

D8. Final Report

Contract REFORM/SC2022/015 “General Technical Support for the Implementation of Bulgaria’s Recovery and Resilience Plan”

Technical Support Instrument

Supporting reforms in 27 Member States



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Report Overview and Summary

This report presents the activities undertaken and results achieved from the implementation of the project for provision of “General Technical Support for the Implementation of Bulgaria's Recovery and Resilience Plan”. (REFORM/SC2021/140). The project was supported under the European Commission (EC) Technical Support Instrument (TSI) Regulation.

The report contains an executive summary and the following sections: **Section 2** presents an overview of activities undertaken and results achieved under each deliverable; Engagement and cooperation with the stakeholders is presented in **Section 3**; **Section 4** outlines the key lessons learned and recommendations for follow up measures; All relevant deliverables under the project are presented in annexes (**Section 5**).

TABLE OF CONTENTS

1. PROJECT SUMMARY.....	7
2. DELIVERABLES AND TASKS.....	9
Deliverable 1. Inception report	9
Deliverable 2. Application documents for grant schemes for the RRF investments, guidance and training materials.....	9
Deliverable 3. Analytical report and training materials on RRP project management cycle and coordination mechanisms for each participating ministry.....	15
Deliverable 4. Analytical report and tailor-made monitoring system for each participating ministry.....	22
Deliverable 5. Technical report with handbook, guidance and training material on monitoring and reporting milestones and targets to be included in the Council Implementing Decision (CID).....	24
Deliverable 6. Training materials and training sessions on RRF audits and controls.....	28
Deliverable 7. Capacity-building activities on the application of the “DNSH principle” (Do No Significant Harm principle).....	32
Deliverable 8. Final report.....	35
3. ENGAGEMENT AND COOPERATION WITH STAKEHOLDERS.....	36
4. LESSONS LEARNED AND RECOMMENDATIONS.....	38
5. ANNEXES.....	41
Annex 1. Sub-deliverables 2.1 and 2.2.....	41
Annex 2. Sub-deliverables 3.1 and 3.2.....	41
Annex 3. Deliverable 4.....	41
Annex 4. Sub-deliverables Guidelines comprising Sub-deliverable 5.1., Sub-deliverable 5.2. and Sub-deliverable 5.3; Sub-deliverable 5.4.....	41
Annex 5. Sub-deliverables 6.1. and 6.2.....	41
Annex 6. Deliverable 7.....	41
Annex 7. Project description & social media text.....	41
Annex 8. Closing workshop notes and presentation	41

LIST OF ACRONYMS

BAS	Bulgarian Academy of Science
BNT	Bulgarian National Television
CCU	Central Coordination Unit
CID	Council Implementing Decision
DNSH	Do No Significant Harm
EA AEF	Executive agency Audit of European Union Funds
EAEAD	European Affairs and Economic Analysis Directorate
EC	European Commission
ESIF	European Structural and Investment Funds
ESO	Electricity System Operator
EU	European Union
FR	Final Recipient
IPA	Institute of Public Administration
MA	Ministry of Agriculture
MCS	Management and Control System
ME	Ministry of Energy
MEW	Ministry of Environment and Waters
MH	Ministry of Health
MIG	Ministry of Innovation and Growth
MLSP	Ministry of Labour and Social Policy
MRDPW	Ministry of Regional Development and Public Works
MTC	Ministry of Transport and Communications
NFD	National Fund Directorate
NSI	National Statistics Institute
RfS	Request for Service
RIA	Road Infrastructure Agency
RRF	Recovery and Resilience Facility
RRM	Recovery and Resilience Mechanism
RRP	Recovery and Resilience Plan
SC	Steering Committee
SM	Structure for Monitoring
SMR	Structure for Monitoring and Reporting
TNA	Training Needs Assessment
TSI	Technical Support Instrument

LIST OF TABLES AND FIGURES

List of tables

Table 1. Conducted training sessions on the application documents and the guidelines (Task 2.3).....	14
Table 2. Training evaluation on the application documents and the guidelines (Task 2.3)	15
Table 3. Conducted training sessions on "Project Management and Coordination" (Task 3.2 - SMRs)	18
Table 4. Training evaluation on "Project Management and Coordination" (Task 3.2- SMRs).....	19
Table 5. Conducted training sessions on "Project Management and Coordination" (Task 3.2 - FRs).....	20
Table 6. Training evaluation on "Project Management and Coordination" (Task 3.2- FRs)	21
Table 7 Conducted training on monitoring and reporting milestones and targets (Task 5.4)	26
Table 8 Trainings evaluation on monitoring and reporting milestones and targets (Task 5.4)	26
Table 9 Trainings evaluation on monitoring and reporting milestones and targets– comments from the participants (Task 5.4).....	27
Table 10. Training evaluation train-of-trainers course (Task 6.1).....	30
Table 11. Training on preventing and detecting serious irregularities and double financing (Task 6.2)	30
Table 12. Training evaluation on prevention and detection of fraud, corruption and conflict of interest (Task 6.2).....	31
Table 13. Conducted training sessions on the application of DNSH principle (Task 7.2)	34
Table 14. Training evaluation on the application of DNSH principle (Task 7.2).....	35
Table 15. Key stakeholders and their roles and responsibilities.....	36

List of figures

Figure 1 Correct answers from the entry and exit tests, % (Task 2.3).....	15
Figure 2 Correct answers from the entry and exit tests, % (Task 3.2 – SMRs)	19
Figure 3 Correct answers from the entry and exit tests, % (Task 3.2 – FRs).....	21
Figure 4 Correct answers from the entry and exit tests, % (Task 6.2).....	31
Figure 5 Correct answers from the entry and exit tests, % (Task 7.2).....	34

1. PROJECT SUMMARY

The **general objective** of the project is to support the Bulgarian public administration in elaborating sound implementation, monitoring, reporting, control and audit mechanisms and systems which would support the achievement of the goals of the Recovery and Resilience Facility (RRF) in Bulgaria.

The project was launched with a kick-off meeting on 28.03.2022. The Inception report was prepared and delivered on 15.04.2022 and approved 16.05.2022 (**Deliverable 1**).

Deliverable 2 developed application documents for grant schemes for the RRF investments, guidance and training materials on the basis of existing good practices of Managing Authorities of the Cohesion policy programmes in Bulgaria and in other Member States. The package consisted of: 1) Template of Terms & Procedure of the Calls for Proposals under the RRP grant schemes; 2) Model evaluation methodology of project proposals, including an exemplary set of recommended evaluation criteria; 3) Template Application Form, incorporating a budget form; 4) Self-assessment form for compliance with the DNSH principle, to be filled-in by applicants; 5) four template forms covering the four main categories of investments under the RRP; 6) Template Financing Agreement under the RRF, comprising of Special Conditions and General Conditions; and 7) Guidance for implementation of investments by final recipients. The unified package was approved by the beneficiary in October 2022. The second sub-deliverable elaborated detailed guidelines for applicants. As a third sub-deliverable comprehensive training programme and training materials for the staff involved in RRF investment project selection and appraisal were elaborated and training was delivered in November 2022.

Deliverable 3 supported RRP project management cycle and coordination mechanisms while **Deliverable 4** was focused on the development of a tailor-made monitoring system for each participating ministry. As part of the work on the two deliverables the current situation in each monitoring and reporting structure related to project management and monitoring was analysed. An analysis of the "as-is" situation with summary of key findings and recommendations with regard to project management and coordination systems as well as monitoring and reporting of the Structures for Monitoring and Reporting was prepared including ten individual reports for each structure. Based on the gap assessment, recommendations to remedy the inefficiency of the regulatory, institutional, organizational and administrative framework for each of the participating ministries in RRP implementation were provided ("to-be" situation) followed by transition plans aimed to help the Monitoring and Reporting Structures in smoothly and timely addressing the deficiencies identify by grouping them as per the elements of the internal control system, responsible authority, deadline for implementation and risk exposure in case of non-implementation. Special attention was paid to the practical implementation based on an in-depth understanding of the principles and rationale for the recommendation during the training provided to management and staff of the Monitoring and Reporting Structures.

Under **Deliverable 4** the technical assistance elaborated framework, at all levels in order to track the progress in line with the reporting schedule agreed between the Commission and Bulgaria and national level reporting on the progress made in the implementation of the RRP within the European Semester process, in line with the requirements of the RRF Regulation.

Under **Deliverable 5** the project produced technical report with handbook, guidance and training material on monitoring and reporting milestones and targets to be included in the Council Implementing Decision (CID) for the disbursement of the funds allocated to Bulgaria under her RRP. This main deliverable was comprised of 4 sub-deliverables as follows: 1) technical report proposing a unified method for monitoring of milestones and targets at national level, including provision of evidence, working methods; 2) handbook for verifying the progress in the achievement of milestones and targets per type of works; 3) practical guidance for carrying out on-the-spot checks for verifying the achievement of milestones and targets and 4) Training materials and training sessions including training programme, presentations and other learning tools.

In accordance with the available Commission Guidance, the project prepared and delivered train-of-trainers course for the National Fund Directorate staff in the field of preparation of reporting documents and other documentation related to audit and control in the RRF context and training for all stakeholders on the best practices for prevention and detection of fraud, corruption and conflict of interest in the RRF context (**Deliverable 6**).

The Technical Assistance team drafted a training needs assessment report with respect to the "Do No Significant Harm" principle and its application and delivered a tailored capacity building sessions to support the national authorities and relevant stakeholders in gaining expertise on particular aspects of the "DNSH principle" and its application (**Deliverable 7**).

All activities were implemented in close coordination and cooperation with the key stakeholders, namely: EC DG REFORM; National Fund Directorate (NFD) in the Ministry of Finance which is the National Coordinating Body for RRP in terms of its implementation, monitoring and control; Central Coordination Unit (CCU) in the Council of Ministers; European Affairs and Economic Analysis Directorate at the Ministry of Finance; Executive Agency "Audit of EU Funds"; Line ministries responsible for the implementation of relevant sectoral components, included in the RRP; Final Recipients; and the Institute of Public Administration (IPA) which supported training delivery and will benefit from the training packages developed under the project to ensure extended training of the public administration after the end of the assistance.

Based on the experience gained during the project implementation lessons have been derived and further actions proposed. Some of the key recommendations are:

- The implementation of the RRP measures should make the best use of the significant experience gained by the Managing Authorities of Operational programmes in the last programming period 2014-2020. It is recommended the SMRs which have no or very little experience in managing EU or nationally-funded schemes to be provided with further capacity building support and on-going assistance.
- It is recommended to revise and where possible to simplify the RRP project management and coordination set-up as a part of the RRP Management and Control System and further clarify some monitoring and reporting requirements.
- Further practical guidance on the on-the-spot checks will be instrumental for SMRs particularly on methodologies for risk assessment, planning and implementation on-the-spot checks.
- Training sessions/exchanges (also between Member States and with the participation of the EC) on practices related to DNSH application should be conducted periodically in line with the stages of implementation of the procedures under the RRP and the regulations' updates.
- Further capacity building on the topics covered by the technical assistance will be valuable, based on on-going needs reviews and assessments.

2. DELIVERABLES and TASKS

Deliverable 1. Inception report

Deliverable	Submitted	Feedback	Submitted revised version	Approval
Deliverable 1: Inception Report	15.04.2022	03.05.2022	12.05.2022	16.05.22

During the Inception phase the project team reviewed relevant documents related to the RRF and Bulgarian RRP including:

- Recovery and resilience plan of Bulgaria (version 06.04.2022);
- EU and national legislative and strategic documents;
- National documents concerning the implementation of the RRP such as the draft Management and Control System, and training needs assessment carried out by the National Fund Directorate.
- EC guidance documents, etc.

The project kick-off meeting was held on 28.03.2022 on which key stakeholders were present as follows: DG REFORM; HoU SG-RECOVER; Ministry of Finance; project managers from AARC and Ecorys and representatives of the project team. In addition, meetings were held with all key stakeholders as follows: NFD, CCU, line ministries; EAEAD in the Ministry of Finance; Executive Agency "Audit of EU Funds"; IPA.

Based on the documents reviewed, meetings held and information available, the Inception report was prepared and delivered on 15.04.2022 as agreed with DG REFORM and National Fund Directorate. Following reflection of received comments, the Inception report was approved on 16.05.22.

Deliverable 2. Application documents for grant schemes for the RRF investments, guidance and training materials

Sub-deliverables:

Sub-deliverable 2.1 Unified package of application documents for the grant schemes for the RRF investments that will be applied.

Sub-deliverable 2.2 Comprehensive practical guidelines for applicants and templates of application form, budget, grant contract and reports.

Sub-deliverable 2.3 Training materials and training sessions for the staff involved in RRF investment project selection and appraisal including training programme, presentations and other learning aids, Q&A sessions, list of participants, feedback from participants for each of the trainings.

Tasks:

Task 2.1: Elaborate application documents for the grant schemes for the RRF investments, including templates of application form & budget, grant contract and reports

Task 2.2: Draft guidelines for applicants on how to use the templates.

Task 2.3: Prepare and deliver a training on the application documents and the guidelines

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
<ul style="list-style-type: none"> - Sub-deliverable 2.1 Unified package of application documents for the grant - Sub-deliverable 2.2 Comprehensive practical guidelines for applicants 	08.08.2022	05.09.2022 - NFD 14.09.2022 – DG REFORM	19.09.2022	03.10.2022
<ul style="list-style-type: none"> - Sub-deliverable 2.3 Training materials and training sessions for the staff involved in RRF investment project selection and appraisal including training programme, presentations 	Implemented in the period 09.11.2022- 30.11.2022	-	-	03.04.2023

Many of the investments in the Bulgarian RRP are envisaged to be implemented through grant schemes, i.e. competitive selection of projects submitted by eligible applicants (final recipients). In some cases, a single investment includes two or more grant schemes defined as sub-measures. The thematic scope of the grant schemes is very diverse, covering in practice all thematic areas of the RRP (*e.g. productive investments, digitalisation and energy efficiency in enterprises, development of industrial zones, research and innovation, energy efficiency of public sector and of private building stock, agriculture, urban mobility, water cycle infrastructure, social inclusion, cultural infrastructure, public health*). The designated Structures for Monitoring and Reporting (SMRs) under the RRP manage those grant schemes as per their sectoral competence.

The importance of grant schemes as one of the main delivery instruments of the RRP and their diverse thematic nature called for a unified mechanism for their preparation and implementation, including, inter-alia, a unified package of application documents. The development of such a unified package (and related guidance for potential applicants) had to ensure a common quality-based and result-oriented approach to project selection and implementation across all institutions involved and all thematic areas of the RRP, thus guaranteeing equal playing ground for all grant applicants and high quality of RRP investments due to a standardised and transparent project selection and implementation process.

The unified package of application documents, developed by the Consultant under **Task 2.1**, was built on the existing good practices of Managing Authorities of the Cohesion policy programmes in Bulgaria and of other Member States, insofar as the implementation modalities of the RRP grant schemes were considered rather similar to those under the EU funds implemented under shared management. For that purpose, the model grant application documents, used by relevant Bulgarian Managing Authorities under the last programming period 2014-2020 were screened and good examples were identified, which thereafter served as a basis for the development of the templates for RRP's package of application documents. Examples of high-quality application documents from other EU Member States were also identified, as appropriate elements and features of those were incorporated into the set of application documents, as appropriate.

The screening of **good practices of Bulgarian Managing Authorities** of the Cohesion policy programmes covered, in particular, the application documents and implementation modalities of grant schemes applied by the Managing Authorities of Operational Programme "Innovations and Competitiveness 2014-2020", Operational Programme "Human Resources Development 2014-2020", Operational Programme "Science and Education for Smart Growth 2014-2020" and Operational Programme "Good Governance 2014-2020". Existing good practices, grant scheme management approaches and template documents were thus identified and taken into account when developing the unified package of application documents on grant schemes under the RRP.

The comparative study of the **experience of other EU countries** covered 8 Member States: Greece, Ireland, Czech Republic, Slovakia, Poland, Portugal, Hungary, and Finland. In 5 of those Member States the review

covered grant schemes under their national Recovery and Resilience Plans, and in the rest Member states – grant schemes implemented under the Cohesion Policy operational programmes.

The unified package of application documents for final recipients developed by the Consultant included:

- Template of Terms & Procedure of the Calls for Proposals under the RRP grant schemes
- Model evaluation methodology of project proposals, including an exemplary set of recommended evaluation criteria
- Template Application Form, incorporating a budget form
- Self-assessment form for compliance with the DNSH principle, to be filled-in by applicants - 4 template forms covering the four main categories of RRP investments
- Template Applicant Declaration
- Template Financing Agreement under the Recovery and Resilience Facility (RRF), comprising of Special Conditions and General Conditions
- Guidance for implementation of investments by final recipients (covered by Task 2.2.)

i) The template of **Terms & Procedure of the Calls for Proposals under the RRP grant schemes** was developed as a unified version, allowing for their use (subject to minor customization) both for grant schemes involving competitive selection of project proposals and also as a template of an Invitation for Direct Award of Grants to preselected final recipients.

The template followed the traditional model of Terms & Procedure of Calls for Proposals applied under the operational programs. A number of improvements were introduced, such as an introductory table summarising the main parameters of the scheme, as well as a number of modifications stemming from the specifics of the RRF financing, e.g. explanatory information related to the specific RRP and RRF indicators covered by the grant scheme; specific information on the horizontal principles of the RRP, incl. the requirements related to the DNSH principle, etc.

ii) The **model evaluation methodology and selection criteria for project proposals** of final recipients comprised of a detailed explanatory text systematizing the types of evaluation criteria and practical guidance on their use supported with practical examples for each group of evaluation criteria.

iii) The **template Application Form** was developed on the grounds of the electronic application form used under the UMIS2020 electronic system for grant schemes under the Cohesion Policy operational programmes.

A number of changes/additions to the UMIS application form were developed, among which adding key milestones to each of the project activities as tool to control their timely implementation. The indicators' section of the application form was supplemented to include also general RRF indicators and social expenditure indicators, where applicable to the specific investment, in order to facilitate their aggregation and reporting through the Management Information System (MIS) of RRP.

The project budget form was integrated into the application form. Several improvements were introduced in it as compared to the budget form used under the UMIS2020 by Cohesion policy operation programmes so far.

iv) A **self-assessment form for compliance with the DNSH principle** was developed, to be filled-in by applicants.

The DNSH self-assessment form was built on the recommendations of the EC provided in the EC Technical Guidelines for the application of the DNSH principle (2021/C 58/01). It was divided into 2 parts (checklists 1

and 2), covering the two assessment stages separately for each of the six environmental objectives under the Taxonomy Regulation.

The self-assessment form was developed in 4 variants (templates 1 - 4), corresponding to the environmental specifics of the four main categories of investments under the RRP, namely: i) for soft measures, ii) for demonstration projects, iii) for industrial projects and iv) for infrastructure projects.

v) The **template of the application declaration** covered all circumstances to be declared by applicants, related to the eligibility and implementation requirements of the RRP grant schemes under. More specifically, the application declaration included:

- declaring the absence of circumstances constituting grounds for exclusion from participation in the grant scheme (divided into 2 groups – mandatory and optional at the discretion of the Structure for Monitoring and Reporting (SMR) as provided for in Article 6 of Decree of the Council of Ministers No. 114/2022);
- acknowledging and accepting the terms and conditions for applying for funding under the grant scheme and for implementing grants;
- acknowledging and accepting the requirements in relation to the avoidance and reporting of irregularities under the grant scheme.

vi) The **template Financing Agreement** was developed on the basis of the model grant agreements used under the Cohesion Policy operational programmes. It comprises of 2 parts, namely: i) Special conditions and ii) General Conditions. Under this legal construction, in the event of a conflict between the provisions of the General Conditions and those of the Special conditions, the provisions of the latter would prevail.

The General Conditions cover the most important requirements of the legal framework RRF funded investments, which are common to all investments, regardless of their specifics, which is why they were "bracketed" to apply uniformly to all financing contracts.

The Financing Agreement (Special Conditions) has minimalistic contents, aimed at:

- individualising the parties and the specific investment;
- stipulating specific conditions for the implementation and/or reporting of the investment, which are not regulated in the General Conditions;
- stipulating specific requirements for the implementation and/or reporting of the investment, which supplement or derogate the clauses of the General Conditions.

A number of exemplary clauses, incl. ones which supplement or amend/derogate the General Conditions, were included in the template Financing Agreement to illustrate specific cases of project implementation requirements.

The Consultant developed detailed **draft Guidelines for applicants on implementing RRF funding under Task 2.2**. The Guidelines covered the following aspects:

- Procurement requirements: tender announcement, deadlines for applicants, evaluation procedures, conflict of interest, contract signature, complaints, etc.
- Financial and technical reporting: declarations, financial implementation, eligibility of expenditures, implementation of advance, interim and final payments, double funding, state aid, physical implementation, red flags, delegation of duties, etc.
- Conflict of interests, corruption, fraud and double financing: prevention, detection, follow-up
- Audit trail
- Grant contract amendment (scope of allowed amendments, terms and procedure)

The Guidelines focused on the implementation and reporting of the approved investments of the final recipients, not on the application process itself. This is due to the fact the application process runs through the Information System of the RRP (UMIS2020), as each Structure for Monitoring and Reporting (SMR) issues specific instructions to applicants for completing the application form and providing supporting documentary evidence, corresponding to the specifics of the respective procedure.

The guidelines for implementation of investments by final recipients were developed on the basis of a review of existing manuals for beneficiaries under national operational programmes, as well as existing manuals in other EU MS (Polish, Czech, Hungarian, etc.)

The Guidelines were divided into 4 parts, covering the main topics related to the implementation and reporting of the approved investments listed above, structured alongside chronological stages of the project implementation cycle:

- i) contents, amendment, and termination of the financing agreement;
- ii) contract implementation;
- iii) implementation reporting;
- iv) general issues related to ensuring publicity and record keeping on investments.

With regard to the procedure of selecting external contractors to implement project activities, the stages and requirements related to the selection procedure through a public invitation under Decree of the Council of Ministers No. 80/2022 was developed in detail. No specific templates of the documents for that selection procedure were developed, since there were such ones under Decree No. 160/2016 and those could be used without amendment for commissioning of activities to external contractors under Decree No. 80/2022 as well, and also because most of the Monitoring and Reporting Structures, in their capacity as Managing Authorities of operational programmes or project implementation units, used their own templates or had specific preferences for such template documents.

Guidance and advice on public procurement procedures were not included in the Guidelines, in order not to complicate additionally the already complex regulatory framework of public procurement with additional instructions. Instead, the Guidelines referred and recommended to final recipients to familiarise themselves in closer detail with the applicable legislation, judicial practice and methodological guidelines, identify the standardised templates of requirements and documents applicable to them, and apply them in an appropriate manner according to the specifics of the investment being implemented.

No templates of standardised documents, related to the amendment and termination of financing agreements, as well as to the implementation of agreements of external contractors (handover protocols, etc.) were developed. The reason for this is that almost all SMRs, in their capacity of Managing Authorities or project implementation units under of operational programs, already use their own templates or have specific requirements for the templates of these documents, as a number of SMRs in general do not require from final recipients to apply uniform templates related to the contract implementation by external contractors.

The general objective of the training under Deliverable 2 (**Task 2.3**) was to build capacity in Structures for Monitoring and Reporting (SMRs) under the RRP on how to prepare selection procedures, perform selection, contract approved projects and ensure adequate audit trail under RRP grant schemes.

The specific objectives of the training were:

- to present to the trainees the developed unified package of documents for implementing grant schemes under the RRP
- to provide a detailed overview of the main activities for the preparation (programming) of the selection procedures, with a particular focus on formulating the selection methodology and the set of evaluation criteria

- to acquaint the trainees with the legal framework and practical aspects of implementing the project selection under grant schemes, as well as of concluding /amending /terminating grant contracts between SMRs and final recipients

In line with above objectives, the training covered the first three phases of the project cycle under the RRP grant schemes, namely:

i) Programming (preparation) of grant schemes

Main issues covered within this stage were: preparation of terms and procedures of the application process and of project implementation, incl. of methodology and criteria for evaluating and selecting project proposals.

ii) Carrying out of project selection procedure

Main issues covered were: opening of the procedure; answering to applicants' questions (Q&A); evaluation and selection of project proposals (setting up the evaluation committee, phases of the evaluation, options of applicants to contest the rejection of their project proposals); documenting the evaluation results and notifying the applicants of the application process outcomes.

iii) Contracting the selected projects

Main issues covered included: documents and procedure for verifying compliance of the approved candidates with the application requirements; preparation and signing of the financing agreements; options and procedure of possible amendments in financing agreements; grounds and procedure for termination of financing agreements.

The target group of the training consisted of employees of Structures for Monitoring and Reporting under the RRP (line ministries and executive agencies), responsible for the following functions under the project cycle of RRP grant schemes:

- Programming (preparation) of grant scheme procedures
- Evaluation and selection of project proposals
- Contracting of projects (conclusion/amendment/termination of financing agreements)

Each participating SMR nominated up to 5 participants. Five training groups of up to 20 trainees each were formed. The training had a duration of one day, structured in two sessions of three hours each. The five training sessions were completed in the period 09.11-30.11.2022. In total 77 participants from SMRs took part out of 94 nominated by SMRs and invited.

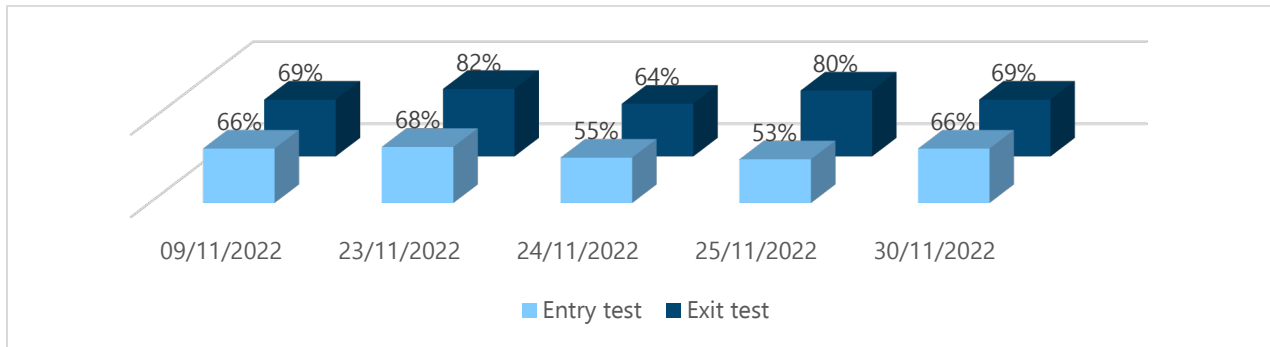
Table 1. Conducted training sessions on the application documents and the guidelines (Task 2.3)

Date	Number of trainees	Institutions
09.11.2022	20	National Culture Fund; MIG; Ministry of Agriculture; MRDPW;
23.11.2022	18	Ministry of Education and Sciences; EXECUTIVE AGENCY "PROGRAMME EDUCATION"
24.11.2022	17	MIG; BAS
25.11.2022	7	ME; Ministry of Health
30.11.2022	15	ME; Ministry of eGovernance; MLSP; MIG; BAS; Ministry of Health
TOTAL:	77	11 institutions

Entry and exit questionnaires were filled-in by participants. The trainees had to complete the same test in the beginning and in the end of each training in order to assess to what extent the information was understood

and where are the main difficulties. The percent of correctly answered questions is calculated on average for all participants for every conducted training. To better illustrate the results, the data is presented with a bar graph (average % for all training session: entry tests: 62%; exit tests: 73%).

Figure 1 Correct answers from the entry and exit tests, % (Task 2.3)



The training sessions were highly appreciated by the participants. The average scores based on participants' feedback are presented in the table below (*scale used: 2 – weak; 3-satisfactory; 4 – good; 5- very good; 6- excellent*)

Table 2. Training evaluation on the application documents and the guidelines (Task 2.3)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
9.11.2022	5,7	5,7	5,8	5,7	5,7	5,7
23.11.2022	5,1	4,8	5,8	5,1	4,8	5,1
24.11.2022	5,8	5,8	5,9	5,8	5,8	5,8
25.11.2022	5,5	5,8	5,8	5,8	5,8	5,8
30.11.2022	5,5	5,8	5,8	5,3	5,6	5,6
Average for all sessions	5,5	5,6	5,8	5,5	5,6	5,6

The trainings were prepared and implemented in close coordination with the Institute of Public Administration (IPA) at their training premisses.

Deliverable 3. Analytical report and training materials on RRP project management cycle and coordination mechanisms for each participating ministry

Sub-deliverables:

Sub-deliverable 3.1. Analytical report with recommendations for RRP project management cycle and coordination mechanisms and structures - one for each participating ministry.

Sub-deliverable 3.2. Training material and training sessions on RRP project management cycle and coordination methods and tools (beginners and advanced modules - common for all ministries and final recipients)

Tasks:

Task 3.1: Analyse the current “as-is” situation in each of the participating ministries in regard to project management and coordination

Task 3.2: Research and compile good practice examples from other Member States

Task 3.3: Propose improved “to-be” RRP project management and coordination mechanisms and tools and a transition plan from “as-is” to “to-be” for each participating ministry

Task 3.4: Prepare and deliver a training on the RRP project management cycle for the ministries

Task 3.5: Prepare and deliver a training on the RRP project management cycle for final recipients

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
Sub-deliverable 3.1. Analytical report with recommendations for RRP project management cycle and coordination mechanisms and structures - one for each participating ministry	- As-is analysis – 12.08.2022 - Full version - 07.10.2022	- As-is analysis- 06.10.2022 - Full version – 28.10.2022	- Full version - 01.11.2022	- Full version - 03.11.2022
Sub-deliverable 3.2. Training material and training sessions on RRP project management cycle and coordination methods and tools (beginners and advanced modules - common for all ministries and final recipients)	Training sessions for SMRs implemented in the period 10.11.2022- 09.12.2022 Training sessions for FRs implemented in the period 06.02.2023-02.03.2023	-	-	- Sub-deliverable 3.2 for SMRs – 03.04.2023 - Sub-deliverable 3.2 for FRs – 03.04.2023

The implementation framework of the RRP, incl. the institutional setup, has been continuously evolving during the project implementation¹. However, prior to adoption of the legal framework the National Fund Directorate, as main beneficiary of the project, confirmed the participating ministries for RRP so to allow for timely implementation of the task.

In line with the Appendix No. 1 to Art. 3, para. 1, item 2 to Council of Ministers’ Decree 157/07.07.2022, the Consultant carried out his analytical work (**Task 3.1 – “as-is” analysis**) on the current situation regarding the establishment of adequate mechanisms for project management and coordination in the structures defined as Monitoring and Reporting Structure (SMRs) in the following ministries and institutions: Ministry of Education, Ministry of Labour and Social Policy, Ministry of Innovation and Growth, Ministry of Regional Development and Public Works, Ministry of Energy, Ministry of Agriculture, Ministry of Transport and Communications, Ministry of Health, National Culture Fund, Bulgarian Academy of Sciences and Administration of the Council of Ministers/Registry Agency.

For the purpose of the “as-is” analysis a methodology has been prepared based on applicable standards and good practices, which was applied to examine the effective coordination mechanisms for the implementation of the investments and reforms financed under the RRP, the effectiveness and efficiency of the implementation of the internal control system (including work process) in relation to the applicable regulatory framework.

The analysis of the current situation in each of the participating entities included: legal framework, organizational structure, internal rules regulating the functioning of the structures; human resources management - structuring, personnel, budget and other resources, incl. workload; level of standardization of business processes; related ICT infrastructure and systems. Special emphasis was placed on the administrative

¹ The legal framework for the institutional set up of Bulgarian RRP has been introduced in July 2022

capacity to implement high standards of required internal controls including risk assessment of internal control systems.

To achieve Outcome 3.1, the following activities were carried out:

- **Review of documents and relevant information** incl. draft Operational agreement with the Ministry of Finance; Organizational rules of the relevant institution; Functional descriptions of the directorates/departments involved in the implementation of investments/reforms under RRP; Job descriptions of employees involved in the implementation of investments/reforms under RRP; Management and control systems for the implementation of specific investments/reforms in the institutions designated as Monitoring and Reporting Structures; Internal rules, documents and records for the use of the information system; Documents related to human resources management and to the risk management; Audit reports (where available) – system audits on the key requirements for ESIF for the 2014-2020 program period, audit reports of the Court of Auditors, European Court of Auditors related to the absorption of EU funds.
- Holding **more than 20 individual technical meetings** with the representatives of Monitoring and Reporting Structures at policy and implementation – management and executive functions
- Filling in the Information collected in particular elaborated **questionnaire**.
- **Assessment of the administrative capacity of Monitoring and Reporting Structures** to implement the investments and reforms in line with the requirements of the Management and Control System for RRP approved by the Minister of Finance and the relevant regulations and guidelines of the EC. The available capacity of each structure is assessed in terms of: structures, human resources and systems and tools, based on the evaluation criteria established as a part of the developed methodology.

An overall report with analysis of the “as-is” situation with summary of key findings and recommendations with regard project management and coordination systems of the monitoring and reporting structures was prepared including **ten individual reports** for: Ministry of Education, Ministry of Labour and Social Policy, Ministry of Innovation and Growth, Ministry of Regional Development and Public Works, Ministry of Energy, Ministry of Agriculture, Ministry of Transport and Communications, Ministry of Health, National Culture Fund, and Bulgarian Academy of Sciences.

Under **Task 3.2** Comprehensive research and analysis were carried out of the overall set up and arrangements for RRP's management and control systems at central level and at the level of ministries and structures in charge of investments and/or reforms. Considering the organisation and implementation of EU funded programmes by other Member States that could be relevant and used as an example by the project beneficiary the Consultant reviewed the institutional set up and management and control systems in place introduced by Denmark, Portugal, Greece, Romania and Italy. The assessments and recommendations provided by the Commission services for other member states were also considered.

Good practices for coordination mechanisms as well as monitoring and control of fulfilment of targets and milestones for some Member States have been considered and discussed with project beneficiaries during the trainings delivered under 3.4, 3.5 and 6.1. The information collected reveals, that most of the Member States have emphasized on the implementation of the investments and the reforms by strengthening the capacity of the structures in charge of implementation.

Based on the gap assessment of the project management and coordination mechanisms and tools, carried under Task 3.1, recommendations to remedy the inefficiency of the regulatory, institutional, organizational and administrative framework for each of the participating ministries in RRP implementation were provided (**Task 3.3**).

In line with the methodology prepared the Consultant made proposals for improved future mechanisms and tools for management and coordination. For each of the participating institutions, a plan for transition from the "as-is" to "to-be" situation was prepared.

The transition plan aimed to help the Monitoring and Reporting Structures in smoothly and timely addressing the deficiencies identify by grouping them as per the elements of the internal control system, responsible authority, deadline for implementation and risk exposure in case of non-implementation. Special attention was paid to the practical implementation based on an in-depth understanding of the principles and rationale for the recommendation during the training provided to management and staff of the Monitoring and Reporting Structures - delivered under task 3.4.

The preparation of the training materials for RRP project management and coordination took into account the gaps and deficiencies identified during the preparation of the "as-is" analysis and the conclusions of the assessment of the administrative capacity of the structures in the line ministries involved in RRP implementation prepared by the Directorate "National Fund" in the Ministry of Finance (2021).

The target group of the training under **Task 3.4** was the staff of Monitoring and Reporting Structures in ten ministries and institutions involved in RRP implementation. The training aimed at presenting the life cycle of a project and its overall management; examining the key elements of project management based on the RRP Management and Control System approved by the Minister of Finance, and discussing and finding solutions to the gaps identified in the "as-is" analysis and recommendation provided and reflected in the transition plans for each institution.

The following topics were covered:

- Project cycle management – main phases and standards applied; project implementation and measuring the progress and success of the project;
- Risk assessment and its management during projects implementation – key success factor;
- Control activities of the Monitoring and Reporting Structures during projects implementation as per the RRP Management and Control System
- Recommendations for improvement of project management and coordination by the Monitoring and Reporting Structures – tailored case studies.

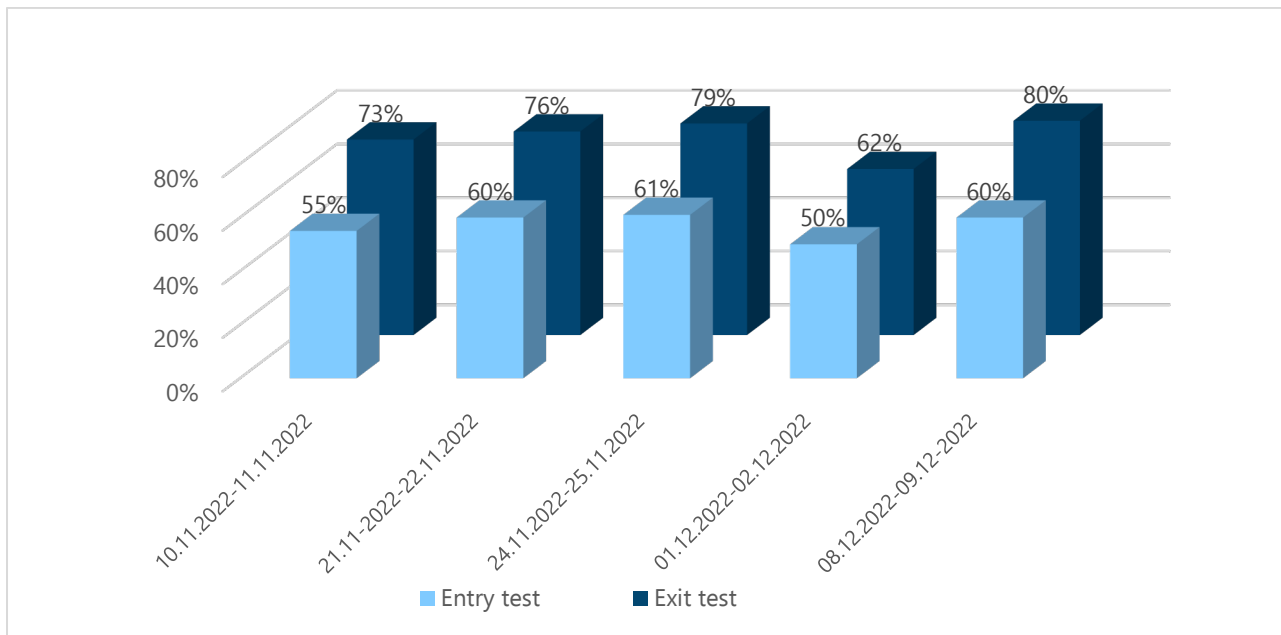
The training of the Monitoring and Reporting Structures was designed and delivered in two days starting and ending with an entry and exit test. The training sessions took place in the period 10.11.2022-09.12.2022 and were attended by a total of 85 participants from 9 institutions.

Table 3. Conducted training sessions on "Project Management and Coordination" (Task 3.2 - SMRs)

Date	Number of trainees	Institutions
10.11.2022-11.11.2022	13	MIG; Ministry of Energy
21.11.2022-22.11.2022	14	Ministry of Education and Science; MRDPW
24.11.2022-25.11.2022	18	MLSP; Ministry of Health
01.12.2022-02.12.2022	26	National Fund "Culture"; Ministry of Energy; MLSP; BAS; Ministry of Health; Ministry of Education and Science
08.12.2022-09.12-2022	14	EXECUTIVE AGENCY "PROGRAMME EDUCATION", MLSP
TOTAL:	85	9 institutions

The correctly answered questions on the entry and exit tests is calculated on average for all participants for every conducted training. To better illustrate the results, the data is presented with a bar graph (average % for all training session: entry tests: 57%; exit tests: 74%).

Figure 2 Correct answers from the entry and exit tests, % (Task 3.2 – SMRs)



Based on the participants' feedback provided it could be concluded that the Consultant met the participants' expectations and needs of training. The results are presented in the table below (*scale used: 2 – weak; 3- satisfactory; 4 – good; 5- very good; 6-excellent*)

Table 4. Training evaluation on "Project Management and Coordination" (Task 3.2- SMRs)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
10.11.2022-11.11.2022	5,2	5,2	5,4	5,2	5,5	5,3
21.11.2022-22.11.2022	5,4	5,3	5,8	5,4	5,6	5,5
24.11.2022-25.11.2022	5,8	5,4	5,9	5,7	5,8	5,7
01.12.2022-02.12.2022	5,5	5,3	5,8	5,2	5,5	5,5
08.12.2022-09.12.2022	5,1	5,3	5,9	5,7	5,2	5,4
Average for all sessions	5,4	5,3	5,7	5,4	5,5	5,5

The Consultant identified that the final recipients' capacity was crucial for the timely and successful implementation of national RRP. Based on the training needs discussed at meetings held with representatives of the National Fund Directorate in the MoF and final recipients and based on the concerns raised by the Monitoring and Reporting Structures, the Consultant tailored the training programme elaborated for the Monitoring and Reporting Structures (**Task 3.5**).

Eight trainings each of two days for final recipients were delivered in line with the following topics:

- Project cycle management – main phases and standards applied; project implementation and measuring the progress and success of the project;
- Legal and institutional framework for the implementation of RRP investments and reforms
- Responsibilities of the authorities involved in the implementation and control of RRP investments as per the RRP Management and Control System (approved by the Minister of Finance)
- Planning of financial resources by the final recipients and payments on the investments according to the RRP Management and Control System
- Financial and technical reporting by the final recipients according to the RRP Management and Control System
- Control activities of the Monitoring and Reporting Structures during projects implementation by the final recipients as per the RRP Management and Control System

The training of the Final Recipients was designed and delivered in two days starting and ending with an entry and exit test. The training took place in the period 06.02.2023-02.03.2023 and was attended by a total of 116 Participant from 24 institutions.

Table 5. Conducted training sessions on "Project Management and Coordination" (Task 3.2 - FRs)

Date	Number of trainees	Institutions
06.02.2023-07.02.2023	18 ²	ESO; NRIC; Road Safety State Agency; W&S Holding; Geodesy, Cartograph and Cadastre Agency; EA eGovernment Infrastructure; MLSP; Metropolitan EAD.
13.02.2023-14.02.2023	14	ESO; National Railway Infrastructure Company; NSI; EA eGovernment Infrastructure; Ministry of Agriculture; Ministry of Interior; W&S Holding.
16.02.2023-17.02.2023	13	Ministry of Agriculture; Ministry of Culture; MRDPW; Registry Agency; Ministry of Interior; Supreme Administrative Court.
20.02.2023 - 21.02.2023	14 ³	NRIC; Road Safety State Agency; Metropolitan EAD; Ministry of Agriculture; Ministry of Interior; MRDPW; RIA; BNT; National Culture Fund.
22.02.2023-23.02.2023	19 ⁴	W&S Holding; Geodesy, Cartograph and Cadastre Agency; EA eGovernment Infrastructure; National Employment Agency; Ministry of Agriculture; MRDPW; BNT; Ministry of Interior; National Culture Fund; Bulgarian National Film Archive.
27.02.2023-28.02.2023	17 ⁵	MLSP; National Employment Agency; Ministry of Agriculture; Ministry of Culture; Bulgarian Posts; Bulgarian News Agency; Supreme Administrative Court.
01.03.2023-02.03.2023	21 ⁶	National Employment Agency; Ministry of Agriculture; RIA; W&S Holding; Registry Agency; Ministry of eGovernment; Archives State Agency; Ministry of Interior; National fund "Culture".
TOTAL:	116	24

The results of the entry and exit tests of Final recipients that attended the training are presented below:

² Six of the participants attended only on one of the two dates.

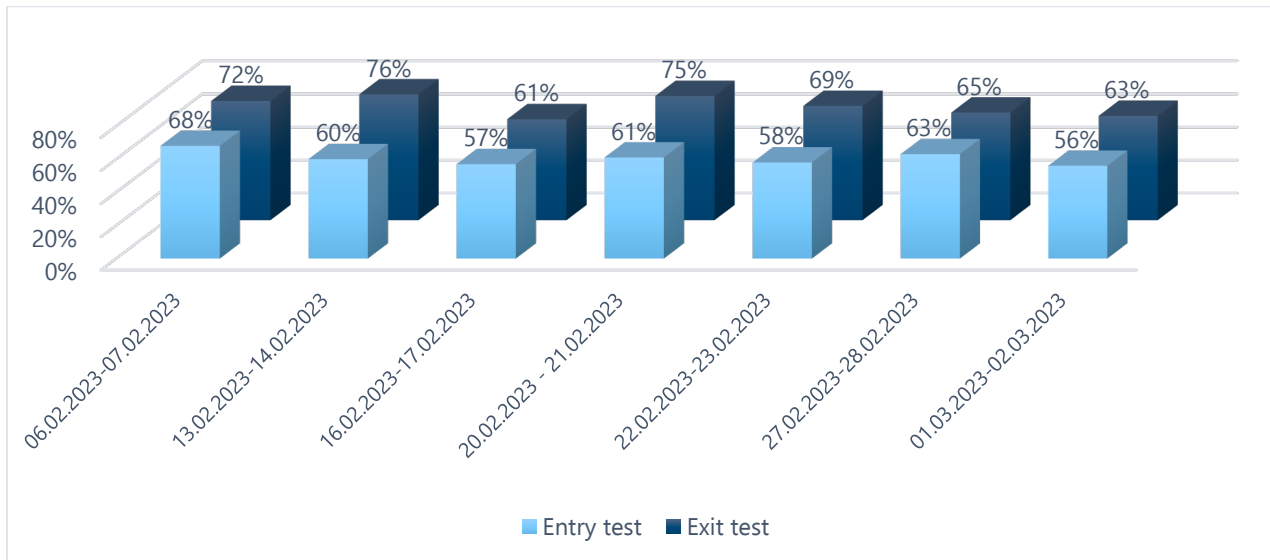
³ Four of the participants attended only on one of the two dates.

⁴ Two of the participants attended only on one of the two dates.

⁵ Two of the participants attended only on one of the two dates.

⁶ Three of the participants attended only on one of the two dates.

Figure 3 Correct answers from the entry and exit tests, % (Task 3.2 – FRs)



Based on the participants' feedback provide in the assessment forms used for all the trainings it could be concluded that the Consultant met the participants' expectations and training needs. The results of training assessments are presented in the table below (scale used: 2 – weak; 3-satisfactory; 4 – good; 5- very good; 6- excellent)

Table 6. Training evaluation on "Project Management and Coordination" (Task 3.2- FRs)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
06.02.2023-07.02.2023	5,6	5,4	5,9	5,4	5,6	5,6
13.02.2023-14.02.2023	5,4	5,3	5,8	5,4	5,6	5,5
16.02.2023-17.02.2023	5,6	5,7	6,0	5,7	5,8	5,8
20.02.2023 - 21.02.2023	5,7	5,4	6,0	5,5	5,6	5,6
22.02.2023-23.02.2023	5,7	5,4	5,9	5,6	5,6	5,6
27.02.2023-28.02.2023	5,4	5,4	5,9	5,3	5,6	5,5
01.03.2023-02.03.2023	5,8	5,7	6,0	5,8	5,8	5,8
Average for all sessions:	5,6	5,5	5,9	5,5	5,7	5,6

Deliverable 4. Analytical report and tailor-made monitoring system for each participating ministry.

Deliverables

D4. Analytical report and tailor-made monitoring system

Tasks:

Task 4.1: Analysis of the current situation in each ministry and elaboration of a system of indicators and related information for monitoring the implementation of the reforms/projects/policies

Task 4.2: Conduct an “as-is” analysis for at least the current monitoring and evaluation processes, identify issues and missing elements to track the progress made on the completion of the milestones and targets defined in the RRP and additional milestones/targets defined at national level.

Task 4.3: Design a “to-be” situation for an adequate system of monitoring and collection of data and relevant information, taking into account at least the legal, regulatory, organisational, operational, and technical challenges.

Task 4.4: Prepare a transition plan from the “as-is” to the “to-be” situation to improve collection, storage and management systems by integrating RRP data-related needs.

Task 4.5: Develop an integrated and dedicated framework, at all levels as to track the progress in line with the reporting schedule agreed between the Commission and Bulgaria

Task 4.6: Prepare a template to be used at national level to report on the progress made in the implementation of the RRP within the European Semester process, in line with the requirements of the RRF Regulation

Task 4.7: Ensure the active engagement of stakeholders.

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
Deliverable 4 Analytical report (Tasks 4.1, 4.2, 4.3 and 4.4) – under Task 4 encompassing “as-is”, “to-be” and transition plans related to monitoring systems	- As-is analysis – 12.08.2022 - Full version - 07.10.2022	26.10.2022 1.11.2022 - Full version 31.01.2023	28.10.2022 2.11.2022 - Full version 16.02.2023	- Full version 8.03.2023

The tasks under Deliverable 4 were implemented in parallel with the work on Deliverable 3 and coordinated with the work on Deliverable 5.

Relevant documents and information were reviewed including EC Regulations and guidelines; National strategic, normative and operational documents; and documents provided by the National Fund Directorate. In total 26 meetings were held with 16 institutions to discuss monitoring and reporting arrangements with regard to the RRF. Technical meetings were held with Structures for Monitoring and Reporting; National Fund Directorate and European Affairs and Economic Analysis Directorate at the Ministry of Finance and the Central Coordination Unit at the Administration of the Council of Ministers.

The monitoring and reporting systems established or planned to be established in all designated Monitoring and Reporting Structures (SMRs) were reviewed. The available capacity at the designated SMRs were assessed based on the monitoring and reporting requirements specified in the relevant EC regulations and guidelines and the national Management and Control System (MCS) of the RRP (**Task 4.1 and Task 4.2**).

The assessment was based on pre-defined criteria developed by the team and consulted with the National Fund Directorate. The criteria covered three main components: structures, human resources and systems and tools, assessing whether there is capacity in place to:

- prepare a timetable for the implementation of investments and to monitor its implementation.
- verify the Financial and Technical Reports of final recipients.
- prepare a summary Financial and Technical Report according to the requirements of the MCS at the national level.
- verify results (including on-site checks).
- monitor and report on milestones, targets and common indicators.

Initially the review covered the following SMRs: Ministry of Education and Science, Ministry of Labour and Social Policy, Ministry of Innovation and Growth, Ministry of Regional Development and Public Works, Ministry of Energy, Ministry of Agriculture, Ministry of Transport and Communications, Ministry of Health, National Culture Fund, Bulgarian Academy of Sciences and Administration of the Council of Ministers/Registry Agency. As the institutional set up evolved during the implementation of activities, the Council of Ministers/Registry Agency which was initially designated as a SMR, was repositioned as a final recipient and was therefore excluded from the analysis.

Information was collected in the period May-July 2022 and updated up to September 2022. The data covered available capacity and organization of the monitoring and reporting system, including indicators, at each monitoring and reporting structure. The main source of information was the answers provided by the designated structures to a questionnaire for assessing the capacity to manage and monitor the implementation of investments under the Bulgarian RRP. The questionnaire was developed for the purpose of collecting information on Outcome 3 and 4.

The system of indicators for monitoring and reporting was reviewed and refined, further specifying the responsibilities of individual actors for data collection and reporting. Analyses regarding the system of indicators have been discussed with the stakeholders.

Based on the assessment carried out, gaps and opportunities for improvement were identified. The main elements of a future adequate monitoring and reporting system were specified (**Task 4.3**), which were then transferred to the specific situation in each structure for monitoring and reporting, and on this basis, the necessary actions to improve the existing monitoring and reporting systems by implementing transition plans from the current to the desired system were elaborated (**Task 4.4**).

In the course of work on the transition plans, the findings and recommendations were consulted with the relevant SMRs. In this way, the consultations stimulated the respective institutions to take the necessary steps to establish adequate monitoring and reporting systems.

A framework for monitoring and reporting has been developed to track progress at the national level in line with the reporting schedule as required by the RRF Regulation (**Task 4.5 and Task 4.6**). The framework covered:

- The commitments for reporting at the national level;
- Request for payment;
- Reporting on the progress achieved with the implementation of the RRP (milestones and targets);
- Reporting on the common indicators.

The work was done in close cooperation and consultation with the key stakeholders: designated Structures for Monitoring and Reporting; National Fund Directorate and European Affairs and Economic Analysis Directorate at the Ministry of Finance and the Central Coordination Unit at the Administration of the Council of Ministers (**Task 4.7**).

As a result, an analytical report was collated with ten individual reports, one on each SMR.

Deliverable 5. Technical report with handbook, guidance and training material on monitoring and reporting milestones and targets to be included in the Council Implementing Decision (CID).

Sub-deliverables:

Sub-deliverable 5.1. Technical report proposing a unified method for monitoring of milestones and targets at national level, including provision of evidence, working methods, etc. (one);

Sub-deliverable 5.2. Handbook for verifying the progress in the achievement of milestones and targets per type of works (one);

Sub-deliverable 5.3. Practical guidance for carrying out on-the-spot checks for verifying the achievement of milestones and targets (one);

Sub-deliverable 5.4. Training materials and training sessions including training programme, presentations and other learning aids, Q&A sessions, list of participants, feedback from participants for each of the trainings.

Tasks:

Task 5.1: Develop a uniform method for monitoring of milestones and targets at national level to be performed by line ministries

Task 5.2: Elaborate a handbook for verifying the progress in the achievement of milestones and targets per type of works &

Task 5.3: Advisory and technical assistance for carrying out on-the-spot checks for verifying the achievement of milestones and targets

Task 5.4: Advisory and technical assistance on the implementation of the reporting mechanism in the relevant areas, including the performance reporting of operations

Task 5.5: Prepare and deliver trainings for strengthening the capacity on monitoring milestones and targets at national level

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
Guidelines comprising Sub-deliverable 5.1. Technical report proposing a unified method for monitoring of milestones and targets at national level, including provision of evidence, working methods, etc. (one); Sub-deliverable 5.2. Handbook for verifying the progress in the achievement of milestones and targets per type of works (one); Sub-deliverable 5.3. Practical guidance for carrying out on-the-spot checks for verifying the achievement of milestones and targets (one)	08.08.2022	12.09.2022	23.09.2022 Feedback-11.10.2022 Resubmission-11.10.2022	12.10.2022
Task 5.4: Advisory and technical assistance on the implementation of the reporting mechanism in the relevant areas, including the performance reporting of operations	13.01.2023 08.03.2023	17.01.2023 15.03.2023	17.01.2023 15.03.2023	17.01.2022 (first seminar) 16.03.2023 (second seminar) 07.04.2023 – approval of Training package
Sub-deliverable 5.5 Training materials and training sessions including training programme, presentations and other learning aids, Q&A sessions, list of participants	14.02.2023	23.02.2023	1.03.2023	1.03.2023

The objective of this activity was to provide support for the setting-up and implementation of a monitoring system (including reporting mechanism) for the national authorities to track the progress made on the completion of milestones and targets, included in the Council Implementing Decision. Available documents and guidelines, including Common indicators scoreboard, Guidance on the common indicators of the Recovery and Resilience Facility, Statistical guidance for Member States, etc., as well as on consultation meetings with NFD and CCU (on monitoring and reporting process workflows; division of tasks and responsibilities; technical capacity of UMIS etc) were reviewed.

As a result of the implementation of three **Tasks (5.1, 5.2 and 5.3)** under Deliverable 5 of the project: **D5.1.** Report on a unified monitoring method; **D5.2.** Guidelines for checking progress towards milestones and targets; and **D5.3.** Guidelines for carrying out on-the-spot checks, the Consultant developed "Guidelines for common indicators, milestones and targets and their verification". The aim of the Guidelines is to provide support for the establishment and implementation of a monitoring system for national authorities to track progress towards the implementation of common indicators, milestones and targets under the RRF.

The main stakeholders and users of Deliverable 5 were the departments designated to act as Structures for Monitoring and Reporting (SMR). Beneficiaries of Deliverable 5 were also the National Fund Directorate (NFD) and Economic and Financial Policy Directorate at the Ministry of Finance, as well as the Central Coordination Unit Directorate (CCU) at the Council of Ministers, with respect to reporting at national level of progress in the implementation of the RRP.

The guidelines, developed between May and August 2022, covered the following elements:

- Common indicators
- Milestones and targets
- Mechanisms for verification of milestones and targets, incl. on-the-spot checks
- Indicator fiches for milestones and targets (annexed to the guidelines)

The "Guidelines for common indicators, milestones and targets and their verification" comprising D5.1. Technical report proposing a unified method for monitoring; D5.2. Handbook for verifying the progress in the achievement of milestones and targets; D5.3. Practical guidance for carrying out on-the-spot checks, were submitted within the agreed deadline 08.08.2022. Following reflection of comments, the final version was approved on 12.10.2022.

Under **Task 5.4:** Advisory and technical assistance on the implementation of the reporting mechanism in the relevant areas, including the performance reporting of operations, **2 workshops** were held. At the initial workshop the *Guidelines for monitoring, reporting and verification of the common indicators, milestones and objectives* developed under the project were presented and the training needs regarding monitoring and reporting of the measures of the RRP were discussed. The workshop was held on 24.01.2023 and was attended by representatives of NFD, CCU, SMRs and final recipients. Based on the discussions at the workshop and discussions with CCU and NDF the training programme and materials under **Task 5.5** were developed and consulted with NDF. The training sessions were conducted in the period 08.03.2023 – 27.03.2023 separated into 12 thematic areas according to the priority areas of the RRP. A total of 105 trainees from 14 institutions participated in the trainings. The conducted training and the number of participants are presented in the table below. The training events were held in an online setting with the aim to enhance accessibility, and flexibility in terms of the number of participants.

The training consisted of presentations and discussions on the common indicators under the RRP, the milestones and targets and the verification mechanisms.

Table 7 Conducted training on monitoring and reporting milestones and targets (Task 5.4) ⁷

Thematic area	Number of participants	Institutions
Education and skills	14	Executive agency Audit of European Funds (EA AEF); National Statistical Institute; Bulgarian Academy of Science (BAS); MLSP; MRDPW; MIG;
Research and innovation	17	BAS; MIG;
Intelligent industry	14	EA AEF; MIG; Employment Agency;
Low-carbon Economy	17	Employment Agency; MRDPW; Ministry of Energy;
Transport connectivity	12	MRDPW; EA AEF; State Agency Road Safety;
Biodiversity	4	Employment Agency; MEW;
Sustainable agriculture	18	Ministry of Agriculture; EA AEF; State Fund Agriculture;
Digital connectivity	1	EA AEF;
Business environment	6	EA AEF; Registry Agency; Supreme Judicial Council;
Social inclusion	16	MLSP; Employment Agency
Total:	105	14

Two of the planned thematic training sessions – Local development and Health, were not conducted since none of the invited participants signed in to the online meeting.

At the end of every training the participants were also asked to fill out a training evaluation form to express their opinion on key elements from the training: content and method of conducting. The summarized assessment is shown in the table below. The survey form was uploaded in Survey Monkey platform.

The participants assessed the training conducted on five criteria on a scale from 2 to 6 (*2 - poor, 3 – adequate, 4 – good, 5 – very good, 6 - excellent*). The results from the evaluations are presented in the table below.

Table 8 Trainings evaluation on monitoring and reporting milestones and targets (Task 5.4)

Criterion	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
Average for all training sessions:	5,3	4,8	5,5	5,4	5,3	5,3

Apart from the criteria assessment, the trainees had the chance to answer three open-ended questions in order to express their fulfilment from the trainings. The questions were as follows:

1. What did you like the most about the training?
2. What you did not like about the training?
3. Do you have any recommendations about future trainings?

The most common answers given by the trainees are presented in the table below.

⁷ Some of the trainees participated in more than one thematic training, therefore the sum of all participants from the different trainings do not correspond to the actual number of trained participants (105).

Table 9 Trainings evaluation on monitoring and reporting milestones and targets– comments from the participants (Task 5.4)

1	<ul style="list-style-type: none"> • <i>The relevance of the topic, regarding our specific duties under the RRP.</i> • <i>The short and well-structured information which helped providing an overview of the parameters of the upcoming reporting process.</i> • <i>The lecturer was highly competent of the topic. He explained it in a clear and engaging manner.</i> • <i>The casual communication.</i> • <i>The examples.</i>
2	<ul style="list-style-type: none"> • <i>I don't have any experience with the topic and the project work, which made it very hard to understand the presented material. In this regard, the investments implementation organization should include people with experience with project management, implementation and reporting to specifically oversee these engagements.</i> • <i>The absence of representatives from The National fund Directorate form the Ministry of Finance and The Central Coordination Unit hindered a qualitative discussion of key organizational, policy and technical reporting questions.</i> • <i>The training was targeted towards the Monitoring and reporting structure and the final recipients, as such did not participate, perhaps due to the lack of awareness regarding the final recipients.</i> • <i>Not enough focus on the specific component.</i> • <i>General questions take up too much of the training time.</i>
3	<ul style="list-style-type: none"> • <i>Face to face training would be more appropriate than an online one.</i> • <i>Representatives from the Ministry of Finance, the Central Coordination Unit and the Executive Agency Audit of European Union Funds should attend the trainings. (co-trainer).</i> • <i>It should have more practicality. More details should be discussed.</i>

A large number of participants shared that they had difficulty with certain elements of monitoring and reporting on common indicators, milestones and targets in the context of the RRP. During the training, a number of questions were asked, which should be raised through the NFD and CCU, namely:

- Lack of full clarity among stakeholders as to which common indicators are applicable and whether they should be reported.
- What basic information should be entered into the ISUN?
- How much of the input can be automated?
- How often activities/expenditures should be reported by the final recipients under the grant contracts?
- What happens if a milestone is not reached?
- What happens if a target is unattainable?
- Who is responsible for the reforms - the Parliament or the ministry to whose portfolio the respective legislation belongs?
- How do the six pillars of RRF relate to the four pillars of RRP?
- How the on-the-spot checks should be carried out, how often and based on what kind of risk assessment? Who carries out the on-the-spot checks?

During the training sessions, it also became clear that a large part of the institutions still had no signed operational agreements and did not have access to the UMIS2020 electronic system. They were not familiar with the reporting process.

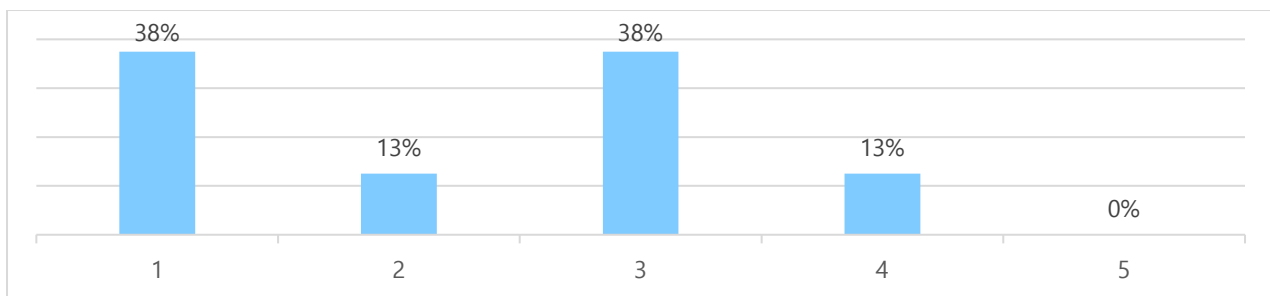
Recommendations from training participants:

- To create a dedicated website or online platform in which to upload all the materials from the 12 thematic training sessions, as well as the materials from the other training events held within the project.
- When organising future similar trainings, representatives from the NFD or CCU should be present, in order to discuss key issues of the implementation of the activities under the RRP.
- More practical examples and guidance are needed.

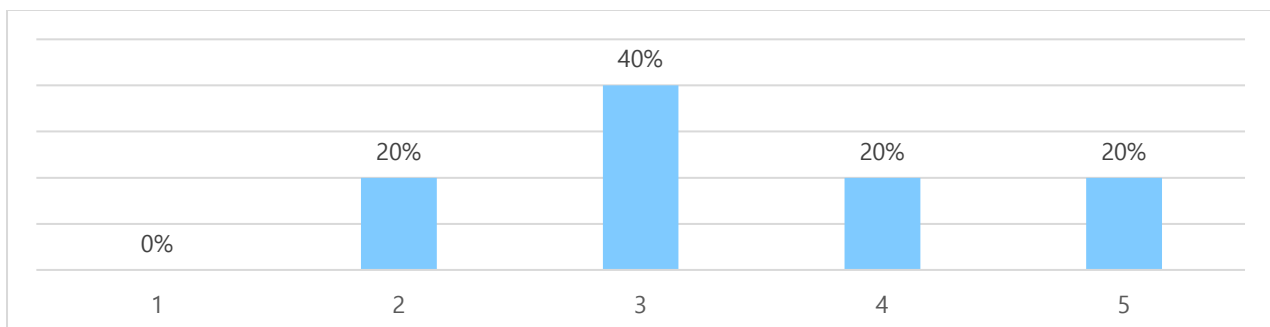
The second workshop under **Task 5.4** was held online after the completion of all training sessions on 28.03.2023 with 15 participants out of 36 invited. The aim of the workshop was to summarize what had been achieved so far in terms of monitoring and reporting as well as to identify needs and follow-up actions after the end of the project.

In order to summarize the results of the conducted training session and to identify follow-up needs, a short survey with two questions targeted at SMRs and FRs was distributed during the workshop, namely:

To what extent is it clear for the relevant SMRs/FRs what the applicable common indicators are and whether they should be reported? (1-minor degree, 5-major degree)



To what extent on-the-spot-checks mechanisms are clear for the SMRs/FRs? (1-minor degree, 5-major degree)



The responses to the survey revealed that an ambiguity regarding the obligations of the Final Recipients (FRs) and the SMRs related to the implementation and reporting of investments and reforms still exists.

Deliverable 6. Training materials and training sessions on RRF audits and controls

Sub-deliverables:

Sub-deliverable 6.1. Training materials and train-of trainers' course on preparation of reporting documents related to RRF audits and controls at national level;

Sub-deliverable 6.2. Training materials and training sessions on prevention and detection of fraud, corruption and conflict of interest at national level;

Tasks:

Task 6.1: In line with available Commission guidance, prepare and deliver train-of-trainers course for the National Fund Directorate staff in the field of preparation of reporting documents and other documentation related to audit and control in the RRF context

Task 6.2: In line with available Commission guidance, prepare and deliver training courses for best practices for prevention and detection of fraud, corruption and conflict of interest in the RRF context

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
Sub-deliverable 6.1. Training materials and train-of trainers' course on preparation of reporting documents related to RRF audits and controls at national level	Training sessions delivered in the period 06-08.03.2023 Sub-deliverable materials submitted: 15.03.2023	-	-	29.03.2023
Sub-deliverable 6.2. Training materials and training sessions on prevention and detection of fraud, corruption and conflict of interest at national level	Training sessions delivered in the period 16.01.2023-10.03.2023 Sub-deliverable materials submitted: 15.03.2023	-	-	30.03.2023

RRP audit and control requirements and mechanisms are set-up by the RRF regulatory framework and applicable national arrangement for public funds management. Bulgarian RRP provisions related to control and audit are based on experience gained in management of ESIF 2014-2020 and other donor-funded programmes which is focused primarily on eligible expenditure. However, the focus in RRF audits and controls is in verifying the achievement and reporting of targets and milestones, not on expenditure, which requires proper management and control system in place and adequate controls applied by structures entrusted with control tasks. Another challenge in RRP audit and control is ensuring and applying mechanisms for prevention and detection of 'serious irregularities', as defined in RRF and national regulatory framework, as well as double financing.

Being in regular communication with National Fund Directorate, and based on the information requested and presented, the Consultant re-confirmed that the staff of NFD was provided with continuous and relevant training, though compared to previous years the last two were not so intensive and inclusive. The National Fund Directorate had been restructured and new department for RRP was established aiming to ensure sufficient and qualified staff in place to perform tasks and duties envisaged with the RRP regulatory framework, incl. RRP Management and Control System.

Fifteen experts were appointed by the NFD management to attend the training-of-trainers course (**Task 6.1**). In line with NFD observations and requests for training support, the three days course included the following topics:

- Legal and institutional framework of implementation of RRP investments and reforms
- Responsibilities of the NFD for the RRP implementation
- The management and control system (MCS) of the RRP
- Control activities of the NFD during the implementation of the RRP
- Preparation and submission of a request for funds to the EC

The approach of interactive participation with a brainstorming discussion on the problems identified by NFD and the Consultant, was consulted with NFD and DG REFORM in operational manner and at the regular monthly calls. This helped the participants to achieve results that would help them in their day-to-day activities and ongoing revision of RRP Management and Control System. The comments and requests for improvement of

the RRP's MCS, expressed by trainees from Monitoring and Reporting Structures and Final Recipients, were communicated and analysed which also contributed for the achievement of the purpose of the training.

The table below presents the assessments of the NDF staff who participated in the course (*scale used: 2 – weak; 3-satisfactory; 4 – good; 5- very good; 6-excellent*)

Table 10. Training evaluation train-of-trainers course (Task 6.1)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
06.03.2023-08.03.2023	5.9	6.0	6.0	5.5	6.0	5.9

To ensure sustainability of the output further to the training materials used during the training the Consultant has prepared additional document that could serve as a basis for trainer to continue with the training of other staff of NFD, SMRs and FRs. The document aimed to emphasize on some areas of legal, institutional and organisational set up for the implementation, monitoring and reporting, control and audit of RRP investments and reforms. Further recommendations were provided for regular and targeted training and improvement and simplification of RRP Management and Control System.

Bulgarian authorities incorporated the working arrangements for prevention, detection, processing and investigation of serious irregularities and double financing in RRP Management and Control System. Further to the needs identified for training in the matter under **Task 6.2**, the authorities involved in RRP implementation identified areas for improvement based on preliminary findings communicated by the Commission services following an audit carried out by end of 2022.

The RRP Management and Control System designated the tasks for prevention and detection of serious irregularities and double financing to the NFD and SMRs. This fact defined the target group of the training. Considering the findings and recommendations of "as-is" analysis prepared under Task 3.1, the questions raised by the trainees during the training on project management and coordination under Task 3.4 and the discussions held with the National Fund Directorate on the specific needs of training, the Consultant prepared a one-day training covering the following topics:

- Applicable regulatory framework and basic concepts on serious irregularities
- Presenting EC Guidelines (2021/C 121/01) on the avoidance and management of conflicts of interest under the Financial Regulation
- Good practices for preventing and detecting fraud, corruption and conflict of interest
- Presentation of good practices specified in the Commission's Guidelines, Reports of the European Court of Auditors, OLAF, National Court of Auditors
- Identifying and reporting serious irregularities and implementing corrective measures as regulated in RRP Management and Control System

The training in preventing and detecting serious irregularities and double financing was designed and delivered in 1 day starting and ending with an entry and exit test. In total eight training sessions took place in the period 16.01.2023-10.03.2023 attended by a total of 91 participants from 13 institutions.

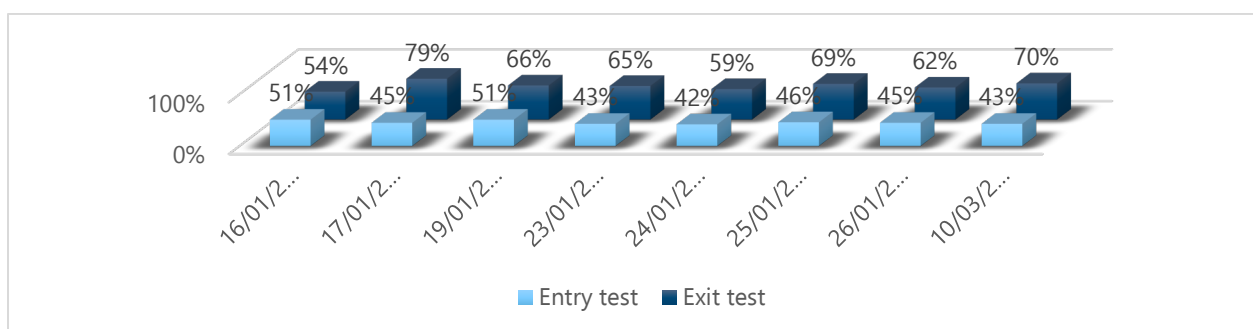
Table 11. Training on preventing and detecting serious irregularities and double financing (Task 6.2)

Date	Number of trainees	Institutions
16.1.2023	14	MTC; MIG; MRDPW; NFD;

17.1.2023	14	MTC; MIG; NCF; ME; NFD;
19.1.2023	9	NFD; MH;
23.1.2023	17	BAS; MIG; MRDPW; NFD; MH;
24.1.2023	7	NFD; Ministry of Education and Science; MTC
25.1.2023	12	MRDPW; NFD; Executive Agency Programme Education;
26.1.2023	11	Audit of European Union Funds; NFD;
10.03.2023	7	Audit of European Union Funds; ME; NFD; MLSP; Executive Agency "Programme Education";
TOTAL:	91	13

The trainees completed entry/exit tests in the beginning and in the end of each training in order to assess to what extent the material was understood and where are the main difficulties.

Figure 4 Correct answers from the entry and exit tests, % (Task 6.2)



Based on the participants' feedback provided in the assessment forms used for all the trainings under the project, it could be concluded that the Consultant met the participants' training expectations and needs. The results of training assessments are presented in the table below (scale used: 2 – weak; 3-satisfactory; 4 – good; 5- very good; 6-excellent)

Table 12. Training evaluation on prevention and detection of fraud, corruption and conflict of interest (Task 6.2)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
16.1.2023	5,8	5,5	5,9	5,7	5,8	5,7
17.1.2023	5,5	5,5	5,9	5,6	5,8	5,7
19.1.2023	5,7	5,7	6,0	5,7	5,7	5,8
23.1.2023	5,8	5,6	5,9	5,6	5,8	5,7
24.1.2023	6,0	5,9	6,0	5,7	6,0	5,9
25.1.2023	5,9	6,0	6,0	6,0	6,0	6,0
26.1.2023	5,7	5,8	5,8	5,7	5,8	5,8
10.3.2023	5,9	5,6	6,0	5,6	5,9	5,8

Average for all dates:	5,8	5,7	5,9	5,7	5,9	5,8
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Deliverable 7. Capacity-building activities on the application of the “DNSH principle” (Do No Significant Harm principle)

Tasks:

Task 7.1: Drafting of a training needs assessment report with respect to the “DNSH principle” and its application.

Task 7.2: Deliver tailored capacity building to support the national authorities and relevant stakeholders in gaining expertise on particular aspects of the “DNSH principle” and its application.

Deliverable	Submitted	Feedback	Submitted revised version	Final Approval
Training needs assessment	25.08.2022	-	-	16.09.2022 – accepted by NFD
Training package - DNSH application	15.03.2023	-	-	30.03.2023

Through *Deliverable 7: Capacity building activities on the application of the “DNSH principle” (Do No Significant Harm principle)* support was provided to national authorities for developing their expertise in the implementation of the DNSH principle within the framework of the implementation of the RRP measures.

In accordance with the RRF Regulation, no measure included in the RRP must result in a significant harm to the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation. To assist Member States, on 12 February 2021 the Commission adopted technical guidelines, which outlined the DNSH and how it should be applied in the context of the RRM.

According to the guidelines, the direct and the main indirect impacts of the RRP measures on the environment are considered. Direct impacts reflect the project-level effects of the measure that occur at the time the measure is implemented. The main indirect impacts may arise outside the projects or materialize after the implementation of the measure.

As planned under **Task 7.1**, the Consultant did extensive research on available documents and information regarding the application of DNSH principle. A draft questionnaire for the training needs assessment (TNA) was elaborated and pilot-tested with the MRDPW. The questionnaire was submitted for consultation to NFD on 27.06.2022. Following feedback from NFD, the questionnaire for the TNA was launched on 4 July 2022 and was circulated to the target groups. In total 33 responses were received until the closing of the survey on 29.07.2022.

Representatives of 14 ministries and departments took part in the survey, as a total of 33 responses were received. Three of the respondents did not indicate which department they were from.

Responses were received from participants from the following ministries and departments:

- 7 respondents from the Ministry of Education and Science;
- 4 respondents from the Ministry of Innovation and Growth;
- 3 respondents each from the Ministry of Regional Development and Public Works and the Ministry of Labour and Social Policy;

- 2 respondents each from the Ministry of Internal Affairs, Ministry of Culture and Ministry of Environment and Water;
- 1 each from the Electricity System Operator, Ministry of Transport and Communications, Ministry of Agriculture, Ministry of Health, Ministry of e-Government, Supreme Administrative Court and Administration of the Council of Ministers;
- 3 participants in the survey did not answer which department they were from.

Based on the conducted survey, the following main conclusions were drawn, being relevant for both groups of participants – those acting as SMRs and those being Final Recipients (FRs):

1. About two-thirds of the respondents were not familiar with the environmental legislation in force in the country.
2. With regard to general knowledge of the DNSH, it was established that a significant part of the participants in the survey:
 - had a general idea of the DNSH, and a very small part are familiar with it and have applied it;
 - could not assess how the principle was applied and how the measures were evaluated;
 - demonstrated a basic knowledge of the process of reconciling the Environmental impact assessment procedures and the application of the DNSH;
 - were unsure of the application of the decision scheme, but at the same time correctly answered that the steps of the decision scheme were two;
 - had some knowledge of the activities that were part of the 2 steps (Step 1 and Step 2) of the scheme for deciding whether a measure complies with the DNSH.
3. Regarding knowledge of the six environmental goals, the analysis showed that a large part of the survey participants had knowledge of all six environmental goals, and a large percentage of them indicated the correct answers for all six goals.
4. From the analysis, it became clear that a very large part of the participants in the survey had no experience in the implementation of the DNSH, and only 2 were in a managerial position and had a good knowledge of the implementation of the DNSH.
5. Regarding the need for guidance on the application of the DNSH, all participants noted the need for guidance on all objectives and particularly on climate change mitigation, transition to a circular economy and prevention and control of air, water and soil pollution.
6. With regard to the need for information when applying the DNSH, the greatest need identified was for practical advice and examples of how to apply the principle in the context of their investments; information on what requirements to impose on the final recipients to apply and report on the application of the principle; more information about the principle itself, as well as information on how to monitor the implementation of the principle. A large part of the respondents would also like to receive more information about the main documents regulating the application of the principle.
7. From the analysis made in relation to encountered difficulties with the environmental objectives of the DNSH, it was evident that almost all participants encountered difficulties and needed information.

The results were analysed in the TNA report, which was submitted to NFD on 25.08.2022 together with proposals for training programme and modules. On 16.09.2022 NFD accepted the results of the analysis, which provided the basis for the development of the materials for on application of the DNSH principle.

The complete training materials (**Task 7.2**) were elaborated based on research on available materials from other EU member states and relevant EU and national documents, and were shared with NFD on 03.10.2022. The training was initially divided into 2 modules – beginners and advanced, based on the results of the TNA, which were later combined in consultation with NFD.

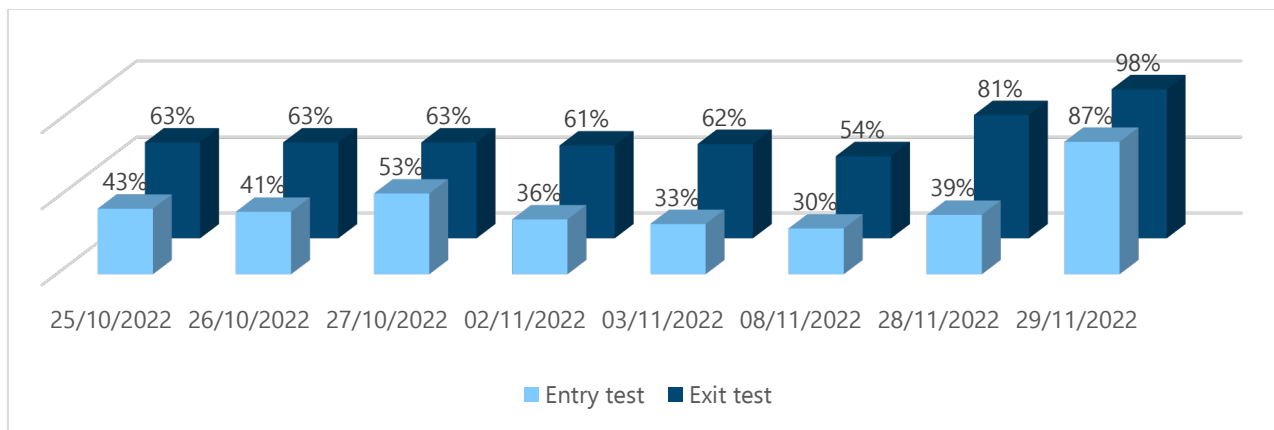
All materials are presented in *Annex 6. Deliverable 7* of the report.

Table 13. Conducted training sessions on the application of DNSH principle (Task 7.2)

Date	Module	Number of trainees	Institutions
25.10.2022	Module 1	21	Metropolitan EAD; ME; MEW; SARS; ESO
26.10.2022	Combined	21	NCF; Registry Agency; Ministry of eGovernance; MA; MLSP
27.10.2022	Combined	15	MRDPW; RIA
02.11.2022	Combined	19	MRDPW; MIG
03.11.2022	Combined	13	MRDPW; MTC; NCF
08.11.2022	Combined	15	MA; MH; MLSP; Ministry of Education and Science
28.11.2022	Combined	6	MRDPW; W&S Holding; MIG
29.11.2022	Module 2	14	Metropolitan EAD; ME; MEW; ESO
TOTAL:		124	18

The trainees had to complete the same test in the beginning and in the end of each training. The percent of correctly answered questions is calculated on average for all participants for every conducted training. To better illustrate the results, the data is presented with a bar graph (average % for all training session: entry tests: 45%; exit tests: 68%).

Figure 5 Correct answers from the entry and exit tests, % (Task 7.2)



Based on the participants' feedback provided in the assessment forms of the trainings, it could be concluded that the Consultant met the participants' expectations and needs of training.

The results of training assessments are presented in the table below (scale used: 2 – weak; 3-satisfactory; 4 – good; 5- very good; 6-excellent)

Table 14. Training evaluation on the application of DNSH principle (Task 7.2)

Date of training	Structure of the training	Usefulness of the training	Lecturers' competence	Quality of the training materials	Overall assessment of the training	Average all questions
25.10.2022	5	4,9	5,9	5,1	5,3	5,2
26.10.2022	5,4	4,6	5,9	5,4	5,6	5,4
27.10.2022	5,2	5,3	5,7	5,2	5,6	5
2.11.2022	5	4,9	5,9	5,5	5,5	5,4
3.11.2022	5,5	5,2	5,7	5,7	5,5	5,5
8.11.2022	5,4	5,2	5,8	5,4	5,4	5,4
28.11.2022	4,8	5	5,4	5	5	5
29.11.2022	5,7	5,7	5,8	5,7	5,6	5,7
Average for all sessions:	5,3	5,1	5,8	5,4	5,4	5,3

Deliverable 8. Final report

Deliverable:

Deliverable 7 Final report

Tasks:

Task 8.1: Drafting a final report

Task 8.2: Annex all relevant deliverables to the final report

Task 8.3: Hold a closing workshop with most important stakeholders

Task 8.4: Meeting to present the project and participation in a podium discussion

The current final report under **Task 8.1** is elaborated by the Consultant in the last month of implementation of project activities. It complies with the requirements of the Request for Services and reflects project achievements, challenges met and lessons learnt, as well as Consultant's view on the cooperation with all involved stakeholders. Annexed to the main body of the report are all relevant deliverables/sub-deliverables developed in the course of project implementation (**Task 8.2**).

The closing workshop (**Task 8.3**) with the key stakeholders (EC, NFD and the line ministries) was planned and organised in cooperation with NFD and DG REFORM. The event took place to be held via videoconference on 27.04.2023. The purpose of the workshop was to discuss the Final report and for the national authorities to present any planned follow up-measures. During the workshop DG REFORM representatives presented in brief the support available to the Member States (MS) in the implementation of the Recovery and Resilience Facility (RRF). It was noted that European Commission Technical Support Instrument (TSI) provides two types of support – (1) 'general support' under which the current project was supported and (2) 'thematic support' under which assistance in specific policy areas is provided. The NFD officials stressed the importance of the project for the successful implementation of the RRP and expressed satisfaction with the results achieved and the fruitful cooperation. The Project team provided overview on implemented activities, supported institutions and project achievements. Capacity building activities were particularly highlighted along with summary of main

lessons learnt and recommendations, also described in the present report. NDF representatives noted that Management and Control System (MCS) was revised and simplified based also on the comments and assistance provided under the project and is currently consulted with the stakeholders. It was concluded that the results achieved were very satisfactory considering that the project was quite ambitious and its implementation was a challenge considering the complicated political situation and the short timelines.

Meeting notes and presentation were shared with participants after the meeting (Annex 8).

3. ENGAGEMENT AND COOPERATION WITH STAKEHOLDERS

This section presents the cooperation with key stakeholders in the course of project as well as the arrangements with regard to the Project Steering Committee (SC).

Many institutions were involved in, consulted and benefited from the implementation of the project. These together with their roles and responsibilities with regard to the project are listed in the table below.

Table 15. Key stakeholders and their roles and responsibilities

N	Institution	Role	Cooperation with regard to the project
1	DG REFORM	Contracting Authority	Final approval of all deliverables. Consultations and agreements on implementation approach, as well as monthly meetings for tracking project progress. Direct and open line of communication which contributed to smooth project implementation.
2	NFD at the Ministry of Finance	Main project beneficiary, National Coordinating Body for RRP in terms of implementation, monitoring and control	Regular close collaboration related to all aspects of project implementation. Constant consultations and agreement of all deliverables, provision of information, guidance and support to the Consultant in its communication and coordination with the other stakeholders. Representatives of the NFD took part in some of the training sessions.
3	CCU	Monitors, reviews and confirms implementation of the common indicators, milestones and targets of the RRP	Provided information, took part in consultation, comments and supported implementation of the tasks of Deliverable 4 and 5. Took part in the seminars organised under Deliverable 5.
4	European Affairs and Economic Analysis Directorate	Reports implementation of the reforms included in the RRP as part of the European Semester	European Affairs and Economic Analysis Directorate was consulted during the establishment of national level monitoring under Task 4.6. Took part in the seminars organised under Deliverable 5.
5	Executive Agency "Audit of EU Funds"	Will perform audit of systems and milestones and targets	Provided information, took part in consultations, whenever needed and in the training under Deliverables 5 and 6.
6	Structures for Monitoring and Reporting (SMRs)	Involved in monitoring and reporting of the implementation of the RRP investments	SMRs were closely engaged and involved in the activities related to Deliverables 3 and 4 ("as-is" situation analysis, "to-be", the transition plans from "as-is" to "to-be" as well as the Project Management and Coordination Training sessions). SMRs were also closely engaged in training sessions under Task 2, as well as the workshops and training sessions under Task 5 related to the monitoring and reporting. Representatives of SMRs were among the main target groups of the TNA and following training sessions under Task 7 on the application of DNSH principle. Cooperation and consultations were ensured via a number of meetings with the SMRs.
7	Structures for monitoring (SM)	Monitor some specific investments and sectoral reforms	SMs were mainly involved in activities related to Deliverable 5.

9	Final recipients	Responsible for implementation of specific projects.	Final recipients were main target group of capacity building activities under Deliverables 3, 5 and 7.
10	Institute of Public Administration (IPA)	Project counterpart with regard to the training	IPA was consulted with regard to implementation of the training sessions and were very instrumental for the logistics of the training sessions under Tasks 2, 3 and 4. Can be involved in dissemination of the training materials and training delivery after the end of this contract

Cooperation and consultation with stakeholders was ensured via the Steering Committee (SC) which was composed of representatives of the contractor, the DG REFORM, DG ECFIN, DG- RECOVER, NFD and ministers/deputy ministers of the Structures for monitoring and control. The Steering Committee had 1 meeting on 25.10.2022, 11:00 – 12:00 (BG time) in order to oversee all planned activities, ensure effective coordination and engagement.

In addition to the SC, a monthly video monitoring calls were set up with the DG REFORM, the Consultant and the NFD to monitor the good execution of the project. The Consultant submitted by email a status point summary including the latest developments, issues identified and next steps of the projects to the DG REFORM prior to the call. Monthly calls and the established close cooperation proved efficient way of communication and coordination and eventually resulted in the successful achievement of project results.

4. LESSONS LEARNED AND RECOMMENDATIONS

This section presents observations made during the project implementation and relevant recommendations stemming from them addressed to the project beneficiaries (NFD and SMRs), related to further enhancement of their capacity to manage the RRP interventions.

The section could also be informative to DG REFORM and the broader Commission bodies on the RRF implementation challenges, confronted by Member States, as some of those challenges (e.g. verifying compliance with DNSH principle; implementation of Financing-Not-linked-to-Costs types of interventions, incl. monitoring and reporting on qualitative and quantitative performance requirements, etc.) seem to be common for many Member States.

The structure of presentation of the lessons learned follows the project deliverables.

Application documents for grant schemes for the RRF investments (Deliverable 2)

- The comparative analysis of the implementing modalities of grant schemes financed from the EU in Bulgaria and other EU Member States showed, inter-alia, that the Bulgarian approach to regulation and implementation of grant schemes, incl. such financed by the Recovery and Resilience Mechanism, does not differ significantly from the approaches and implementation mechanism in other Member States. In a number of aspects, the Bulgarian implementation model could be considered better, for example in terms of: conciseness of the legal framework, focused on the most important issues; compact, short, and clear Guidelines for Applicants requiring a minimal set of supporting documents to be completed; succinct and practically useful handbooks for beneficiaries, focusing on the main aspects of project implementation and reporting, etc.
- Whereas the national legal framework and implementation modalities of the grant schemes financed under the RRP is very similar to that of the Cohesion Policy operational programmes, the implementation modalities of the former should make the best use of the significant experience gained by the Managing Authorities of operational programmes in the last programming period 2014-2020.

RRP project management and coordination (Deliverable 3)

- The delay of the formal establishment of the institutional set-up of the RRP implementation influenced the smooth and efficient start of RRP project management and coordination. It is important to note that despite of the delayed formalisation of the institutional set-up, all participants involved in RRP implementation demonstrated a good will and active cooperation by using their experience gained in management and/or implementation of donor-funded programmes and projects.
- The level of knowledge and skills related to the preparation and implementation of the RRP interventions differs significantly among various Structures for Monitoring and Reporting (SMRs). SMRs which also act as Managing Authorities of Cohesion Policy programmes possess significant competence, experience and skills, which allowed them to assume almost effortlessly the additional function of managing the RRP interventions. Unlike the latter, SMRs which have no or very little experience in managing EU or nationally-funded schemes, while being very competent in the specific sectoral or thematic field of the RRP operations, often do not possess the required level of experience and most prominently – skills, to effectively prepare and manage RRP interventions. To that end it is recommended those SMRs to be provided with further trainings and on-going assistance. Knowledge sharing and even operational assistance from experienced SMRs to the inexperienced ones should also be encouraged to build up their institutional capacity.

- Based on the project implementation experience, it is recommended to revise and where possible to simplify the RRP project management and coordination set-up as a part of the RRP Management and Control System. Such an initiative has already been undertaken by the National Fund Directorate and supported by the Consultant under Deliverable
- Trainings delivered were recognised as a very useful platform for further improving participants' knowledge as well as exchanging views and sharing experience. Most of the trainees requested repetition of the trainings on project management and coordination on a regular basis.

Monitoring and reporting mechanisms (Deliverable 4 and Deliverable 5)

- Overall, there is clarity on data verification and reporting of milestones and targets at national level and with the SMR, although verification methods for some milestones and targets were still being discussed. The on-the-spot checks arrangements are at large still pending. For some milestones/targets, it is still necessary to specify the type of documents that would be used to verify the achievement of the milestone/target.
- In many cases the designated SMRs have previous experience in applying similar type of measures and internal rules, which could be adapted to the needs of the RRP. However, for SMRs which do not have experience as Managing Authorities of Cohesion policy operational programmes, it is recommended to establish formal rules providing a clear framework of responsibilities and deadlines for implementation of the activities in accordance with the reporting deadlines, established in the MCS of the RRF.
- The following needs related to monitoring and reporting in the context of the RRF were identified:
 - It is necessary the NFD and CCU to clarify some requirements of the Management and Control System (MCS) of the RRP as the information provided in it is not unequivocally interpreted.
 - It should be made clear to the SMRs and Final recipients which common indicators they should report and under which measures.
 - Further practical guidance on the on-the-spot checks will be instrumental for SMRs particularly on methodologies for risk assessment, planning and implementation on-the-spot checks. Due to lack of funding for management secured under some of the measures financing of on-the-spot checks in some cases is unclear.

Training materials and training sessions on RRF audits and controls (Deliverable 6)

- National authorities involved in the implementation of RRP investments and reforms have gained significant experience in the field of financial management and control with proven understanding of the role of the audits for improving the overall management. Both topics under deliverable 6 were well known and the training sessions delivered aimed to further upgrade and improve the competences in the field by ensure common understanding and application of unified approach by all target groups.
- It is recommended that similar training on the same topic is repeated, as requested by most of the trainees, on a regular basis – each 6 to 9 months, thus providing an opportunity for comparative, analytical and critical review of developments in the matter.

Capacity-building activities on the application of the "DNSH principle" (Deliverable 7)

- The importance of the application of the DNSH principal requirements is acknowledged by all stakeholders as well as the need for further capacity building and exchange of good practices. There are a lot of unresolved specific questions regarding the application of the principle in the context of specifics of the measures of each SMR. There are also common questions with regard who is the

competent authority to check the application of the principle, what is the responsibility of the SMR and the final recipients, particularly in case of a lack of competence.

- Training sessions/exchanges (also between Member States and with the participation of the EC) on practices related to DNSH application should be conducted periodically in line with the stages of implementation of the procedures under the RRP and the regulations' updates.

To ensure the overall sustainability and impact of the project, further efforts on behalf of all stakeholders would be needed to maintain and built on the already established structures capacities and in the same time simplify the RRP project management and coordination set-up. Furthermore enhancing communication both internally (within the administration) and externally (with general public) is of crucial importance to raise awareness and ensure support for the RRP reforms and measures.

The implementation modality of the project as part of the Technical Support Instrument (TSI), providing tailor-made technical expertise to EU Member States to design and implement reforms, proved to be efficient and valuable tool for enhanced capacity building of national authorities and can be further utilised to continue and build on already achieved results.

5. ANNEXES

Annex 1. Sub-deliverables 2.1 and 2.2

Annex 2. Sub-deliverables 3.1 and 3.2

Annex 3. Deliverable 4

Annex 4. Sub-deliverables Guidelines comprising Sub-deliverable 5.1., Sub-deliverable 5.2. and Sub-deliverable 5.3; Sub-deliverable 5.4

Annex 5. Sub-deliverables 6.1. and 6.2

Annex 6. Deliverable 7

Annex 7. Project description & social media text

Annex 8. Closing workshop notes and presentation



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