorption capacity, and to progress public administrative and judicial capacity reform in step with acquis institution building. Candidates should also be assisted to develop their own multi-annual strategies, both for investments and for administrative structures and human and financial resources, and this should be an essential pre-condition before assistance is given to Structural Funds-type operations.

***Recommendation 3: PAJC assistance should be given from the start.***

126. From the start of pre-accession assistance, and throughout the pre-accession period, a high priority should be afforded to assistance to improve public administrative and judicial capacity, throughout the public administration concerned, centrally and regionally to avoid the pervasive undermining of the sectoral impact of Phare assistance observed in Bulgaria.

### **Operational recommendations**

***Recommendation 4: There should be full involvement of stakeholders in an effectively scaled programming process.***

127. The prospects for successful assistance depend of those responsible feeling a sense of ownership and commitment to the objectives of that assistance. Programming of Phare assistance has been too centrally-driven until recently, resulting in lack of transparency and suspicions of bias. Further efforts should be made to develop an approach to programming which is fully inclusive of all the stakeholders including, where appropriate, those at local level. At the same time, the scale of programming should be realistically matched to administrative capacity properly to prepare and implement assistance, otherwise the shortcomings observed in this evaluation, in terms of lack of programme readiness, overload and operational fatigue, and consequent under-performance, will simply be repeated.

***Recommendation 5: There should be greater investment and stronger commitment to administrative and judicial reform for the remainder of Phare and Transition Facility assistance.***

128. This evaluation has clearly demonstrated the pervasive and debilitating consequences of weak public administration. Therefore action needs to be taken to avoid a continuation of the current overload of responsibilities that has been placed on many of the staff working in the national administration for the remainder of Phare and the Transition Facility period. Urgent attention is needed to determine what can be done to resolve the current backlog and pressurised environment that has built up in the public administration. A specific and comprehensive public administrative and judicial capacity strategy and assistance action plan should be prepared by the Commission Services and the Bulgarian national authorities together, taking account of measures already in hand.

***Recommendation 6: Concerted effort needs to be made to address and minimise the recurring delays that occur in the contracting and implementation processes.***

129. The protracted timescales in the contracting process and other implementation delays have become endemic and, in many cases, they have significantly reduced the achievement of objectives, impact and sustainability. Therefore strong commitment and effort should be applied by the Commission Services and National authorities, to secure better understanding of the critical path of the contracting and implementing periods. Much more effort should be applied to project start-up and pre-contract preparatory activities. Slack time should be managed and document processing deadlines should be strictly enforced to reduce delays and to generate and maintain momentum in implementation. The NAC should encourage beneficiaries not to wait for final approval before starting preparation of necessary documents.

***Recommendation 7: More and better training is needed on effective strategic planning.***

130. The Commission Services, in agreement with the Bulgarian authorities, should provide the resources to develop comprehensive training in strategy development and implementation. Greater effort should be made in the remaining period of Phare and Transition Facility assistance to embed a strategic planning ethos into the culture and practices for programme elaboration and implementation. This should be applied across the public administration and should be disseminated and delivered in the regions as well as in the capital. For more assured sustainability of training effort, support should also be offered to develop the market place provision for human resource training to build competences in key areas like policy analysis, monitoring and evaluation.

***Recommendation 8: Good practice and lessons learned from Phare programming and implementation should be more widely applied.***

131. The Bulgarian administration should apply the project cycle management approach, in particular the needs' based problem analysis techniques for setting desirable and attainable objectives, on a wider basis in its national programmes to optimise the value added of national and EU resources. The prospects for sustainability should be realistically assessed at design stage and provisions included in assistance to maximise the probability of sustainability.

132. Much more attention should be paid to setting indicators which relate to the achievement of objectives and the attainment of impact which can be used as management tools. Regular, formal assessment of the extent to which agreed indicators are being achieved should be built into JMC and SMSC procedures.<sup>27</sup>

133. Similarly, those with responsibilities for programming should ensure that cost-effectiveness indicators should be defined before approving investments in infrastructure, and they need to be measured after the assistance is completed and the newly built infrastructure becomes operational. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU or national funds. The 'rate of return' tool should be more widely used and properly assessed before assistance is approved.

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<sup>27</sup> In its comments on the draft of this report, the NAC stated that new templates of Project and Sectoral Monitoring Reports which are in force from the XII session of the SMSCs (October-November 2006) contain a special chapter which deals with the status of achievement of indicators.

***Recommendation 9: Co-ordination between beneficiaries should be further improved; especially between those in the national administration and in the Commission Services responsible for assistance management.***

134. This co-ordination has a major effect on the functioning of Phare assistance through its various phases. The particular elements that could be considered jointly by the Commission Services and National authorities (apart from more focused training in PCM methods already mentioned) are a better communications mechanism, including use of an intranet between the various parties, improved networking between the parties (with more emphasis on *ad hoc* meeting and less on formal correspondence) to resolve routine difficulties more quickly and share elements of good practice that can have wider application.

## **ANNEXES**

## Annex 1. Terms of Reference

[These terms of reference were approved 29 November 2005 and have not been updated to take account of small changes, for example in the time line, that have occurred in the meantime.]

### OBJECTIVES

The purpose of the *ex post* evaluation is to assess the contribution of the 1999 - 2001 Phare National and Cross-Border Co-operation (CBC) Programmes to support Bulgaria in meeting the Copenhagen criteria so as to facilitate its accession to the European Union. This evaluation will also provide for an interim evaluation of post 2001 allocations up and including 2004 multi-annual programmes.

The evaluation of Bulgarian national and CBC programmes is one of a series of ten similar evaluations in the eight new member states, and in Bulgaria and Romania. These will feed into two consolidated evaluations of Phare national and CBC programmes<sup>28</sup>, which, in turn, will form part of a consolidated *ex post* evaluation of the Phare programme.

### BACKGROUND AND CONTEXT

In accordance with the priorities of the 1999 and 2003 Accession Partnership, the key objectives of the Bulgarian National and CBC Programmes in 1999-2001 were to:

- Support public administration reforms, the judicial system, anticorruption measures and protection of minorities
- Support Economic reform including financial intermediation, Small and Medium Sized Enterprises and reduction of state aid/simplification of licensing procedures.
- Enhance the administrative and judicial capacity to implement and enforce legislative measures and assume the obligations of EU membership.
- Improve the strategic planning and effective utilisation of EU funds and prepare for Structural Funds (including implementing EDIS

National and CBC programmes provided about M€ 331 during the evaluation period (1999-2001)<sup>29</sup>. Post 2001 allocations until 2004 amounted to M€ 308. The key sectors of assistance were economic and social cohesion, public administration, including adoption of the *acquis* and justice and home affairs/civil society. CBC projects represented 26% of the funding. The 2004 Regular Report<sup>30</sup> stated that the overall impact of Phare in Bulgaria continued to be positive, although that in view of the target date for accession, further sustained effort was needed to ensure the capacity of the Bulgarian administration to absorb EC funds. Whilst tangible progress was made in public administration reform with the adoption of amendments to the Civil service law, the Regular Report noted that attention should also be given to the

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<sup>28</sup> For (i) eight new member states, and (ii) Bulgaria/ Romania.

<sup>29</sup> See Annex 1 for details. The programmes to be evaluated include the so called *Other Financing Memoranda*, which were implemented by national authorities and subject to previous interim evaluation, but excludes Community and nuclear safety programmes. Bulgaria benefited from Phare-funded *multi-beneficiary programmes*, such as TAIEX and SIGMA, which are also outside the scope of this evaluation.

<sup>30</sup> European Commission: 2004 Regular Report on Bulgaria's Progress Towards Accession.

legal framework for local and regional administration, which will play an important role in the implementation of the *acquis*. Moreover the report noted that Bulgaria has implemented several measures in the fight against corruption, but it remains a problem. Finally, the report noted that efforts have been made in the past years to develop a framework to tackle the problems faced by minorities, but the situation on the ground has not evolved much.

Bulgarian national programmes have been subject to regular interim evaluations (IE). A Country Phare Evaluation Review<sup>31</sup> (CPEER) pointed to good progress having been made in the harmonisation of Bulgarian legislation with the *acquis*, although the effective implementation of harmonised legislation appeared, generally, to be some way off. Institution building projects had had limited success due to their lack of relevance to the existing commitment and absorption capacity of beneficiary institutions. The efficiency, effectiveness and sustainability of much Phare assistance was negatively affected by continuing high rates of staff turnover in key Phare implementation structures. Whilst Phare assistance was expected to have a positive impact in the long term, it was not possible to assess, at the time of the CPEER, the extent to which the achievement of wider objectives could be attributed to Phare or other factors.

## EVALUATION QUESTIONS

This evaluation will focus on the following three interrelated sets of key questions:

- Was Phare well focused on the objectives of pre-accession strategy?
- What were the results and impacts and are these results and impacts sustainable?
- Could the same results and impacts have been achieved more cost-effectively?

These framework questions will be further specified by the performance evaluation questions and thematic/crosscutting questions set out below. It should be noted that the issues and findings that are highlighted under the respective questions are not necessarily exhaustive.

### Performance evaluation questions

#### Needs assessment and design

The Interim Evaluation findings have highlighted the importance of the project programming and design processes to ensure that modifications, extensions and delays to projects are minimised. The evaluation will focus on the extent to which the objective/strategy of the national programmes addressed identified needs and the involvement of the stakeholders in the design (ownership).

#### The extent to which inputs/ activities have produced outputs

Interim Evaluation findings have shown that management and implementation of Phare projects have been poor; with poor management and utilisation of preparatory assistance and lack of co-ordination between line Ministries leading to a lack of project co-ordination and delays. As part of the examining the extent to which inputs have influenced the delivery of and produced outputs. It will identify critical points in the project time tables and examine performance across implementation agencies.

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<sup>31</sup> EMS Consortium: CPEER, Bulgaria 18 November 2003.

## **The extent to which outputs have produced intended results**

Interim evaluation findings have found that effectiveness has generally been poor largely as a consequence of poor design and weak project management; although a lack of beneficiary commitment and absorption capacity were also contributory factors. The best effects were seen in relation to Justice and Home Affairs projects and the worst in economic development.

The evaluation will assess the extent to which intended results were achieved by applying judgement criteria such as the clarity of national/ sector strategies and related action plans, adequate investment in equipment and infrastructure, adequate institutional capacity building and know-how absorption.

## **The extent to which the results contributed to the achievement of objectives**

Whilst impact in the JHA sector was consistently rated above average in Interim Evaluations, in other sectors, impact was generally rated lower either due to the lack of effectiveness of projects or due to the lack of commitment or capacity to utilise the results of the assistance given.

## **Long term viability of institutional reforms following the withdrawal of Phare support**

Institution building and know how transfer is frequently unsustainable. Interim evaluations have stated that civil service legislation is often easily circumvented and that is potentially the single most important factor influencing the lack of sustainability of Phare capacity building or know-how transfer support.

## **Thematic/cross-cutting criteria**

### **The extent to which Phare support improved the performance of the Bulgarian pre-accession process**

The purpose of this question is to assess whether Phare support in practice addressed the *ex post* needs of the Bulgarian beneficiaries. Thus the evaluation will seek to assess whether the original objectives (*ex ante* needs) of the programme were appropriately set. This assessment would augment the analysis based on the five performance evaluation criteria.

The 2005 Comprehensive Monitoring Report<sup>32</sup> also provides an indication of *ex post* needs including enhanced efforts to improve the functioning of the justice system, protection of minorities, business environment, food safety and in fighting corruption and organised crime.

### **The extent to which Phare support strengthened the administrative and judicial capacity of Bulgaria**

The examination of the Phare contribution to the public administrative and judicial capacity (PAJC) of the Bulgarian beneficiary administrations will fall into two parts:

- *Acquis*-specific administrative capacity issues, where the nature of the component concerned explicitly demands, often in some detail, a particular capacity of PAJC performance, and

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<sup>32</sup> European Commission: 2005 Comprehensive Monitoring Report.

- Horizontal PAJC issues, which are non-sector specific but are needed to meet the requirements of the first Copenhagen criterion – the ‘Political Criteria’<sup>33</sup>.

The 2004 Consolidated Interim Evaluation Report covering all candidate countries, concluded that in general, Phare support in this area had been hampered by – *inter alia* – the absence of a comprehensive strategy, poor coordination of relevant instruments of assistance and limited progress on horizontal public administrative reforms and governance.

### **The extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of Structural Funds**

Both Regular Report 2004 and the Interim Evaluation findings have noted that further efforts are still required to improve the administrative capacity in key ministries and improving the capacity of other relevant bodies such as intermediate bodies and other relevant players at central and regional level as well as to further improving the financial management and control systems.

#### *Building capacity to coordinate and deliver pre accession aid*

A separate Interim Evaluation report on the Aid coordination structures in Bulgaria<sup>34</sup> concluded that the NAC performance improved since the function was moved to the Ministry of Finance Management of European funds Directorate. However that Directorate faced urgent challenges given its parallel responsibilities for co-ordinating both pre-accession assistance and preparations for structural and cohesion funds and the fact that none of its staff had prior experience with Phare.

## **METHODOLOGY**

Because the *ex post* evaluation exercise has to meet not only accountability requirements (the five evaluation criteria), but also the requirements of being useful for operational decision making, and because of the critical position of Bulgaria and Romania in relation to accession, the evaluation of their national programmes will be in-depth, and will include not only a retrospective assessment (the *ex post* evaluation of the 1999 – 2001 programmes) but also an interim evaluation of post 2001 allocations. The evaluation will also provide lessons learned for new candidate countries.

The complete infrastructure for the management of Phare is still in place in Bulgaria, and the evaluation is expected to have full access to officials at the EC Delegation and at the National Aid Co-ordinator (NAC). The evaluation will draw on the contents of all documentation supplied by the Commission Services and the Bulgarian NAC. Following a desk study analysis, the evaluation team will undertake fieldwork in country. The analysis of documentation will be accompanied by structured interviews, carried out both in country and at the Commission Services Headquarters, following a sampling approach of the 1999-2001 and post 2001 allocations (see Annex 1). Other proven data collection tools such as surveys and questionnaires may also be used. The performance evaluation questions have been structured

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<sup>33</sup> As emphasised in the 2000 Phare Review communication, these would involve general public administration reforms including civil service reforms, inter-ministerial coordination and anti- corruption programmes. The requirements of strengthening and reforming the administrative and judicial capacities were stressed in the Madrid, Luxembourg, Feira and Gothenburg Councils.

<sup>34</sup> Report R/BG/NAC/03.068 prepared by the EMS Consortium, issued September 2003

in line with the five standard evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability. To support the evaluation questions, a set of judgement criteria and indicators will be developed. These may be both quantitative and/or qualitative.

There will be close consultation with stakeholders (either by electronic mail or by meetings, where appropriate). For this purpose, the Bulgarian NAC has nominated a representative to ensure that the evaluation will be carried out in partnership, including arrangements for establishing a steering group.

## REPORTING AND TARGET AUDIENCES

At the conclusion of the fieldwork, a draft evaluation report will be produced and circulated for comments. The evaluation report will contain an introduction (objectives, background and context), performance of Phare assistance (responses to the performance evaluation criteria), thematic/cross-cutting findings, and conclusions and lessons learned. (See Annex 2)

The main users of the evaluation will be the ELARG Bulgaria Country Team and relevant line DGs. In Bulgaria, the main evaluation users will include the NACs and the relevant implementing authorities. Moreover, users will include relevant stakeholders responsible for the Western Balkans and Turkey.

## ACTIVITIES, RESOURCES AND TIMETABLE

The evaluation of the Bulgarian national programmes will be conducted in a number of stages as follows.

Step	Activity	2005							
		Aug	Sept	Oct	Nov	Dec	Jan	Feb	
1	Preparation								
2	Info gathering and processing								
3	Drafting of report								
4	Comments from E4 and national authorities								
5	Drafting of final Bulgarian report and submission to Consolidated National Programme Report								

The evaluation will be carried out by a team consisting of the deputy project director, a key expert, other senior and junior experts, and short-term technical specialists (STTS), both international and local. The total resources envelope available for this in-depth exercise amounts to 85 man-days.

## Annex 2. Phare National and CBC Programme Data for Bulgaria 1999-2004

Progr. Number	Programme Title	Expiry Date Contracting	Expiry Date Disbursement	Allocated (M€)
<b>1999</b>	<b>National</b>			
BG9907	Integration of the Roma: Promoting the Integration of the Roma	31/12/01	31/12/02	0.500
BG9908-01	Management Training	31/12/01	31/12/02	2.000
BG9908-02	Capacity Building SME	31/12/01	31/12/02	2.800
BG9909-01	Training for Public Administration	31/12/01	31/12/02	1.500
BG9909-02	Medium Term Strategy for Ministry of Finance	31/12/01	31/12/02	3.000
BG9910	Further Integration into the Internal Market	31/12/01	31/12/02	2.000
BG9911	Justice/Home affairs	31/12/01	31/12/02	9.500
BG9912	IB for MoEW	31/12/01	31/12/02	2.600
BG9912	IB and Investment projects for MoEW	31/12/01	31/12/02	2.300
BG9913	IB for MAF	31/12/01	31/12/02	2.027
BG9913	IB for MAF	31/12/01	31/12/02	8.244
BG9914	Beautiful Bulgaria II	31/12/01	31/12/02	4.591
	<b>CBC</b>			
BG9904	CBC Bulgaria/Greece	31/12/01	31/12/02	25.207
BG9916	CBC Bulgaria/Romania	31/12/01	31/12/02	5.059
	<b>Other FMs</b>			
BG9903	LSIF part 4	31/05/00	31/05/01	2.699
BG9906	LSIF part 5	31/12/00	31/12/03	23.000
BG9915-01	Pre-Ins Facility - Steel and Mining	31/12/01	31/12/02	12.067
BG9915-02	Pre-Ins Facility - Foreign Direct Investment Attraction	31/12/01	31/12/02	2.000
BG9918	Consensus III	31/12/01	31/12/02	1.880
BG9919	Project Preparation Facility	31/12/01	31/12/02	2.500
BG9920	Participation of 5th RTD	30/12/01	30/12/02	1.310
<b>Total 1999</b>				<b>116.784</b>

<b>2000</b>	<b>National</b>			
BG0002	Economic Reform <sup>35</sup>	31/12/02	31/12/03	4.000
BG0003	Adoption of the <i>acquis</i> & Strengthening the Regulatory Framework <sup>36</sup>	31/12/02	31/12/03	15.400
BG0004	Economic & Social Cohesion <sup>37</sup>	31/12/02	31/12/03	15.000
BG0005	Strengthening the Rule of Law and Protection of Vulnerable Groups	31/12/02	31/12/03	16.500
BG0006	Public Finance & Management of EU Funds <sup>38</sup>	31/12/02	31/12/03	13.320
	<b>CBC</b>			
BG0007	CBC Bulgaria/Romania <sup>39</sup>	31/12/02	31/12/03	8.000
BG0008	CBC Bulgaria/Greece <sup>40</sup>	31/12/02	31/12/06	20.183
	<b>Other FMs</b>			
BG0001	Participation of Bulgaria in the 5th RTD Framework Programme and in the Community programmes Leonardo da Vinci II, Socrates II and Youth 2000	31/12/00	30/06/01	8.797

<sup>35</sup> Addendum signed. The expiry disbursement date for BG0002.03 is 31/12/04.

<sup>36</sup> Addenda signed. The expiry disbursement date for BG0003.01, BG0003.05.01, BG0003.05.02, and BG0003.05.03 is 30/11/04.

<sup>37</sup> Addenda signed. The expiry contracting date for BG0004.01 and BG0004.02 31/12/03 and the expiry disbursement date is 31/12/05. The expiry contracting date for BG0004.04 is 31/12/03 and its expiry disbursement date is 30/06/05.

<sup>38</sup> Addendum signed. The expiry contracting date for BG0006.04.02 is 31/12/03 and its expiry disbursement date is 30/06/05.

<sup>39</sup> Addendum signed. The expiry disbursement date for BG0007.03.01 is 30/06/04.

<sup>40</sup> Addendum signed.

BG0009-02	Decommissioning of Nuclear Power Plant	31/12/02	31/12/03	1.850
BG0010	Special Programme for Strengthening the Civil Society and preparing for accession of the ten candidate countries in Central and Eastern Europe / Access 2000	30/11/02	30/11/03	2.000
BG0011	Participation of Bulgaria in the Community Programmes: Small and Medium Sized Enterprises, SAV II, Media II, Prevention of Aids in 2000	30/06/01	31/12/01	0.706
BG0012	Supplementary Investment Facility for Bulgaria 2000	30/11/02	30/11/04***** *	9.400
BG0013	Participation of Bulgaria in the 5th RTD Framework Programme and in the Community programmes Leonardo da Vinci, Socrates	31/12/01	31/12/02	9.131
Total 2000				<b>124.288</b>

<b>2001</b>	<b>National</b>			
BG0101	Economic Reform and the <i>acquis</i>	30/11/03	30/11/04	8.195
BG0102	Economic & Social Cohesion <sup>41</sup>	30/11/03	30/11/04*	37.113
BG0103	Strengthening Public Administration	30/11/03	30/11/04	14.875
BG0104	Ethnic Integration and Civil Society <sup>42</sup>	30/11/03	30/11/04**	6.550
BG0105	Project Preparation, Twinning Light and EC Programmes	30/11/03	30/11/04	3.500
BG0105.03	Participation in EC Programmes and Agencies	30/11/03	30/11/04	9.590
	<b>CBC</b>			
BG0106	CBC Bulgaria/Greece <sup>43</sup>	30/11/03	30/11/04	20.000
BG0107	CBC Bulgaria/Romania <sup>44</sup>	30/11/03	30/11/04	8.000
	<b>Other FMs</b>			
BG0110	Horizontal programme for Community support in the field of Nuclear Safety for 2001 for Bulgaria			4.500
<b>Total 2001</b>				<b>112.323</b>
<b>Total 1999 to 2001</b>				<b>353.395</b>

<sup>41</sup> The expiry disbursement date for BG0102.04 is 30/11/05. Addendum signed: the expiry disbursement date for BG0102.01, BG0102.02, BG0102.03, BG0102.05, and BG0102.06 is 30/11/05.

<sup>42</sup> Addendum signed: the expiry disbursement date for BG0104.04 is 30/11/05.

<sup>43</sup> Addenda signed. The expiry contracting date for BG0106.01 is 30/11/04 and its disbursement date is 30/11/08. The expiry disbursement date for BG0106.04 is 31/07/05. The expiry disbursement date for BG0106.06.01 and BG0106.06.02 is 30/06/07.

<sup>44</sup> The expiry disbursement date for BG0107.01 and BG0107.02 is 30/11/05. Addenda signed: the disbursement date for BG0107.01 is 31/12/06, and for BG0107.02 is 31/05/06.

<b>2002</b>	<b>National</b>			
BG0201	Economic Reform and the <i>acquis</i> <sup>45, 46</sup>	30/11/04	30/11/05	23.600
BG0202	Economic & Social Cohesion <sup>44</sup>	30/11/04	30/11/05	14.000
BG0203	Strengthening Public Administration <sup>44,47</sup>	30/11/04***	30/11/05	36.400
BG0204	Ethnic Integration and Civil Society <sup>44</sup>	30/11/04	30/11/05	8.000
BG0205	Project Preparation, Twinning Light and EC Programmes	30/11/04	30/11/05	3.620
BG0205.03	Participation in EC Programmes and Agencies	30/11/04	30/11/05	9.400
	<b>CBC</b>			
2002/000-624	CBC Bulgaria/Greece	30/11/04	30/11/05*	20.000
2002/000-623	CBC Bulgaria/Romania	30/11/04	30/11/05*	8.000
	<b>Other FMs</b>			
2002/000-585	Horizontal Programme preparing candidate countries for EDIS in the management of pre-accession funds in Bulgaria	31/10/04	31/10/05	0.800
2002/000-632.01	Horizontal Programme for Community support in the field of Nuclear Safety for 2002 for Bulgaria	30/11/04	30/11/05*	1.960
ZZ9916 BG/TS/15	Enhancement of Safety assessment capabilities of the Bulgarian Nuclear Safety Authority			1.400
<b>Total 2002</b>				<b>127.180</b>

<sup>45</sup> The expiry disbursement date for BG0201.02, BG0201.12, BG0202.01, BG0202.02, BG0202.03, BG0203.11, BG0204.01, BG0204.02, 2002/000-624.01, 2002/000-624.02, 2002/000-624.03, 2002/000-623.01, 2002/000-623.02, and 2002/000-632.01.01 is 30/11/06. Addendum signed: the expiry disbursement date for BG0201.04, BG0201.11, and BG0203.13 is 30/11/06, and the disbursement date for BG0203.08 is 30/08/06.

<sup>46</sup> Addendum signed: the expiry contracting date for BG0201.04 and BG0201.12 is 16/07/05.

<sup>47</sup> Addendum signed: the expiry contracting date for BG0203.03 is 31/01/2005.

<b>2003</b>	<b>National</b>			
BG2003/004-937.01	Political criteria <sup>48</sup>	30/11/05	30/11/06	9.070
BG2003/004-937.02	Internal market and Economic criteria	30/11/05	30/11/06	7.950
BG2003/004-937.03	Agriculture <sup>47</sup>	30/11/05	30/11/06	5.606
BG2003/004-937.04	Transport	30/11/05	30/11/06	4.222
BG2003/004-937.05	Employment, Social policy and Education <sup>47</sup>	30/11/05	30/11/06	7.000
BG2003/004-937.06	Energy	30/11/05	30/11/06	4.200
BG2003/004-937.07	Environment	30/11/05	30/11/06	2.075
BG2003/004-937.08	Justice and Home Affairs	30/11/05	30/11/06	13.850
BG2003/004-937.09	Customs and Finance	30/11/05	30/11/06	7.708
BG2003/004-937.10	Administrative Reform and capacity	30/11/05	30/11/06	10.012
BG2003/004-937.11	Economic and Social cohesion <sup>47</sup>	30/11/05	30/11/06	11.260
BG2003/004-937.12.02	Other programmes	30/11/05	30/11/06	1.938
BG2003/004-937.12.01	Participation in EC Programmes and Agencies	30/11/05	30/11/06	10.009
	<b>CBC</b>			
2003/005-630	CBC Bulgaria/Greece <sup>47</sup>	30/11/05	30/11/06	20.000
2003/005-631	CBC Bulgaria/Romania <sup>47</sup>	30/11/05	30/11/06	8.000
2003/005-632	2003 Phare External Border Initiative Programme in Bulgaria <sup>47</sup>	30/11/05	30/11/06	4.120
	<b>Other FMs</b>			
2003/005-812.01	Programme for Community support in the field of Nuclear Safety for 2003 for Bulgaria	30/11/05	30/11/06	1.037
2003/005-867.02	Assistance to Bulgarian NRA in the development of requirements and procedures for decommissioning of Kozloduy Units 1 and 2, follow-up	30/11/05	30/11/07	1.900
<b>Total 2003</b>				<b>129.957</b>

\*\*Extension of disbursement and/or contracting periods of 11 projects of the National Programme were agreed.

<sup>48</sup> The expiry disbursement date for BG2003/004-937.01.02, BG2003/004-937.01.03, BG2003/004-937.01.04, BG2003/004-937.03.03, BG2003/004-937.05.01, BG2003/004-937.11.01, BG2003/004-937.11.02, BG2003/004-937.11.03, 2003/005-630.02, 2003/005-630.03, 2003/005-631.01, and 2003/005-632.01 is 30/11/07. Addendum signed: the expiry disbursement date for 2003/005-631.01 is 30/11/08, and the disbursement date for 2003/005-632.01 is 30/04/09.

<b>2004</b>	<b>National (Part I)</b>			
BG2004/006-070.01	Employment, Social policy and Education	30/11/06	30/11/07	2.425
BG2004/006-070.02	Energy	30/11/06	30/11/07	1.000
BG2004/006-070.03	Justice and Home affairs	30/11/06	30/11/07	6.950
BG2004/006-070.04	Customs and Finance	30/11/06	30/11/07	0.397
BG2004/006-070.05	Economic and Social cohesion	30/11/06	30/11/07*	2.200
	<b>National (Part II)</b>			
BG2004/016-711.01	Political criteria	30/11/06	30/11/07*	16.650
BG2004/016-711.02	Internal market and Economic criteria	30/11/06	30/11/07	3.853
BG2004/016-711.03	Agriculture	30/11/06	30/11/07*	10.989
BG2004/016-711.04	Transport	30/11/06	30/11/07	0.900
BG2004/016-711.05	Employment, Social policy and education	30/11/06	30/11/07	3.450
BG2004/016-711.06	Energy	30/11/06	30/11/07	1.500
BG2004/016-711.07	Environment	30/11/06	30/11/07	8.228
BG2004/016-711.08	Justice and Home affairs	30/11/06	30/11/07	24.512
BG2004/016-711.09	Customs and Finance	30/11/06	30/11/07	19.801
BG2004/016-711.10	Administrative reform and capacity	30/11/06	30/11/07	15.802
BG2004/016-711.11	Economic and Social cohesion	30/11/06	30/11/07*	26.127
BG2004/016-711.12	Phare project preparation facility	30/11/06	30/11/07	2.000
BG2004/016-711.12.01	Participation in EC programmes	30/11/06	30/11/07	10.516
	<b>National (Part III)</b>			
BG2004/016-919.01	Political criteria	30/11/06	30/11/07	4.300
BG2004/016-919.02	Justice and Home affairs	30/11/06	30/11/07	1.800
BG2004/016-919.03	Customs and Finance	30/11/06	30/11/07	0.900
BG2004/016-919.04	Administrative reform and capacity	30/11/06	30/11/07	6.425
BG2004/016-919.05	Economic and Social cohesion	30/11/06	30/11/07	1.800
	<b>CBC</b>			
BG2004/016-715	CBC Bulgaria/Turkey	30/11/06	30/11/07*	3.000
BG2004/016-782	CBC Bulgaria/Greece	30/11/06	30/11/07*	20.000
BG2004/016-783	CBC Bulgaria/Romania	30/11/06	30/11/07*	8.000
BG2004/016-785	CBC Bulgaria/Serbia & Montenegro	30/11/06	30/11/07	3.000
BG2004/016-786	CBC Bulgaria/Former Yugoslav Republic of Macedonia	30/11/06	30/11/07	2.000
	<b>Other FMs</b>			
BG2004/016815.01	Programme for Community support in the field of Nuclear Safety for Bulgaria	30/11/06	30/11/07	6.270
<b>Total 2004</b>				<b>214.795</b>

\*The expiry disbursement date for BG2004/016-715.01, BG2004/016-782.01.01 is 30/11/09, the disbursement date for BG2004/006-070.05.01, BG2004/016-711.01.01, BG2004/016-711.01.02, BG2004/016-711.01.03, BG2004/016-711.03.01, BG2004/016-711.11.01, BG2004/016-711.11.03, BG2004/016-711.11.04, BG2004/016-919.05.01 and BG2004/016-783.01.01 is 30/11/08.

<b>Total 1999 to 2004</b>				<b>825.327</b>
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Allocations data provided by the National Fund.

### Annex 3. Evaluation Planning Summary Sheet

<b>Phase (1, 2 or 3)</b>	2 – National & CBC	<b>Subject</b>	<b>BULGARIA</b>
<b>Level of Evaluation ('sample' or 'in depth')</b>	In-depth		
<b>Evaluation Conclusions</b>	A three point scoring system (S, BS, U) will be applied in reaching conclusions on effectiveness and impact of the sectors Agriculture, CBC, ESC, Energy and Transport, Environment, Internal Market, JHA, and Social Affairs. The results will be presented at sector level in the consolidated report. No scoring will be applied to the thematic/cross-cutting questions.		
<b>Evaluation questions</b>	<p><u>Performance criteria</u></p> <ol style="list-style-type: none"> <li>1. Needs assessment and design</li> <li>2. Extent to which inputs/activities have produced outputs</li> <li>3. Extent to which outputs have produced intended results</li> <li>4. Extent to which the results contributed to the achievement of objectives</li> <li>5. Long term viability of institutional reforms following the withdrawal of Phare support</li> </ol> <p><u>Thematic/Cross-cutting questions</u></p> <ol style="list-style-type: none"> <li>6. Extent to which Phare support improved the performance of the Bulgarian beneficiaries</li> <li>7. Extent to which Phare support strengthened the administrative and judicial capacity of Bulgaria</li> <li>8. Extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of Structural Funds</li> <li>9. Building capacity to co-ordinate and deliver pre-accession aid</li> </ol>		
<b>Sampling</b>	The sample projects in Table 1 have been selected in consultation with the country steering group <sup>49</sup> to be representative of the sectors and thematic areas defined for this <i>ex post</i> evaluation. As envisaged in the ToR, there are 18 post-2001 projects (value M€ 66) in addition to 17 projects from the period 1999-2001 (value M€ 80).		
<b>Sources of evidence</b>	The primary sources of evidence are desk review and interviews. A questionnaire may be developed for horizontal aspects of the evaluation and to support the interview structure. Some on-site visits may be made.		
<b>Interviews</b>	Current Bulgaria desk staff in DG Elarg		
<b>Commission staff</b>	Senior ECD Officials ECD Task Managers covering the relevant sectors in Sofia		
<b>Beneficiary staff<sup>50</sup></b>	The Central Actors – NAC, CFCU, National Fund, MEI, MPF, SMSC chairs PIU officials responsible for the projects selected, including CBC Direct beneficiaries		
<b>Other stakeholders</b>	Involved line DGs (such as DG REGIO for ESC, and DG AGRI for SAPARD) and relevant national parties.		
<b>Supporting documents</b>	Table 1. (attached) - Proposed project samples with key contact persons Table 2. (attached) - Primary Sources of Evidence Table 3. (attached) - Evaluation Indicators Table 4. (working document) - List of identified reports for desk review All attached tables are of an indicative nature		

<sup>49</sup> This includes the Evaluation Unit of DG ELARG; nominated representative(s) from the NAC and the EC Delegation.

<sup>50</sup> Other beneficiaries and stakeholders may be identified during fieldwork (for example from private entities, NGOs, etc.). The External Interim Evaluation Contractor contracted to DG Elarg Evaluation Unit will also be interviewed to ensure that there is no duplication of effort.

**Table 1. Proposed sample programmes and contact persons**

SMSC/ Sector	Project No.	Project title	Allocation (M€)
Agriculture	BG-0103.08	Improving the quality of agricultural statistics	2.00
Agriculture	BG-9913	Development of the administrative capacity to adopt and implement the acquis in the agricultural sector	10.63
<b>Total sample (62%)</b>			<b>12.63</b>
<b>Total for the sector in the period 1999-2001</b>			<b>20.33</b>
Agriculture	BG-0201.05	Improvement in phytosanitary control	1.10
Agriculture	BG0201.09	Enhancement of consumer health protection	1.00
<b>Total sample 2002-2004 (11%)</b>			<b>2.10</b>
<b>Total for the sector in the period 2002-2004</b>			<b>18.72</b>
<b>BC</b>			
Cross Border Cooperation	BG-0107	CBC BG-RO Construction of a crossing border check points in Silistra	2.60
<b>Total sample (5%)</b>			<b>2.60</b>
<b>Total for the sector in the period 1999-2001</b>			<b>53.05</b>
Cross Border Cooperation	2002/000-624	Rehabilitation and Partial Reconstruction of Road II-19 "Razlog-Bansko - Gotse Deltchev - Sadovo"	9.30
Cross Border Cooperation	2002/0000624005	Small projects Bulgaria – Greece	0.85
<b>Total sample 2002-2004 (39%)</b>			<b>10.15</b>
<b>Total for the sector in the period 2002-2004</b>			<b>32.78</b>
<b>Energy and transport</b>			
Transport	BG-0106.01	Rehabilitation and partial reconstruction of Road II-19	6.95
Transport	BG-0012.01	Vessel traffic management information system	3.40
<b>Total sample (7%)</b>			<b>10.35</b>
<b>Total for the sector in the period 1999-2001</b>			<b>146.37</b>
Energy	2003/004/937/06/03	Strengthening of the Bulgarian Energy Regulator	1.00
<b>Total sample 2002-2004 (2%)</b>			<b>1.00</b>
<b>Total for the sector in the period 2002-2004</b>			<b>45.89</b>

<b>Environment</b>			
Environment	BG-9906	LSIF Part V	23.00
Environment	BG-0003.06	Environment <i>acquis</i> and institution building	5.35
<b>Total sample (29%)</b>			<b>28.35</b>
<b>Total for the sector in the period 1999-2001</b>			<b>68.31</b>
Environment	BG-0201.11	Integrated management planning and admin capacity for protected wetland areas	2.92
<b>Total sample 2002-2003 (14%)</b>			<b>2.92</b>
<b>Total for the sector in the period 2002-2003</b>			<b>21.43</b>

<b>Internal market</b>			
Internal Market	BG-0002.01	Strengthening the capacity of the Ministry of Economy	2.00
Internal Market	BG-0003.03	Support in the implementation of the reform in the Public Procurement System	1.30
<b>Total sample (31%)</b>			<b>3.30</b>
<b>Total for the sector in the period 1999-2001</b>			<b>10.75</b>
Internal Market	BG-0203.08	Development of Customs standards and practices	2.70
Internal Market	BG-0201.12	Strengthening the national conformity assessment system	4.90
<b>Total sample 2002-2004 (17%)</b>			<b>7.60</b>
<b>Total for the sector in the period 2002-2004</b>			<b>44.16</b>

<b>Social Affairs</b>			
Social Affairs	BG-9914	Employment and social affairs. Beautiful Bulgaria II: temporary employment and vocational training	4.62
Social Affairs	BG-0102.05	Labour Market initiatives	6.30
Civil Society	BG-0010	Access programme	2.00
<b>Total sample (14%)</b>			<b>12.92</b>
<b>Total for the sector in the period 1999-2001</b>			<b>94.81</b>
Social Affairs	BG-0203.05	TA to implement key measures of the Programme for the Implementation of the National Anti-Corruption Strategy	1.00
Social Affairs	BG-0202.03	Lifelong learning and vocational education and training	4.00
Social Affairs	BG-2004/016-711.01.03	Improvement of the situation and inclusion of the disadvantaged ethnic minorities with a special focus on Roma	9.00
<b>Total sample 2002-2004 (13%)</b>			<b>14.00</b>
<b>Total for the sector in the period 2002-2004</b>			<b>108.62</b>

<b>JHA</b>			
JHA	BG-0006.01	Strengthening Public Internal Financial Control	2.00
JHA	BG-0005.01	Strengthening the public prosecutor's office	3.00
JHA	BG-0103.07	Combating money laundering	1.20
<b>Total sample (13%)</b>			<b>6.20</b>
<b>Total for the sector in the period 1999-2001</b>			<b>46.51</b>
JHA	BG 0203/01	Implementation of the strategy for reform of the Judiciary in Bulgaria	9.30
JHA	BG 0203/04	Improvement of administrative justice in view of the fight against corruption	0.80
JHA	BG 2004/016-711/08/01	Support for further implementation of the strategy for reform of Bulgarian Judiciary	6.70
<b>Total sample (40%)</b>			<b>16.80</b>
<b>Total for the sector in the period 2002-2004</b>			<b>42.01</b>

<b>Others</b>			
PAD	BG-0103.02	Implementing civil service reform	2.40
PAD	BG-0103.01	Strategic policy-making and co-ordination	2.00
<b>Total sample 1999-2001</b>			<b>4.40</b>
EC-DEV	BG-0202.02	Development of Bulgarian Eco-tourism	4.00
EC-DEV	BG-0201.01	Strengthening the administrative capacity of Bulgarian Trade Promotion Agency	1.50
PAD	BG-0203.07	Strengthening Human Resource Capacity in the Bulgarian Public Administration	2.00
PAD	BG-2004/016-711/09/04	Strengthening the institutional capacity of the Ministry of Finance	4.16
<b>Total sample 2002-2004</b>			<b>11.66</b>

## Primary Sources of Evidence

The potential sources of evidence to answer the evaluation questions are desk review, questionnaire, analysis (e.g. of a database), and interviews. For each evaluation question, a three-point weighting score is used to indicate for each source whether it is **dominant** (●●●) i.e. a major dependency on information from one source, **not dominant** (●●) where several sources are expected to support each other (i.e. provide good triangulation), or **minor** (●) where difficulty is expected in accessing data or the question is predominantly qualitative. This is a planning tool and will be updated in the course of the fieldwork where new information sources become known, or a significant change in approach is required. It is a support document to the Evaluation Plan, which contains Table 1, the proposed sample programmes and contact persons.

**Table 2. Primary Sources of Evidence - Performance Evaluation Questions for the National and CBC Phare Programmes**

Evaluation Questions	Desk Review	Questionnaire	Analysis	Interviews		
				Commission	Beneficiaries	Stakeholders
<b>1. Needs assessment and design</b>						
1.1. Adequacy of strategies	●●		●●		●●	●●
1.2. Involvement of stakeholders in line DGs and beneficiary countries in the design		●●		●●	●●	●●
<b>2. Extent to which inputs/activities have produced outputs</b>						
2.1. What are the outputs - institution building projects; - regulatory investment projects; - investment projects?	●●		●●		●●	
2.2. What were the tools/activities/resources used to produce the outputs?	●●		●●		●●	
2.3. Were there resources/tools provided that were under-used or not used?			●●		●●	
2.4. Was the use and the relative importance of the tools provided appropriate?	●●			●●	●●	
2.5. How cost effective was the production of outputs in relative terms?			●●●		●	
<b>3. Extent to which outputs have produced intended results</b>						
3.1. What were the improvements in legislative/administrative structures, systems and resources?	●●	●●		●●		
3.2. Did the legislative/administrative and judicial performance related to the political criteria improve?		●●	●●	●●	●●	●●
3.3. Did the legislative/administrative performance related to the economic criteria improve?		●●			●●	
3.4. Did the leg/adm performance related to the ability to take on the obligations of the <i>acquis</i> improve?		●●	●●	●●	●●	
3.5. Have the installed Phare equipment/ works/ grant schemes been usefully put into operation?	●●				●●	
<b>4. Extent to which results/impacts contributed to achieving wider objectives</b>						
4.1. To what extent can the legislative and admin. impacts at programme level be separated and measured?			●●	●●	●●	●●
4.2. To what extent can the socio-economic impacts at programme level be separated and measured?			●●		●●	●●
4.3. Examine likely leg/adm/soc-econ impacts on the basis of the extent to which pre-conditions are in place	●●		●●		●●	●●
<b>5. Long term viability of institutional reforms following the withdrawal of Phare support</b>						
5.1. Have the legal, administrative and organisational outputs been sustained?		●●			●●	
5.2. To what extent has the trained staff in the national administrations been stable?		●●			●●	
5.3. Are the pre-conditions for sustainability in place or being put in place?					●●	●●
<b>6. Extent to which Phare support improved the performance of the country's pre-accession process</b>						
6.1. Did the national and CBC programmes address <i>ex-post</i> needs?		●●			●●	
<b>7. Extent to which Phare support strengthened the administrative and judicial capacity of the country</b>						
7.1. Development of a strategic approach for Phare support to building PAJC	●●		●●	●●	●●	●●
7.2. Development of national PAJC strategies to underpin Phare programme prioritisation	●●		●●	●●	●●	●●

7.3. <b>BG/RO ONLY:</b> MAP as a strategic framework of support to Phare programming?		●●		●	●	
7.4. <b>BG/RO ONLY:</b> Relevance of the experience of the new MS				●●	●●	●●
7.5. Adequacy of Phare support to horizontal reforms and governance	●●		●●	●●	●●	●●
7.6. Adequacy of Phare support to cover the <i>acquis</i>			●●		●●	●●
7.7. Adequacy of Phare support to develop regional and local PAJC			●●		●●	●●
7.8. Efficiency, effectiveness, deployment and co-ordination of instruments (TAIEX, Twinning, Sigma, Technical Assistance, other related investments)	●●	●●	●●	●●	●●	●●
7.9. Prospects for promoting and supporting a government initiative for a systematic benchmarking approach to public administration reforms			●●		●●	●●
7.10. Sustainability of post accession PAJC (related to, for example, scaling down of Phare support and financial/human resource constraints)			●		●●	●●
<b>8. Extent to which Phare contributed to strengthening ESC and preparation for Structural Funds</b>						
8.1. To what extent has Phare been successful in preparing the country to support ESC after accession, by assisting the country to put in place the pre-conditions for sustainable recourse to the SF? What are the factors underlying the observed performance?	●●		●●	●●	●●	
8.2. What Commission and national policies have been used to direct the course of preparations in the country?				●●	●●	
8.3. What lessons can be learned from the planning/programming process of Phare ESC assistance?						
8.4. What lessons can be learned from the Phare funded ESC pilot investments in the country? Did they have immediate impact and did they contribute to wider socio-economic cohesion objectives?			●	●	●●●	
8.5. What institutional arrangements have the national authorities put in place over time to plan, co-ordinate, and manage operations?	●●	●●		●●	●●	
8.6. To what extent has Phare institution building been successful in supporting the country in its preparation for SF implementation?	●●		●●	●●	●●	
8.7. Has there been any acceleration in the pre-accession performance of ESC programmes since the beginning of the support to ESC in the country?	●●	●●				

### Annex 4. Evaluation Indicators

The **evaluation indicators** are a wider concept than “performance indicators”, and identify static and dynamic information and events for use in the evaluation. They are divided into three categories, **discrete**, where there are only two possible states (e.g. present/absent), **relative**, where more than two states are possible (e.g. satisfactory, barely satisfactory and unsatisfactory), and **qualitative**, where the expert judgment of the evaluator will be used to reach a conclusion based on all the evidence gathered for the evaluation criteria. This is typically in the areas of outcome and impact evaluation conclusions.

#### Evaluation Indicators – Performance Evaluation Questions

Evaluation Questions	Evaluation Indicators	Assessment		
		Discrete	Relative	Qualitative
<b>1. Needs assessment and design</b>				
1.1. Adequacy of strategies	<ul style="list-style-type: none"> <li>Clarity of objectives</li> <li>Quality of strategic planning documentation</li> <li>Availability of needs assessment</li> </ul>	•	•	•
1.2. Involvement of stakeholders in line DGs and beneficiary countries in the design	<ul style="list-style-type: none"> <li>Whether stakeholders were consulted</li> <li>Degree of consultation</li> </ul>	•	•	
<b>2. Extent to which inputs/activities have produced outputs</b>				
2.1. What are the outputs: institution building projects; regulatory investment projects; investment projects?	Quantitative/qualitative measure of outputs			•
2.2. What were the tools/activities/resources used to produce the outputs?	Quantitative/qualitative description of tools/activities/ resources			•
2.3. Were there resources/tools provided that were under-used or not used?	<ul style="list-style-type: none"> <li>Extent of participation in events</li> <li>Unused resources/ excess resources provided</li> </ul>	•	•	
2.4. Was the use and the relative importance of the tools provided appropriate?	Suitability of activities for stated purpose			•
2.5. How cost effective was the production of outputs in relative terms?	Relative cost of activities in sample programmes		•	
<b>3. Extent to which outputs have produced intended results</b>				
3.1. What were the improvements in legislative/administrative structures, systems and resources?	<ul style="list-style-type: none"> <li>Clear allocation of the roles and responsibilities within and between institutions (structures)</li> <li>Availability of procedures and guidelines (systems)</li> <li>Availability of suitably qualified skilled staff and adequate financial resources (resources)</li> </ul>		• • •	
3.2. Did the legislative/administrative and judicial performance related to the political criteria improve?	<ul style="list-style-type: none"> <li>Horizontal public administration reform</li> <li>Judicial capacity</li> <li>Rule of law</li> <li>Respect of the protection of the minorities</li> </ul>			• • • •
3.3. Did the legislative/administrative performance related to the economic criteria improve?	<ul style="list-style-type: none"> <li>Legislative/administrative support to a functioning economy</li> </ul>		•	
3.4. Did the legislative/administrative performance related to the ability to take on the obligations of the <i>acquis</i> improve?	<ul style="list-style-type: none"> <li>Support for the transposition of the <i>acquis</i></li> <li>Support for the implementation of the <i>acquis</i></li> <li>Support for the enforcement of the <i>acquis</i></li> </ul>		• • •	
3.5. Have the installed Phare equipment/ works/ grant schemes been usefully put into operation?	<ul style="list-style-type: none"> <li>effective use of the investment/ infrastructure upgrade and/ or Phare funding mechanisms</li> </ul>		•	

### Evaluation Indicators – Thematic/ Cross Cutting Questions

Evaluation Questions	Evaluation Indicators	Discrete	Relative	Qualitative
<b>4. Extent to which results/impacts contributed to achieving wider objectives</b>				
4.1. To what extent can the legislative and administrative impacts at programme level be separated and measured?	<ul style="list-style-type: none"> <li>• Prevailing observed changes in administrative behaviour, procedures, structures</li> </ul>			•
4.2. To what extent can the socio-economic impacts at programme level be separated and measured?	<ul style="list-style-type: none"> <li>• Prevailing observed changes identifiable for the national/regional macro- and/or micro economic situation</li> </ul>			•
4.3. Examine likely legislative/administrative /socio-economic impacts on the basis of the extent to which pre-conditions are in place or are being put in place	<ul style="list-style-type: none"> <li>• Projects conceived within a strategic framework and based on needs assessment</li> <li>• The essentials for adequate public and administrative capacity in place, including stable institutions, appropriate public investment policies, adequate inter-ministerial and central-regional collaborative machinery of government</li> <li>• Positive project ratings for effectiveness and achievement of objectives</li> <li>• Contribution of project outputs to overall objectives</li> <li>• Identifiable benefits for society or the economy</li> <li>• Awareness of the public administrative units, ministries and regional structures involved in project implementation of the activities; and existence of complementary public administrative systems</li> <li>• Beneficiary awareness of project outputs</li> <li>• Relevant civil society bodies involved, and roles defined, with respect to project outputs</li> </ul>	•		• • • •
<b>5. Long term viability of institutional reforms following the withdrawal of Phare support</b>				
5.1. Have the legal, administrative and organisational outputs been sustained?	<ul style="list-style-type: none"> <li>• Availability of financial and human means for continuation of accession preparation and after accession</li> </ul>		•	
5.2. To what extent has the trained staff in the Slovene administrations been stable?	<ul style="list-style-type: none"> <li>• Fluctuation rate of trained staff</li> </ul>		•	
5.3. Are the pre-conditions for sustainability in place or being put in place?	<ul style="list-style-type: none"> <li>• Positive ratings for effectiveness in achieving project outputs</li> <li>• Sectoral strategy documents exist containing project needs identification. Project outputs contribute to achievement of the strategic objectives</li> <li>• Ownership is demonstrated by managers responsible for onward strategic implementation of project outputs</li> <li>• Horizontal public administration systems stable and adequate</li> <li>• Ongoing national finance available for maintenance, insurance, replacements, consumables, etc.</li> <li>• Secure provisions in place for ongoing staffing, staff replacement and training</li> </ul>	•	•	• • •

Evaluation Questions	Evaluation Indicators			
	<ul style="list-style-type: none"> <li>Procedures and systems fully documented, with defined responsibility for updating</li> </ul>	•		
<b>6. Extent to which Phare support improved the performance Bulgaria's pre-accession process</b>				
6.1. Did the Slovene national programmes address <i>ex post</i> needs?	<ul style="list-style-type: none"> <li>Establishment of <i>ex post</i> needs</li> <li>Alignment of project activity to <i>ex post</i> needs</li> <li>Current position</li> </ul>		• •	•
<b>7. Extent to which Phare strengthened the administrative and judicial capacity of Bulgaria</b>				
7.1. Development of a strategic approach for Phare support to building PAJC	<ul style="list-style-type: none"> <li>Existence of a strategic framework</li> <li>Evidence of a needs analysis</li> <li>Logic of the approach to address the defined needs</li> </ul>	• •		•
7.2. Development of national PAJC strategies to underpin Phare programme prioritisation	<ul style="list-style-type: none"> <li>Alignment with Phare priorities</li> </ul>			•
7.3. Adequacy of Phare support to horizontal reforms and governance	<ul style="list-style-type: none"> <li>Alignment of Phare support with defined needs</li> <li>Extent to which project outputs contributed to achievement of objectives</li> <li>Identification of non-sector specific capacities, strengthened by Phare. Current position of these capacities</li> </ul>			• •
7.4. Adequacy of Phare support to cover the <i>acquis</i>	<ul style="list-style-type: none"> <li>Trend in Bulgaria's administrative capacities, both qualitative and quantitative</li> </ul>		•	•
7.5. Adequacy of Phare support to develop regional and local PAJC	<ul style="list-style-type: none"> <li>Identification of these capacities, strengthened by Phare</li> <li>Current position of these capacities</li> </ul>		•	•
7.6. Efficiency, effectiveness, deployment and co-ordination of instruments (TAIEX, Twinning, SIGMA, Technical Assistance and related investments)	<ul style="list-style-type: none"> <li>Adequacy of inter-instrument co-ordination mechanisms</li> <li>Whether the projects' effectiveness in achieving their objectives were positively rated</li> <li>Extent to which project outputs contributed to achievement of overall objectives</li> </ul>	•	•	•
7.7. Prospects for promoting and supporting a government initiative for a systematic benchmarking approach to public administration reforms	<ul style="list-style-type: none"> <li>Viability of proposed key performance indicators</li> <li>Level of awareness and ownership amongst key actors</li> </ul>			• •
7.8. Sustainability of post accession PAJC (related to, for example, scaling down of Phare support and financial/human resource constraints)	<ul style="list-style-type: none"> <li>Existence of planned PAJC resource levels for the medium and long term</li> <li>Identification and availability of financial resources</li> <li>Identification and availability of human resources</li> <li>Existence and adequacy of human resource development planning</li> </ul>	• • •		•
<b>8. Extent to which Phare contributed to the strengthening of ESC and to the preparation for Structural Funds</b>				
8.1. To what extent has Phare been successful in preparing Bulgaria to support ESC after accession, by assisting the country to put in place the pre-conditions for sustainable recourse to the SF? What are the factors underlying the observed performance?	<ul style="list-style-type: none"> <li>Existence of a strategic framework</li> <li>Adequacy and stability of institutional arrangements incl. planning capacities</li> <li>Stakeholder dialogue</li> <li>Sequencing approach for implementation</li> <li>Trend in Bulgaria's ESC administrative structures and capacities, both qualitative and quantitative</li> </ul>	•	•	• • •
8.2. What Commission and National policies have been used to direct the course of	<ul style="list-style-type: none"> <li>Existence of relevant policies</li> <li>Relationship of policies to the strategic</li> </ul>	•		

Evaluation Questions	Evaluation Indicators			
preparations in Bulgaria?	framework and the Phare planning/programming process		•	
8.3. What lessons can be learned from the planning/programming process of Phare ESC assistance?				•
8.4. What lessons learned can be learned from the Phare funded ESC pilot investments in Bulgaria? Did they have immediate impact and did they contribute to wider socio-economic cohesion objectives?	<ul style="list-style-type: none"> <li>• Lessons learned from Phare-funded ESC pilot investments in Bulgaria</li> <li>• Reduction of regional disparities observed</li> </ul>		•	•
8.5. What institutional arrangements have the Bulgarian authorities put in place over time to plan, co-ordinate, and manage operations?	<ul style="list-style-type: none"> <li>• Establishment of bodies and allocation of responsibilities, at national and regional levels</li> </ul>			•
8.6. To what extent has Phare institution building been successful in supporting Bulgaria in its preparation for SF implementation?	<ul style="list-style-type: none"> <li>• Remaining gaps in institutional structures, systems, resources and competences</li> </ul>			•
8.7. Has there been any acceleration in the pre-accession performance of ESC programmes since the beginning of the support to ESC in Bulgaria?	<ul style="list-style-type: none"> <li>• Trend in key performance indicators</li> </ul>	•		

### Annex 5. Sample projects – Financial data and results

Project No.	Project Title	Phare allocation (€)	Final Commitment (€)	Final Disbursement (€)	Main results achieved
<i>Agriculture</i>					
BG 9913.04	TA Support to restructuring of agricultural statistics	1,340,000.00	1,202,000.00	1,178,000.00	<ul style="list-style-type: none"> <li>• Institution building - Restructuring of the agricultural statistics and its approximation to the EU standards. Transfer agriculture statistic department into Agriculture statistic directorate. New structure that insures the possibility to collect administrative information from a high number of small agricultural enterprises. Regional agro-statistics representations were set up in the following 9 macro-regions: Sofia north, Blagoevgrad, Plovdiv, Haskovo, Bourgas, Varna, Rousse, Lovetch, Montana.</li> <li>• Capacity building - The local staff was trained for creation of locale expertise for the implementation of the field surveys. Introduction of pilot and test surveys in Livestock and animal products, Vineyards survey, Milk and milk products survey</li> </ul>
BG 0103.08	Improving the quality of agricultural statistics	2,000,000.00	1,587,255.00	1,467,924.80	<ul style="list-style-type: none"> <li>• Capacity building of agriculture statistic directorate- established full-operating Bulgarian agricultural statistical network for the collection, the processing, and the dissemination of agricultural statistics to local, regional and national authorities and for the provision of EC databases in all regional offices and at headquarters.</li> <li>• Systems practices and procedures and introducing statistical surveys performed in EU practice accordance were developed. The following surveys were conducted: vineyard and grape production, fruits and vegetables, perennials, poultry and eggs, and statistic data for the following aria were produced: for livestock and animal products, milk and milk products, crop production, crop yields. FADN system was developed; Evaluation of land use/land cover – based on area frame sampling method.</li> <li>• Monthly information booklets on agriculture are issued.</li> <li>• Reports for the survey results for regional, national and EC use were published and disseminated.</li> <li>• The data produced by Agrostatistic Directorate are utilised during the negotiations on Chapter Agriculture in the relative sectors and in identifying the quotes for production of agricultural products in Bulgaria.</li> <li>• This data is the main sources of information for the establishment of country's agricultural policy</li> </ul>

BG 0101.04	Improvement of animal health and diagnostics control	1,725,000.00	1,691,623.90	1,463,234.20	<ul style="list-style-type: none"> <li>• <i>Introduction of EU BVIP system of control:</i> 10 veterinarian inspectors participated in seminar and workshop for the management of BIPs and introduction of EU rules for the control of BIPs in Greece. 30 veterinarian inspectors attended a seminar in Bulgaria for training on current BIP requirements</li> <li>• <i>Animal/Public Health and Diagnostics:</i> 8 veterinarian inspectors were trained for improvement of contagious diseases diagnostic methods and with Contingency in Greece and Germany; 40 veterinarian inspectors were trained for tuberculosis [TB] diagnostics and for effective epizootic surveillance of bovine TB, Salmonella infection in poultry and Salmonella in food of animal origin in Bulgaria. 60 veterinarian inspectors attended a training course for BSE diagnostics and surveillance and for Contingency Plans for epizootic diseases such as BSE and Scrapie in Bulgaria.</li> <li>• <i>Reliable and faster information for testing of tuberculosis</i> due to established new laboratory equipment in Sofia</li> </ul>
BG 0201.05	Improvement in phytosanitary control	1,100,000.00	727,865.60	725,135.56	<ul style="list-style-type: none"> <li>• Completion of the equipment process to NSPP labs and offices in order to provide adequate capacity for implementation of their control activities regarding phytosanitary control and plant protection products.</li> <li>• Connection on border inspection posts with regional and central service</li> <li>• Proposals made for funding for meteorological stations which failed to contract in this project.</li> <li>• Number of analysis increased.</li> </ul>
BG 0201.06.01	Control on TSE	500,000.00	494,865.40	401,308.15	<ul style="list-style-type: none"> <li>• Main part of the legislation was harmonised. The LVA adopted in October 2005 considered all the recommendations provided by the twinning component.</li> <li>• A brochure, specialised for the vet regional authorities providing information of the legislative development and measures for TSE control and management of animal by-products was issued.</li> <li>• Establishment of monitoring and analytical capacity. Adequate laboratory capacity for implementation of TSE monitoring programme was established. Screening tests were significantly increase.</li> </ul>
<i>Cross Border Co-operation</i>					
BG 0007.04.01	Joint Small Project Fund	500,000.00	484,476.90	459,981.15	<p>Grant scheme to fund 'people to people' projects that stimulate cooperation and potentially joint activities and joint commitment from both sides of the border. 13 projects funded covering a range of activities such as business cooperation, conferences, cultural exchange etc.</p> <p>Technical assistance to assist potential applicants to complete application forms. Grant management and administrative capacity building including preparation of call for proposal, evaluation of applications, and implementation monitoring.</p>

BG 0007.01.01. 01	Development of the Telecommunications Infrastructure of the BG-RO electricity companies for the improvement of data exchanges between their Dispatching Centre and UCTE – technical Study.	300,000.00	119,878.00	110,901.20	<p><i>Improve the on-line data exchange between the Dispatching Centres of both countries with the UCTE Accounting Centre complying with the EC Directive for the open electricity market</i></p> <ul style="list-style-type: none"> <li>• Technical Study to identify the best technical and financial solution for the improved telecommunication infrastructure, the total investment cost and the technical specifications of the necessary equipment to be procured for interconnection of power networks was proposed.</li> <li>• Supplied and installed new equipment in both power systems (on the interconnection lines, in the NDCs and at the UCTE accounting Center</li> <li>• Certification by UCTE of new metering equipment and of new information provided by both power systems</li> <li>• Training on the job of technical staff from the National Dispatching Centers of both countries.</li> <li>• New hardware, software and communication equipment in both power systems on the electricity interconnection lines and at National Dispatching Centres (NDC) and at the UCTE Accounting Center, on-line information from the two power systems at both NDCs</li> </ul>
BG 0107.01	CBC BG-RO Construction of a crossing border check points in Silistra	2,600,000.00	1,979,211.73	686,807.77	<ul style="list-style-type: none"> <li>• The contract under the project was signed in 2003. The construction work is not finished. The expectation is to be completed by end of June 2006. The Romanian border check point was officially opened on 26 of January 2006.</li> <li>• In order to put in operation border check point two additional contract were signed: 1) the design of the road to border was finished and contract for construction was signed. The construction work will start on April and will finish on November; 2) The construction of ferry port and the provision of ferry was contracted through a concession procedure.</li> </ul>
BG 2002/000.62 4.05	Small projects Bulgaria – Greece	850,000.00	688,174.00	650,645.50	<ul style="list-style-type: none"> <li>• Grant scheme to fund ‘people to people’ projects that stimulate cooperation and potentially joint activities and joint commitment from both sides of the border. 9 projects funded covering a range of activities such as business cooperation, conferences, cultural exchange etc.</li> <li>• Technical assistance to assist potential applicants to complete application forms.</li> <li>• Grant management and administrative capacity building including preparation of call for proposal, evaluation of applications, and implementation monitoring.</li> </ul>

<i>Public Finance</i>					
BG 0006.01	Strengthening Public Internal Financial Control	2,000,000.00	1,779,675.00	1,389,713.92	<ul style="list-style-type: none"> <li>• Development of the legal framework: Audit Charter and Code of Ethics endorsed by the Public Internal Financial Control Agency (PIFCA), tertiary legislation in terms of the control over the EU funds management have been drafted, risk assessment mechanisms were finalised and adopted by the Ministry of Finance, manuals on internal financial control and internal audit have been prepared. Follow-up activities: 25 November – 12 December 2002 were held 4 pilot audits.</li> <li>• Institutional building: mainly activities related to communication: internal communication plan, amended set-up regulation of PIFCA in February 2004 aiming to optimize the functions and the structures of the territorial directorates and the central office, elaboration of the Intranet site of the Agency. The time for conducting an audit has been shortened.</li> <li>• Human resource development: staff assessment system, training of trainers – 28 staff became trainers. They trained some 700 staff for three/four days in the end of 2003.</li> <li>• ICT systems at the PIFCA: Strategy for Development of the Information System of the PIFCA. The information network of the PIFCA is based on the data transfer network of the Ministry of Finance. On its bases was elaborated the Intranet site and so was improved the communication between the staff. 60 internal auditors were trained on the specialized audit software. In few months they have trained 115 other internal auditors. Recently, 60 licensed software packages were transferred to state organizations where they are used by the internal auditors. The municipalities received hardware.</li> </ul>
BG 0103.07	Combating money laundering	1,200,000.00	1,199,982.43	993,641.62	<ul style="list-style-type: none"> <li>• Recommendations for legislative changes – Penal Code and Penal Procedure Code and mainly secondary legislation.</li> <li>• Strategy for a PR and communication campaign. The awareness among the bodies that should implement the law is still limited.</li> <li>• Working groups between institutions involved in the anti-money laundering. The reported suspicious cases raised from 300 to 600 in the past two years. However, no legal case has been completed in the justice system.</li> <li>• Cooperation links between the Financial Intelligence Agency and similar institutions from member states and neighbouring countries.</li> <li>• Training for the customs, tax administration, the Financial Intelligence Unit, and other administrations..</li> </ul>

BG 0203.08	Development of Customs standards and practices	2,541,040.00	2,499,337.00	2,089,366.62	<ul style="list-style-type: none"> <li>• Evaluation of the existing Bulgarian tariff; procedures for the application of Integrated Tariff of the European Communities (TARIC), design of a TARIC database, guidelines on non-tariff measures for import and export, assessment of the internal procedures at the Tariff Directorate of the National Customs Agency (NCA), training in the area of TARIC (trainers from the Tariff Policy Directorate).</li> <li>• Transit Management system; information system; connection and interoperability – to be completed by May 2006.</li> <li>• Development of a Data Dissemination System that includes direct trader input through a web-based software – to be completed by June 2006.</li> </ul>
BG 2004/016-711.09.04	Strengthening the institutional capacity of the Ministry of Finance	4,160,000.00	2,123,708.51	371,039.85	<ul style="list-style-type: none"> <li>• The contracts under the project have been either recently signed or have been prepared.</li> </ul>
<i>Social Affairs</i>					
BG 0010	Access programme	2,000,000.00	1,999,819.56	1,838,789.69	<ul style="list-style-type: none"> <li>• Grant scheme funding 93 projects</li> <li>• Project management capacity building in NGO sector</li> <li>• Technical assistance supplied by consortium of NGOs</li> <li>• Training activities</li> <li>• Grant scheme management and building administrative capacity.</li> </ul>
BG 0202.03	Lifelong learning and vocational education and training	4,000,000.00			<ul style="list-style-type: none"> <li>• Refurbishment and modernisation of vocational training institutions.</li> <li>•</li> </ul>
BG 2004/016-711.01.03	Improvement of the situation and inclusion of the disadvantaged ethnic minorities with a special focus on Roma	9,000,000.00	0.00	0.00	<ul style="list-style-type: none"> <li>• No signed contracts under the project.</li> </ul>

<i>Transport</i>					
BG 0012.01	Vessel traffic management information system	3,290,633.00	3,290,633.00	3,244,727.38	<ul style="list-style-type: none"> <li>• Decrease the number of emergencies with river vessels, and improve water quality and the micro environment:</li> <li>• Operation Centre and Technical Service Unit for management and maintenance of the system was established</li> <li>• The operational system in Varna region is developed and operating. It include: VHF system for distress, safety and public correspondence and VTMISS; Telecommunications Network, VTMISS and GMDSS.</li> <li>• An update of the feasibility study for the scope of the Project VTMISS Phase 2 is envisaged with the help of a technical assistance and consultancy.</li> </ul>
BG 0106.01	Rehabilitation and partial reconstruction of Road II-19	6,950,000.00	6,944,468.00	1,430,047.94	<ul style="list-style-type: none"> <li>• Contract under the project was signed. The construction work is expected to finish by the end of 2006</li> </ul>
BG 2002/000.624	Rehabilitation and Partial Reconstruction of Road II-19 "Razlog-Bansko - Gotse Delchev - Sadovo"	9,300,000.00	8,566,405.68	2,073,954.40	<ul style="list-style-type: none"> <li>• Contracting was done. The construction work is expected to be finished in 2008.</li> </ul>
<i>Environment</i>					
BG 9906	LSIF Part V Sofia Waste Water Treatment Project	23,000,000.00	17,899,950.35	17,877,378.97	<ul style="list-style-type: none"> <li>• Large scale investment infrastructure proposed by the municipality of Sofia with and anticipated cost of €17million. On the advice of DG Environment, a detailed feasibility study was carried out which established that a full rehabilitation project would cost €33 million.</li> <li>• The FM was signed allowing a budget of €23 million and the tender was launched to include a mixture of obligatory and optional components. In the end the contract was achieved at €18 million for only part of the work, mainly the obligatory components. This left only €5 million which was not enough to complete the optional components and it means that the job is only part complete.</li> </ul>
BG 0003.06	Environment <i>acquis</i> and institution building	5,350,000.00	5,049,253.03	4,407,036.14	See Annex 7 for a comprehensive list of <i>acquis</i> related environmental outputs from the 2000 programmes
BG 0201.11	Integrated management planning and admin capacity for protected wetland areas	1,800,000.00	1,755,243.84	760,945.37	<ul style="list-style-type: none"> <li>• Project in progress.</li> <li>• Preparation of integrated action plan for the management and community development of the Wetland areas</li> <li>• Technical assistance delivering capacity building activities and training in community involvement approaches.</li> </ul>

<i>Internal Market</i>					
BG 0002.01	Strengthening the capacity of the Ministry of Economy	2,000,000.00	1,999,999.00	1,293,475.85	<p><i>Institutional reorganization:</i></p> <ul style="list-style-type: none"> <li>• A new organisation structure was implemented – Clear functional division of Directorates and clear inter-departmental lines of communication and information was established.</li> <li>• Every directorate was implemented inside roles for operation</li> <li>• New rules for HR management as well as the new management Information system was established</li> <li>• Linkages with agencies improved – new department responsible for the different agencies was established</li> <li>• The Agencies functions were strictly design</li> </ul> <p><i>Improved management skills</i></p> <ul style="list-style-type: none"> <li>• Training programmes for key personnel in analytic, forecasting, policy development and policy implementation skills, and core competencies was implemented.</li> </ul> <p><i>Strategy development</i></p> <ul style="list-style-type: none"> <li>• The strategies and concepts were developed and included in National strategy for investment</li> </ul>
BG 0003.03	Support in the implementation of the reform in the Public Procurement System	1,300,000.00	1,000,757.00	565,150.06	<ul style="list-style-type: none"> <li>• Complete the approximation of public procurement legislation to the EU <i>acquis</i> and strengthen the institutional capacity</li> <li>• Public Procurement Law assessed and recommendations for amendments prepared; secondary legislation drafted; proposal(s) drafted for re-definition of responsibilities and authorities for the public procurement system</li> <li>• National training programme developed and implemented for Public Procurement Directorate staff and procuring entities as well as other possible entities or groups involved in procurement including prospective contractors: 2 Study tours to the Member State for the PPD members aimed at improving the practical experience of the PPD staff in public procurement; Modules for Training of Trainers in Public Procurement based on Bulgarian legal and commercial requirements □ National training program developed; 50 Bulgarian trainers of trainers in public procurement successfully trained;</li> <li>• Establishing an independent and effective public procurement body</li> </ul>

BG 0201.07	Development of Company Law	1,100,000.00	1,040,380.53	939,678.76	<p><i>Developing of national cooperation and information exchange network for protection of intellectual and industrial property rights</i></p> <ul style="list-style-type: none"> <li>• <i>Establish of a legal framework</i> for the cooperation between the enforcement institutions and the protection providing bodies - Analysis of the legislation in force in the sphere of intellectual and industrial property. Signed a memoranda for understanding between the 5 institutions National Customs Agency, Ministry of Interior (National service for Fight against Organized Crime, National Police service – Economical Department), Ministry of Justice, Ministry of Culture, and Patent Office.</li> <li>• <i>Human resource development:</i> Training of officers working at the Patent Office, Copyright and Related Rights Directorate and the Ministry of Culture, dealing with registration of intellectual and industrial property rights and working out of expert opinions; Train-the-trainers course for officers, who will form a structural unit for interested agencies officers' training; Training of officers working in the National Customs Agency, the Ministry of Interior (National Service for Fight against Organised Crime and the Economical Department to the National Police service); Training of officers, working with specialised software;</li> <li>• <i>Setting up of national information system</i> between the institutions for information exchange in the sphere of intellectual and industrial property - Working out of the technical specifications from Danish partner. Working information through providing of technical equipment and software.</li> </ul>
BG 0202.02	Development of Bulgarian Eco-tourism	4,000,000.00	3,944,405.07	2,904,000.00	<p>The expected result is improvement of tourist potential in Bulgaria through diversification of the tourist products and quality improvement of tourist services in the ecological sector</p> <ul style="list-style-type: none"> <li>• Grant scheme – 27 grant contracts are concluded on 30.11.2004. Maximum execution period of the contracts is 24 months, i.e.30.11.2006. At the moment 3 projects are successfully finished</li> </ul>
<i>Justice and Home Affairs</i>					
BG 0005.01	Strengthening the Public prosecutor's office	3,000,000.00	2,997,131.12	2,838,560.21	<ul style="list-style-type: none"> <li>• Implementation of an integration IT system for document handling across the public prosecution</li> <li>• Twinning component with the counterpart institution in Bavaria Germany</li> </ul>
BG 0203.01	Implementation of the strategy for reform of the Judiciary in Bulgaria	9,300,000.00	8,204,490.76	6,712,226.06	<ul style="list-style-type: none"> <li>• Legal aid Law (published in State Gazette on 4 October 2005, entered into force on 01.01.2006r.)</li> <li>• Judiciary IT Strategy – adopted with the Decision by the SJC dated 07.04.2003</li> <li>• Updated Strategy for the Reform of the Bulgarian Judiciary</li> <li>• Phare Bankruptcy: The electronic system for the bankruptcy cases has already been installed and functioning in the Supreme Cassation Court and all Appellate and District Courts.</li> </ul>

BG 0203.04	Improvement of administrative justice in view of the fight against corruption	800,000.00	799,683.27	539,870.77	<ul style="list-style-type: none"> <li>• National Strategy for Fight against Corruption, 2001, and the Programmes for its implementation for the periods: 2002-2003 and 2004-2005.</li> <li>• 3 National consultations held with the National Service for Fight Against Organised Crime, National Service “Border Police” and National Service “Police”.</li> <li>• Twinning covenant signed between BG and GB – main activities were related to internal anti-corruption: legal and institutional framework changes, public awareness, prevention, training, information activities and operational practices.</li> <li>• National conference on internal anti-corruption held in May/June 2004. the Minister then signed a new Order that treats the management of the corruption signals and the relevant organizations for processing the signals. The methodological control and support for the specialised anti-corruption units is ensured by the Inspectorate at the MoI.</li> <li>• The Unified Anti-corruption System has become similar to the one used by the Anti-corruption unit (command) of Scotland Yard.</li> <li>• Anti-corruption activities implemented under the project that will be continuously implemented after the end of the project:</li> <li>• Info campaign – including posters, ads in the media.</li> <li>• Promotion of the anonymous telephone lines and the web-site for corruption signals.</li> <li>• Questionnaires among the police servants. Loyalty tests.</li> <li>• Visits of the Inspectorate at the territorial and border units.</li> <li>• Control checks at the MoI services that are under corruption pressure.</li> </ul>
BG 2004/016-711.08.01	Support for further implementation of the strategy for reform of Bulgarian Judiciary	6,700,000.00	3,199,664.88	1,130,341.75	<ul style="list-style-type: none"> <li>• Civil Procedures Code (the draft should be ready and introduced to the National Assembly until the end of March)</li> <li>• Penal Procedures Code (published in State Gazette on 28 October 2005 and enters into force on 29 April 2006)</li> <li>• Administrative Procedural Code (second reading at the National Assembly)</li> </ul>

<i>Others (Public Administration)</i>					
BG 0103.01	Strategic policy-making and co-ordination	2,000,000.00	1,767,750.00	1,447,335.52	<ul style="list-style-type: none"> <li>• Training materials, including on strategy planning, impact assessment, monitoring and evaluation of policies, public consultations, training of trainers were submitted to the Institute for Public Administration and European Integration (IPAEI) . Pilot training was delivered by its lecturers using the submitted materials in 2005. The training will be included in the regular programme of the IPAEI. IPAEI participated in all training activities and study trips. In addition, four training brochures were prepared on strategic planning, impact assessment, public consultations and monitoring and evaluation. 1000 copies of them were distributed to Ministries and the Supreme Judicial Council. Cases described in the brochures have been used as models for good practice.</li> <li>• Developed methodology for impact assessment. Pilot impact assessment was done only under several articles from a law implemented at the Ministry of Environment and Waters and not for the whole law as there was not enough time. It has been included as a case study in the text books.</li> <li>• Analysed the consultation mechanisms. Suggestions for improvement of the political coordination and public consultations.</li> <li>• Suggestions for amendments of the set-up regulation of the Council of Ministers (agreed among all Ministries but not yet adopted because of the Governmental elections in June 2005) that allowed public consultations, impact assessment and other instruments to be used in strategic policy making. This regulation will incorporate the already adopted Regulation by the Ministry of Finance for financial impact assessment of new legislation.</li> </ul>
BG 0103.02	Implementing civil service reform	2,400,000.00	2,186,043.75	2,076,258.00	<ul style="list-style-type: none"> <li>• Functional analyses of seven pilot ministries and six pilot district (oblast) administrations.</li> <li>• Elaborated draft methodology for analysis and assessment of the functionality and the effectiveness of the public administration (performance appraisal of the management of a whole administration as a follow-up of earlier DFID project for performance appraisal of the individual civil servants). Developed criteria and procedures for the Inspectorates at the state administration (that have control functions over the work of the public administration) that should increase the control and the accountability of the public administration, including guidelines/manuals.</li> <li>• Established and equipped six training centres for the district (oblast) administrations. Decentralised training held in the six centres for 300 oblast and municipal administrative servants on civil service issues, functional analysis of the administrative structures, delivery of public</li> </ul>

					<p>service, access to information and accountability mechanisms (June/July 2004). In realization of the Concept for improvement of the administrative service in the context of the “one stop-shop” principle (adopted on 28 December 2003 or 29 December 2002).</p> <ul style="list-style-type: none"> <li>• Computers and printers delivered to all 264 municipalities, and to some regions (24 Sofia, 6 Plovdiv and 5 Vrana), as well as servers for the registers (of the administrative structures and of the civil servants) at the Council of Ministers.</li> </ul>
BG 0203.05	TA to implement key measures of the Programme for the Implementation of the National Anti-Corruption Strategy	1,000,000.00	999,890.00	999,890.00	<ul style="list-style-type: none"> <li>• Best practices analysis and functional analyses of the Council for Coordination of the Anti-corruption Activities, and of the Regional Anti-corruption Councils.</li> <li>• One annual conference for all organizations involved in anti-corruption coordination was organized with the support of the project. Contribution to the communication strategy.</li> <li>• Training materials on anti-corruption prepared and submitted to the IPAEI. The IPAEI holds training for newly employed civil servants, using the materials.</li> </ul>
BG 0203.07	Strengthening Human Resource Capacity in the Bulgarian Public Administration	2,000,000.00	1,766,720.00	1,702,635.90	<ul style="list-style-type: none"> <li>• Suggestions for legislative amendments in the area of mobility and pension schemes, carrier development and structural organization of the administration. Adopted by the Council of Ministers and at the National Assembly at present.</li> <li>• Developed strategy for human resource management, including structure and training. The Strategy is on the agenda of the Council of Ministers, to be adopted.</li> <li>• Developed methodologies for consultations and surveys of the civil servants aimed to improve the working environment. Prepared job descriptions and held training for the human resource management units of the state administrative structures (ministries, agencies, municipalities).</li> <li>• Developed system for human resource management, using unified software installed on the central server. It should be accessible for introduction of appointments, promotions, holidays, training, gender, etc. through the Web. The system was tested in nine pilot administrations - three central, three oblasts and three municipalities. A plan for gradual launch of the system in all administrative structures was elaborated.</li> </ul>

ESC					
BG 9914 (ESC)	Employment and social affairs. Beautiful Bulgaria II: temporary employment and vocational training	4,591,086.00	4,591,086.00	4,585,767.97	<ul style="list-style-type: none"> <li>• Improved management skills of the project's staff at the Ministry of Labour and Social Policy. Some new tools for project management and control were used. For example, external and internal audit, memoranda of understanding signed between the key stakeholders (municipalities, UNDP and the Ministry of Labour and Social Policy), monitoring and evaluation, double signature, international accounting standards.</li> <li>• Created project monitoring practices at the 11 municipalities where the project was implemented.</li> <li>• 15% of the people involved in the project found permanent job (however this was monitored at the end of the project therefore this can not be considered as permanent employment). 8500 temporary employed during the project implementation, mostly as construction workers.</li> <li>• SMEs project experience (179 subcontracts concluded).</li> <li>• 221 sites (cultural, historical and other buildings, gardens, squares) in the 11 municipalities refurbished.</li> <li>• Business start-up training of 526 unemployed.</li> </ul>
BG 0102.05 (ESC)	Labour Market initiatives	6,300,000.00	4,729,077.31	4,459,730.56	<ul style="list-style-type: none"> <li>• Grant scheme funding human resource projects (ESF type measures)C</li> <li>• Refurbishment of vocational education institutions</li> </ul>
BG2003/004-937.11.03	Pilot integrated investment scheme for Regional Development Actions				<ul style="list-style-type: none"> <li>• No substantial outputs to date as the project is in the beginning stage of implementation. Substantial delays in approving grantees, only 10% of submitted documents considered adequate by the IA.</li> </ul>

Source for financial data: Perseus; figures in €; discrepancies between final commitment and final disbursement indicate projects with still on-going disbursements;

Source for results: project final reports.

## Annex 6. Additional Sectoral Information

This Annex provides some additional information to support the text in Sections 2.4 and 2.5.

Much new legislation was prepared and enacted with the help of twinning, but little has been applied or enforced. Much of the Phare 1999-2001 assistance was concerned with the introduction, harmonisation, implementation and enforcement of legislative change in the sectors directly concerned with the closing of *acquis* chapters (agriculture, environment, economy, internal market, and energy and transport).

Phare has been behind institution building in a number of key sectors, such as agriculture and public finance. However the systemic lack of institutional capacity remains a constraint for all capacity building interventions. A substantial number of projects either directly or indirectly related to the reform of public administration have been implemented in the period covered by this evaluation. These projects aimed at underpinning high-level change, for example civil service reform, improvement in the strategic decision making culture and strengthening of human resource capacity. However despite the enormous effort from significant numbers of individuals, the systemic lack of institutional capacity across many of the line ministries combined with widespread resistance to change has meant that the absorption potential for such far-reaching reform interventions is severely limited. The primary outputs from such interventions was training on a massive scale; some projects report training of 700 staff or 200 staff from the central administration and the six district centres of the six planning regions. The production of documents and materials to support the introduction of more modern working practices was a common output. For some projects thematic working groups were established to stimulate and involve the different line ministries. Study tours were organised to provide Bulgarian authorities with the opportunity to observe the suggested systems in practice.

In the **justice sector**, Phare supported significant legislative and administrative change. Twelve twinning projects were used to assist with the drafting of new legislation and as a direct consequence there have been revised versions of the penal codes, the civil codes, procedural codes, and administrative codes. The Phare interventions also aimed to create a critical mass of positive actions to stimulate and achieve real change. As a consequence some concrete achievements have been made with the assistance of Phare. In certain areas, the widespread training of young technical and administrative staff is a success story, and earlier projects have created the foundations for future projects and the basis for ongoing change.

The National Institute of Justice was created as a direct result of Phare assistance. It is responsible for a number of core actions including recruitment, training for new magistrates, and other internal professional training. It has already introduced a cohort of new magistrates with modern views towards corruption and transparency. Over time new people will be absorbed into the system every year. Although the numbers of new recruits each year is relatively small, the growing numbers of such people should accelerate the judicial reform process. A very new concept for Bulgaria was introduced in 2004, having a competitive process for the recruitment and selection of new magistrates, rather than political appointments.

Phare-supported unified information system is a core element of the judicial reform process. The information technology strategy for the justice sector, which was also prepared as a result of Phare assistance in the earlier period, sees a need to create an integrated system across the whole of the judiciary. Phare has been used to start this process and to roll it out in different stages to different elements of the judiciary and to the different levels, national and regional, of the court system. When fully functional the IT system will result in the modernisation of procedures and practices across all courts in Bulgaria. Although the work is still in progress the positive effects, and a more streamlined, modern working environment, are already being experienced and appreciated by those people in the areas where the system is being tested.

Despite these achievements, the justice sector remains one of the key areas requiring further assistance.

In the **agriculture sector**, assistance from three interlinked Phare projects underpinned the establishment of the Bulgarian agricultural statistical network. The immediate result has been the establishment of the institution and the capacity building in the Agriculture Statistic Directorate to guarantee a fully operational structure. The development in the agriculture sector needed to overcome earlier delays in the establishment of structures but the 2004 Regular Report indicated that further strengthening of administrative structures had been noted. This was confirmed through some of the projects examined where operational results are emerging in inspection and control areas like control of Transmissible Spongiform Encephalopathy (TSE), phytosanitary control, biological testing and the registration of plant protection products. Like most of the Bulgarian administration, the organisational development is constrained because of the difficulty of retaining good staff, especially in the regions where the salaries are very low (regional salaries are around €120 per month).

In the **public finance sector**, Phare has provided consistent support to the strengthening of the functions of the Ministry of Finance including a new organisation structure, modernisation of systems, including state budgeting and financial reporting, and economic modelling. Elsewhere in the same sector support has been provided to allow for the *acquis* required separation between the internal audit and inspection functions. For this three laws have recently been brought to the National Assembly (the Financial Management and Control Act – approved on 24 February 2006, the Internal Audit Act approved on first reading, and the Inspections Act being discussed in the relevant Parliamentary commission) and the changes have implications for the functioning of the Public Internal Financial Control Agency (PIFCA). Earlier Phare support through twinning strengthened the auditing procedures in the PIFCA and a new strategy for development of the PIFC in Bulgaria, adopted in June 2005, has recommended a decentralised model. Phare has been instrumental in supporting this process of reform in the PIFCA. Already some 450 of the circa 1,100 employees have moved to the State, municipal and district administrations as internal auditors. Others have moved to two Directorates that were created in the MoF, the Internal Control Directorate to develop the methodology for internal control, financial management and control and training programmes, and the Audit of EU Funds Directorate to prepare for the audit role required as part of the winding-up of the SF cycle.

Phare supported the creation of a strategy for development of the information systems. It also provided hardware and software (in two phases). The effects of the first phase from Phare 2000 are beginning to improve communication between the staff working in the PIFCA. Internal auditors have been trained in the use of the specialist audit software. Trainers were also trained and as a result significant numbers (700 people) staff received introductory training. However, some recent changes to the structures of the PIFCA may affect these developments. At the time of this evaluation many experts are being removed from the PIFCA, especially from the district directorates.

The **internal market sector** included a successful merger of production and trade functions in the Ministry of Economy and a similar combination of the foreign trade functions in the Ministries of Economy and Energy. In both cases Phare supported the reshaping of Directorates within the ministries and the development of new agencies. Two projects in the later period (2002) built on earlier foundations. In one case, a project to strengthen the foreign trade capacity of the SME promotion agency was reshaped to take account of comments in the Commission Regular Report. The second intervention supports the continuing development of company law in the specific area of intellectual property rights. A positive feature of this project was the strong co-operation between the beneficiaries, which included the National Customs Agency (project co-ordinator), the Patents Office and the Ministries of Culture, Justice, and Interior.

An integrated information system has been put into operation on all customs sites and the applications within the system have gradually been developed with the assistance of Phare. Considerable efforts have been put in place to achieving interconnectivity with EU systems by the time of accession. This process is ongoing and the immediate effects of this new system are already being experienced across all customs sites.

In the **social sector**, Bulgaria has struggled to realise tangible intermediate impacts from Phare assistance to Roma minorities. Phare and the EU accession process have been instrumental in highlighting the issues of poverty and social exclusion of minorities, in particular the Roma community in Bulgaria. Like the other earlier candidate countries, Bulgaria has struggled to realise intermediate impacts from the significant number of Roma projects that have been implemented. The greatest effects are experienced at local level in communities, but there is no mechanism in place to measure or quantify the extent of these impacts.

**Annex 7. Legislative, procedural and institutional changes in the environmental sector that were initiated in Bulgaria as a result of twinning projects**

Twinning Partner, Total Budget (€)	Legislative, procedural and institutional changes that were initiated in Bulgaria as a result of the twinning	Contribution to the National Environmental Law
<b>BG2000EN01A – Institutional strengthening at national and regional level for implementation of the drinking water, fish water and shellfish water, bathing water and dangerous substances discharges directives</b>		
French Ministry of Spatial Planning and Environment <b>990,000</b>	<p><b>Sub-project A : Drinking Water</b> main results:</p> <ol style="list-style-type: none"> <li>1. Assessment on the current state of the public water supply and monitoring system in Bulgaria, including a gap analysis with respect to legal, organisational and technical aspects</li> <li>2. Development of an investment programme for improving water works, raw water treatment plants and the drinking water distribution systems</li> <li>3. Preparation of an appropriate cost recovery and pricing system in close correlation to the necessary financing strategy and taking into consideration related social aspects</li> <li>4. Assessment of the current drinking water monitoring system with regard to the EU requirements and development of a future programme to reach full compliance with the stipulations of the Drinking Water Directive, including the preparation of a monitoring/Good Laboratory Practise (GLP) manual</li> <li>5. Trained staff within the national and regional authorities, responsible for raw water quality (MoEW), water abstraction, treatment, storage and distribution (MRDPW) and drinking water hygiene (MoH),</li> <li>6. Establishment of closer co-operation between the concerned national and regional authorities including consumer protection organisations and stakeholders</li> <li>7. Preparation and implementation of a public awareness campaign in order to inform the public about current water related issues, in close integration with the IMWGs recommendations and related activities of sub-project B.</li> </ol> <p><b>Sub-project B : Bathing water, Fish and Shellfish water, Dangerous Substances</b></p> <p><b><i>Fish Water and Shellfish Water Directive</i></b>            Identification of fish and shellfish waters (for salmonid and for cyprinid)            Elaboration of programmes for fish and shellfish water pollution reduction for those waters that are designated to salmonid and cyprinid but are not in compliance with the standards            Preparation of adequate sampling and monitoring programmes and procedures            Preparation of a public awareness campaign.</p> <p><b><i>Bathing Water Directive</i></b>            Identification of the potentially bathing waters (sea, rivers, lakes, dams)            Definition of a bathing water quality improvement programme, identifying the measures needed for compliance with the quality standards            Adoption of a programme for modernisation of the bathing water monitoring systems            Preparation of a public awareness campaign.</p> <p><b><i>Dangerous Substances Discharges</i></b>            Definition of pollution reduction programmes for all substances listed in list II, identifying the measures needed for compliance with the quality standards            Preparation of effluent monitoring and inspection programmes and procedures            Strengthening the River Basin Authorities capacities to carry out inspection and monitoring procedures and to improve the co-operation with industries.</p>	

Twinning Partner, Total Budget (€)	Legislative, procedural and institutional changes that were initiated in Bulgaria as a result of the twinning	Contribution to the National Environmental Law
<b>BG2000EN01B – Institutional strengthening for implementation of Regulation EC/338/97 on trade in species of wild flora and fauna</b>		
Austrian Federal Environment Agency <b>894,000</b>	Adoption of measures preventing illegal traffic of wild fauna Improvement of control efficiency at the borders Improvement of the identification procedures and mechanisms to send the confiscated animals to their country of origin Establishment of Rescue Centres Improvement of management capacity to deal with confiscated alive animals Improvement of public awareness	Convention on International Trade in Endangered Species of Wild Fauna and Flora (The Washington Convention, CITES) - ratified in 1990, in force for the Republic of Bulgaria since 16.04.1991 (State Gazette No 6/1992); Law on Biological Diversity (State Gazette No 77/2002); Customs Act (State Gazette No 15/1998, as amended in 2000); • Regulation No.4 on the conditions and order for issuance of permits for introduction of non-native or reintroduction of native animal and plant species into the nature. (SG 65/2003) • Regulation No.5 on the conditions and order for the elaboration of action plans for animal and plant species. (SG 73/2003)
<b>BG2000EN01C – Transposition and basic practical application of regulations related to the Law on protection from the harmful impact of chemical substances and preparations</b>		
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety <b>770,000</b>	<ul style="list-style-type: none"> <li>• Finalisation of the transposition process concerning testing and modification of chemicals and preparations through the assistance in drafting regulations.</li> <li>• Definition of a detailed phased programme for the implementation of the new chemical legislation</li> <li>• Strengthening the institutional and administrative framework responsible for the implementation and enforcement of the regulations.</li> </ul>	Law on Protection against Harmful Impact of Chemical Substances and Preparations (Published in State Gazette No.10/04.02.2000, in force since 05.02.2002, amendments published in SG No.91/25.09.2002, No.86/30.09.2003, SG No.114/30.12.2003, in force since 31.01.2004.) Regulation on the procedure and method of import and export of dangerous chemical substances and preparations on the territory of the Republic of Bulgaria, State Gazette No. 63/20.07.2004 Regulation relating to bans and restrictions on the marketing and use of certain dangerous substances, preparations and products (SG 69/17.07.2002) Regulation on the procedure and method of the assessment of risks to man and the environment of notified chemical substances, State Gazette No. 110/17.12.2004 Ordinance on classification, packaging and labelling of existing and new chemical substances and preparations (Adopted with Council of Ministers' Decree No 316/20.12.2002, published in the State Gazette No.5/17.01.2003, in force as of 01.01.2004.) Regulation on the notification of new chemical substances (Adopted by Council of Ministers' Decree No 327/2004, published in the State Gazette issue No. 110 from 17 December 2004, in force from 1 January 2005)

Twinning Partner, Total Budget (€)	Legislative, procedural and institutional changes that were initiated in Bulgaria as a result of the twinning	Contribution to the National Environmental Law
<b>BG2000EN01D – Training and application of the IPPC Directive on a regional level for specialists from the Regional Inspectorates and from the industrial sector</b>		
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety <b>964,000</b>	<p>1. Draft the regulations and the codes of practice for the protection of Bulgarian population from ionising radiation in relation to medical exposures (Directive 97/43/EURATOM), including:</p> <ul style="list-style-type: none"> <li>• Patients as part of their own medical diagnosis or treatment;</li> <li>• Individuals as part of occupational health surveillance, health screening programme or medico-legal procedures;</li> <li>• Healthy individuals or patients voluntarily participating in medical research programmes</li> </ul> <p>2. Building the institutional procedural framework;</p> <p>3. Establish a quality assurance programme ensuring that medical exposures to ionising radiation is justified and optimised according to the requirements of the Medical Exposures Directive 97/43/EURATOM;</p> <p>4. Set up a quality control system to ensure the safety and safe use of radiological equipment;</p> <p>5. Improve the education and training systems for all specialists involved in medical radio diagnostic and radio therapeutic procedures in accordance with the Medical Exposures Directive 97/43/EURATOM</p>	<p>Environmental Protection Act</p> <p>Ordinance on the conditions and procedure for issuing of permits for construction and operation of new establishments or installations and for operation of existing establishments and installations implementing a system for the prevention of major accidents involving dangerous substances or the limitation of their consequences</p>
<b>BG2000EN01E – Radiation protection and safety at medical use of ionising radiation<sup>51</sup></b>		
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety <b>2,715,000</b>	<p>Draft the regulations and the codes of practice for the protection of Bulgarian population from ionising radiation in relation to medical exposures (Directive 97/43/EURATOM), including:</p> <ul style="list-style-type: none"> <li>▪ Patients as part of their own medical diagnosis or treatment;</li> <li>▪ Individuals as part of occupational health surveillance, health screening programme or medico-legal procedures;</li> <li>▪ Healthy individuals or patients voluntarily participating in medical research programmes</li> </ul> <p>Building the institutional procedural framework;</p> <p>Establish a quality assurance programme ensuring that medical exposures to ionising radiation is justified and optimised according to the requirements of the Medical Exposures Directive 97/43/EURATOM;</p> <p>Set up a quality control system to ensure the safety and safe use of radiological equipment;</p> <p>Improve the education and training systems for all specialists involved in medical radio diagnostic and radio therapeutic procedures in accordance with the Medical Exposures Directive 97/43/EURATOM</p>	<p>1.The draft on the Ordinance “Protection of individuals at medical use of ionising radiation” transposing the EU Directive 97/43/EURATOM into national law has been finalized.</p> <p>2.A system of procedures and guidelines for Quality Assurance (QA) and Quality Control (QC) in form of annexes to Ordinance “Protection of individuals at medical use of ionising radiation” to improve and maintain the image quality in medical diagnostics and patient protection has been elaborated.</p>

<sup>51</sup> The Ministry of Health of the Republic of Bulgaria was the Implementing Agency (IA) for this project.

### Annex 8. Processing delays with development and approval of project fiches

<i>Name of project</i>	<i>Date IA to NF</i>	<i>Date NF to NAC</i>	<i>Date NAC to ECD</i>	<i>Date of ECD approval/rejection</i>	<i>NF</i>	<i>Duration (days)</i>			<i>Total</i>
						<i>NAC</i>	<i>ECD</i>		
BG 0201.05 Improvement in phytosanitary control	08.04.2004	02.06.2004	07.06.2004	01.07.2004 approved	<b>56</b>	5	23		84
BG 0201.06.01 Control on TSE - only the Twinning component!	08.04.2004	28.04.2004	05.05.2004	11.05.2004 approved	<b>20</b>	7	6		33
BG 0202.02 Development of Bulgarian Eco-tourism	28.07.2004	12.08.2004	17.08.2004	04.10.2004 approved	15	5	<b>48</b>		68
BG 0203.01 Implementation of the strategy for reform of the Judiciary in Bulgaria	14.03.2005	18.03.2005	23.03.2005	15.08.2005 approved	4	5	<b>145</b>		154
BG 0203.07 Strengthening Human Resource Capacity in the Bulgarian Public Administration	16.05.2005	23.05.2005	03.06.2005	30.06.2005 rejected	7	11	<b>27</b>		45
BG 0203.08 Development of Customs standards and practices	23.03.2004	15.05.2004	21.05.2004	09.07.2004 approved	<b>53</b>	6	49		108

### Annex 9. List of Documents

Originator	Date	Title of Document
<i>OVERALL DOCUMENTS</i>		
European Commission	2005, 2006	Comprehensive Monitoring Report on Bulgaria's preparation for Membership
European Commission	2000, 2001, 2002, 2003, 2004	Regular Reports on Bulgaria's Progress towards Accession
European Commission	2003	Roadmaps for Bulgaria and Romania, Public Administration and Judicial Capacity
European Commission and the Government of Bulgaria	various	Bulgaria National Programmes 1999, 2000, 2001, 2002, 2004, Financing Memoranda,
	various	Cross-border Cooperation Programmes, Financing Memoranda with Greece (1999, 2000, 2001, 2002, 2003, 2004), Romania (1999, 2000, 2001, 2002, 2003, 2004), Turkey (2004), Serbia and Montenegro (2004), and the former Yugoslav Republic of Macedonia (2004)
Court of Auditors	June 2006	Special Report 4/2006 concerning Phare Investment Projects in Bulgaria and Romania
CFCU (MoF), Ministry of Regional Development and Public Works, Ministry of Environment and Waters, Ministry of Labour and Social Works	March/2006	Perseus for all programmes under evaluation
<i>INTERIM EVALUATION REPORTS</i>		
European Commission (author ECOTEC)	25/10/2005	Interim Evaluation Reports (electronic versions) R/BG/SOC/0508
	22/09/2005	R/BG/REG/0506
	04/08/2005	R/BG/JHA/0505
	19/07/2005	R/BG/ENE-TEL/05.04
	24/05/2005	R/BG/ENV/0503
	06/06/2005	R/BG/EC-DEV/0502
	11/05/2005	R/BG/AGR/0501
	05/04/2005	R/BG/PAD/0406
	05/04/2005	R/BG/FIN/0405
	09/02/2005	R/BG/NUC/0404
	24/11/2004	R/BG/SOC/0403
	07/12/2004	R/BG/TRA/0402
	November/2005	BG Country Summary
European Commission (author ECOTEC)	18/01/06	Thematic report No. ZZ/JHA/0533 Support to the Justice and Home Affairs Acquis
European Commission (author EMS)	12/11/2002	Interim Evaluation Reports (electronic versions) R/BG/ENV/02.012
	25/02/2002	R/BG/ENV/01050
	27/05/2003	R/BG/ENV/03003
	26/04/2002	R/BG/AGR/02.002
	10/12/2002	R/BG/AGR/02.013
	24/01/2001	R/BG/PRI-SME/01048 Private Sector Development and SME

	30/09/2002 16/05/2003 08/08/2002 27/02/2003 24/01/2001 04/12/2002 01/07/2002 03/02/2003 18/06/2002 25/02/2003 18/06/2002 20/06/2002 09/01/2003 20/03/2002 14/01/2003 25/02/2002 24/11/2002 18/11/2003 March/2004	R/BG/EC-DEV/02.010 R/BG/EC-DEV/03.001 R/BG/EN-TEL/02.007 R/BG/EN-TEL/02.018 R/BG/FIN/01047 Public Finance R/BG/PAD/02016 Public Finance R/BG/JHA/02006 R/BG/JHA/02017 R/BG/NUC/02001 R/BG/PAD/02019 Public Administration R/BG/PAD-STA/02005 Public Administration and Statistics R/BG/REG/02.003 R/BG/REG/02.014 R/BG/SOC/02.004 R/BG/SOC/02.015 R/BG/TRA/01.049 R/BG/TRA/02.011 BG/CPER/03074 From Pre-accession to Accession Interim Evaluation Consolidated Summary Report, Phare support 1999-2002
European Commission (author RAMBOLL Management and Eureval-C3E)	April/2003	Phare Country <i>Ex post</i> Evaluation and Capacity Building Country Report-Bulgaria
European Commission (author OMAS)	19/04/2001	S/BG/CAR/00009 Country Assessment Review of Phare Assistance up to the Year 2000
<b>AGRICULTURE</b>		
European Commission and the Government of Bulgaria		BG 9913.04 TA Support to restructuring of agricultural statistics <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0103.08 Improving the quality of agricultural statistics <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0101.04 Improvement of animal health and diagnostics control <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>
		BG 0201.06-01-0001 Control on TSE <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0201.05 Improvement in phytosanitary control <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>
<b>CROSS-BORDER COOPERATION</b>		
European Commission and the Government of Bulgaria		BG 0007-04-01 Joint Small Project Fund <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Compendium of the projects</li> </ul>

		BG 0007.01-01-01 Development of the Telecommunications Infrastructure of the BG-RO electricity companies for the improvement of data exchanges between their Dispatching Centre and UCTE – Technical Study. <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
European Commission and the Government of Bulgaria		BG 0107.01 CBC BG-RO Construction of a crossing border check points in Silistra <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 2002/000.624.005 Small projects Bulgaria – Greece <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Compendium of the projects</li> </ul>
<i>PUBLIC FINANCE</i>		
Public Internal Financial Control Agency		BG 0006.01 Strengthening Public Internal Financial Control (twinning, equipment) <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Twinning covenant</li> <li>• Final Report</li> </ul>
Financial Intelligence Agency		BG 0103.07 Combating Money Laundering <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Twinning covenant</li> </ul>
National Customs Agency		BG 0203.08 Development of Customs Standards and Practices <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Monitoring Report</li> </ul>
Ministry of Finance (various directorates) and Agency for Economic Analyses and Forecasting		BG 2004/016-711.09.04 Strengthening the Institutional Capacity of the Ministry of Finance <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
<i>SOCIAL AFFAIRS</i>		
Beautiful Bulgaria, Ministry of Labour and Social Policy, UNDP		BG 9914 Employment and social affairs. Beautiful Bulgaria II: temporary employment and vocational training <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Case Study UNDP</li> </ul>
Ministry of Labour and Social Policy		BG 0102.05 Labour Market initiatives <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
NGOs and Ministry of Foreign Affairs		BG 0010 Access programme <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Compendium of the Projects</li> </ul>
Ministry of Labour and Social Policy Ministry of Education and Science		BG 0202.03 Lifelong learning and vocational education and training <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
National Council on Ethnic and Demographic Issues, and Ethnic and Demographic		BG 2004/016-711.01.03 Improvement of the situation and inclusion of the disadvantaged ethnic minorities with a special focus on Roma <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>

Issues Directorate, Council of Ministers		
<i>TRANSPORT</i>		
European Commission and the Government of Bulgaria		BG 0012.01 Vessel traffic management information system <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
European Commission and the Government of Bulgaria		BG 0106.01 Rehabilitation and partial reconstruction of Road II-19 <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Amended Project Fiche</li> </ul>
		BG 2002/000.624 Rehabilitation and Partial Reconstruction of Road II-19 "Razlog-Bansko - Gotse Delchev - Sadovo" <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
<i>ENVIRONMENT</i>		
European Commission and the Government of Bulgaria		BG 9906 LSIF Part V Sofia Waste Water Treatment Project <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0003.06 Environment <i>acquis</i> and institution building <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0201.11 Integrated management planning and admin capacity for protected wetland areas <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
<i>INTERNAL MARKET</i>		
European Commission and the Government of Bulgaria		BG 0002.01 Strengthening the capacity of the Ministry of Economy <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>
		BG 0003.03 Support in the implementation of the reform in the Public Procurement System
		BG 0201.07 Development of Company Law
		BG 0201.01 Strengthening the administrative capacity of Bulgarian Trade Promotion Agency
		BG 0202.02 Development of Bulgarian Eco-tourism
<i>JUSTICE AND HOME AFFAIRS</i>		
Ministry of Justice		IT Strategy for the Judiciary
Public Prosecutors' Office	2003	BG 0005.01 Strengthening the Public prosecutor's office (twinning, equipment) <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Twinning covenant</li> <li>• Final Report</li> </ul>
Ministry of Justice National Institute of Justice		BG 0203.01 Implementation of the strategy for reform of the Judiciary in Bulgaria (twinning, twinning, equipment) <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> <li>• Twinning Covenants</li> </ul>
Supreme Administrative Court		BG 0203.04 Improvement of administrative justice in view of the fight against corruption (twinning) <ul style="list-style-type: none"> <li>• Project Fiche</li> <li>• Twinning Covenant</li> </ul>

Ministry of Justice		BG 2004/016-711.08.01 Support for further implementation of the strategy for reform of Bulgarian Judiciary <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
<i>OTHERS (PUBLIC ADMINISTRATION)</i>		
SIGMA	2000	
SIGMA	June 2005	Bulgaria Policy-Making and Coordination, Assessment
SIGMA	July 2004	Bulgaria Anti-corruption and Integrity Framework, Assessment
SIGMA	June 2005	Bulgaria Element of the Public Integrity System
SIGMA	June 2005	Public Service and the Administrative Framework, Assessment
European Commission and the Government of Bulgaria		BG 0103.01 Strategic policy-making and co-ordination <ul style="list-style-type: none"> <li>• Financing Memorandum</li> <li>• Project Fiche</li> </ul>
		BG 0103.02 Implementing civil service reform <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>
		BG 0203.05 TA to implement key measures of the Programme for the Implementation of the National Anti-Corruption Strategy <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>
		BG 0203.07 Strengthening Human Resource Capacity in the Bulgarian Public Administration <ul style="list-style-type: none"> <li>• Project Fiche</li> </ul>

### Annex 10. List of Interviews

Institution	Interviewee	Date
European Commission DG ELARG	Richard Ferrer Bulgaria Task Manager	09/02/06
	Martine Parmentier CBC Bulgaria Task Manager	09/02/06
European Union, EC Delegation	Konstantinos Soupilas, Phare Section, Horizontal Issues	01/02/2006
	Ruud van Enk, First Secretary, Head of Phare/ISPA Section	01/02/2006
	Alexander Alexandrov Advisor, Transport	01/02/2006
	Milena Damyanova Advisor, Judiciary	03/02/2006 09/02/2006
	Angeliki Votsoglou, Advisor, Civil Society and PAD Reform	09/02/2006
	Juergen Becker, Advisor, Social Inclusion, Minorities, Health	08/02/2006
	Hermann Hagspiel Advisor, Private Sector Development and Banking	23/02/2006
	Magdalena Mueller-Uri Advisor, Customs and Political Affairs	01/03/2006
	Paulina Stanoeva Advisor, Public Finance	02/03/2006
	Christina Naneva Task Manager Agriculture & Fisheries	
Ministry of Finance, Management of EU Funds Directorate, Management of Phare Funds Department	Daniela Tzoneva, Head of Monitoring and Evaluation Unit	31/01/2006
	Branimir Stoyanov Junior Expert, Social Development	31/01/2006
	Svetlin Ganchev Junior Expert, Regional Development/CBC	31/01/2006
	Angelina Todorova, Junior Expert, Environment	31/01/2006
	Adelina Vezenkova, Junior Expert, Justice and Home Affairs	31/01/2006
Ministry of Finance, Management of EU Funds Directorate, Management of Phare Funds Department	Jenya Dinkova	15/3/06
	Daniela Tzoneva Head of Monitoring and Evaluation Unit	15/3/06
Ministry of Finance, National Fund Directorate	Diana Marinova Senior Phare Financial Controller	06/02/2006
Ministry of Finance, Central Finance and Contracts Unit Directorate	Stanislav Stavrev Legal Expert Deputy Head of Contacting Unit	06/02/2006
Council of Ministers, European Integration Unit	Tzvjatko Velikov Chief Expert	07/02/2006

Council of Ministers, European Integration Unit	Silvia Stoilova, Expert	07/02/2006
Ministry of Public Administration and Administrative Reform	Valeri Natan Junior Expert	07/02/2006
Council of Ministers, European Integration Unit	Tatyana Kmetova Consultant under BG 0103.01	08/02/2006
Council of Ministers, Ethnic and Demographic Issues Directorate	Maya Cholakova, Director	09/02/2006
Beautiful Bulgaria	Georgi Stamatov Director	10/02/2006
Ministry of Labour and Social Policy, Beautiful Bulgaria Project	Mihail Bachvarov State Expert	10/02/2006
Council of Ministers, State Administration Directorate	Irena Borissova	10/02/2006
United Nations Development Programme, Beautiful Bulgaria Project	Elena Panova Programme Officer	10/02/2006
Financial Intelligence Agency, Sector International Cooperation and Training Programmes	Johanna Razpopova Head of sector	24/02/2006
Public Internal Financial Control Agency	Ginka Draganinska Director	27/02/2006
Public Internal Financial Control Agency	Dr. Walter Schmidt-Bens Resident Twinning Advisor	27/02/2006
Council of Ministers	Lilia Todorova Advisor	27/02/2006
Customs Agency, Central Customs Directorate, Institutional Building and Phare Programme Department	Vyara Filipova	01/03/2006
Ministry of Agriculture	Diana Atanasova Chief, Division of Agrostatistics	
	Mariana Toteva Chief Expert, Statistical analysis and balances	
	Vasilka Galabova State Expert	
Registry Agency	Dimiter Tzvetanov Executive Director	09/03/2006
Ministry of Justice	Dimiter Dimitrov Head of Political Cabinet	09/03/2006
Ministry of Justice	Vassil Merdzhanov IT Counsellor	09/03/2006
District (Oblast) Administration Centre Varna	Ivan Kamenski, Secretary General (Deputy SPO - ESC, Integrated Grant Scheme Phare 2003)	30/03/2006
MRDPW	Daniela Nikolova Expert, tendering and procurement, MRDPW	30/3/06