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OPERATIONAL PROGRAMME “ENVIRONMENT 2007 – 2013”



European Union
Cohesion Fund

Cohesion Policy for Environment Directorate
ope@moew.government.bg

Amendment of operational programme “Environment 2007 – 2013”

Operational programme “Environment 2007–2013” (OPE) is aimed towards achievement of priorities related to the implementation of the European environmental legislation and construction of basic environmental infrastructure.

Priority axis 1 of OPE “Improvement and development of water and wastewater infrastructure in settlements above 2000 PE and in settlements below 2000 PE within urban agglomeration areas”, for which 70% of the financial resource of the programme are allocated is aimed at the achievement of the requirements of Directive 91/271/EEC on urban waste water treatment, in relation to the construction of sewerage networks and urban waste water treatment plants as well as the implementation of Water Framework Directive 2000/60/EC.

In order to achieve the requirements of Directive 91/271/EEC and direct the limited financial resource towards priority investments in water supply and sewerage (WSS) infrastructure and waste water treatment, at the meeting of the OPE Monitoring Committee in November 2009 the Methodology and Approach for Project Selection under Priority Axis 1 of OP “Environment 2007-2013” was adopted. The key elements of the new approach include:

- Analysis of the current status and needs in the water sector;
- Defining of priority agglomerations for funding under the OPE – 124 agglomerations above 10 000 PE considering the deadlines for implementation of the Directive 91/271/EEC;
- Funding of the projects for priority agglomerations through procedures for direct grant awarding;
- Considering the ongoing reform of the WSS sector, adoption of integrated approach towards the meeting of the investment needs of the WSS infrastructure in the priority agglomerations and funding of the “no-regret solutions” - strategic investment measures that shall not contradict with upcoming integrated solutions.

Two procedures for grant awarding have been announced in 2010 under priority axis 1 of the OPE:

- BG161PO005/10/1.11/02/16 „*Improvement and development of water and wastewater infrastructure for agglomerations with over 10 000 population equivalent*” – for construction activities towards building, rehabilitation and modernization of waste water treatment plants, sewerage and water supply network in the agglomerations.
- BG161PO005/10/1.11/03/19 „*Preparation and implementation of projects for improvement and development of water and wastewater infrastructure in agglomerations with over 10 000 population equivalent*” – for preparation of

investment projects and subsequent construction activities. The procedure is aimed towards municipalities with a lower degree of preparedness.

Municipalities with territories falling within the priority agglomerations are the beneficiaries under the two procedures in the water sector. Mandatory condition for submission of project proposals under the procedures is the partnership between municipalities and WSS companies. The role of the WSS operator is to support the preparation and implementation of the projects by:

- Taking part in the planning and preparation of the investment project by providing data and coordination of the project documentation;
- Taking part in and support of the project implementation by sending its representatives in the project implementation unit and assigning of the project activities.

WSS operators can add to the grant in order to implement an integrated project by funding the ineligible components of the project, the costs for which will not be refunded by the OPE.

The role of the the WSS operators is extremely important also after completion of the project considering the assignment of the operation of the newly constructed/reconstructed infrastructure.

The operators providing WSS services in the country are state, municipal or state-municipal commercial undertakings that are currently facing the challenges of the launched WSS sector reform concerning the need to consolidate the partial and unclear ownership of the WSS assets in the country and the need for sustainable development and operation of the WSS infrastructure that has to be public state or public municipal property managed by the WSS associations, 25 of the latter established so far.

The successful and speedy reforming of the WSS sector and the settling of the property issues and the operation of the WSS infrastructure are urgent in the light of the European commission remarks addressed to MRDPW and MOEW by official letter of DG Regio of the EC of 17 November 2010 and establishing of prerequisites for efficient preparation, management and operation of the infrastructure constructed/rehabilitated with EU funds. This requires urgent measures for acceleration of the process of sectoral reform and the strengthening of the capacity of the WSS associations for WSS property management.

The successful reform is a prerequisite for quality preparation and implementation of the projects funded by the OPE, hence – for the absorption of the programme funds. The reform is also needed in order to ensure sustainability of the WSS sector, as well as to address the risk of conditionalities for funding of the sector in the next programming period. It shall be noted that the national resource available for strengthening the capacity of the structures involved in the process of management and reconstruction of the WSS infrastructure is limited.

Indicative activities that will support the implementation of the operational programme and the projects funded include:

- Establishing of a Communication, Coordination and Control Unit for the WSS sector reform in the MRDPW. The establishing of such a unit follows the spirit and the legal provisions of the Water Act according to which the Minister of Regional Development and Public Works implements the state policy related to the activities for operation, construction, reconstruction and modernization of the water supply and sewerage systems and facilities in the settlements (Article 10, sec.. 1, p. 1), coordinates the

activities of the WSS associations (Article 106, sec.2, p.4), as well as the fact that the Minister of Regional Development and Public Works is the principal of the WSS companies in which the state is the sole owner of the capital or owns a part of the capital.

- Provision of technical assistance for the building of capacity of the WSS associations and the WSS companies;
- Drafting of strategic documents for management and development of the WSS sector.

In view of the above, the approval for funding of measures for strengthening the capacity of the WSS associations and the reform of the WSS sector would be connected with the need for amendment of Operational Programme “Environment 2007-2013” and the inclusion of the MRDPW as a beneficiary of the activities under priority axis 1 of the OPE.

The amendments concern the following texts of the OPE:

- p.52, p.1.4. „Typology of the activities included in the priority axis” – point 8 shall be added “Strategic planning and strengthening of the capacity of the structures involved in the reforming of the WSS sector for sustainable development of the WSS infrastructure”;
- p.56, p.1.7. „Beneficiaries” – structures of the Ministry of Regional Development and Public Works that take part in the coordination and control of the WSS sector.