



Investing in your future!

Operational Programme Regional Development

2007-2013

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Operational Programme
Regional Development
2007-2013

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OVERALL OBJECTIVE:

To improve the quality of living and working environment with better access to basic services and new opportunities for improved regional competitiveness and sustainable development.



**Programme budget:
BGN 3 131 821 212**



OPRD is financed by the European Regional Development Fund and state budget of the Republic of Bulgaria

Operational Programme Regional Development 2007-2013

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Elaborated under project: BG161PO001/5-01/2008/056
Production and distribution of informational materials for the Operational Programme
"Regional Development" 2007-2013 (OPRD)
Priority axis 5: "Technical assistance" OPRD. The project is financed by
the European Regional Development Fund and state budget of the Republic of Bulgaria.

Priority axis 1: Sustainable and integrated urban development

Budget: BGN 1 806 955 041

Beneficiaries: Municipalities on the territory of 86 urban agglomeration areas, European Investment Bank (in the capacity of a JESSICA Holding Fund), Ministry of Culture, Ministry of Health, Social Assistance Agency, Employment Agency, Ministry of Interior / Directorate General "Fire Safety and Protection of Population Service", Ministry of Education, Youth and Science, "Housing Policy" Directorate in MRDPW, Housing Renovation Fund, non-governmental organizations and universities, when acting as non-profit operators for provision of health, social, educational and cultural services.

Priority axis 2: Regional and local accessibility

Budget: BGN 661 676 118

Beneficiaries: Road Infrastructure Agency, 86 municipalities situated within urban agglomeration areas, Ministry of Economy, Energy and Tourism, Executive Agency "Electronic Communication Networks and Information Systems".

Priority axis 3: Sustainable tourism development

Budget: BGN 334 327 982

Beneficiaries: Ministry of Culture, Ministry of Economy, Energy and Tourism, Council of Ministers, 264 municipalities, including in partnership with associations of municipalities, local, regional and national tourism organizations registered in the National Tourism Register, public authorities managing immovable cultural valuables of national and world significance.

Priority axis 4: Local development and cooperation

Budget: BGN 223 064 598

Beneficiaries: District administrations, 178 municipalities outside urban agglomeration areas, non-governmental organizations in partnership with municipalities or district administrations.

Priority axis 5: Technical assistance

Budget: BGN 105 797 473

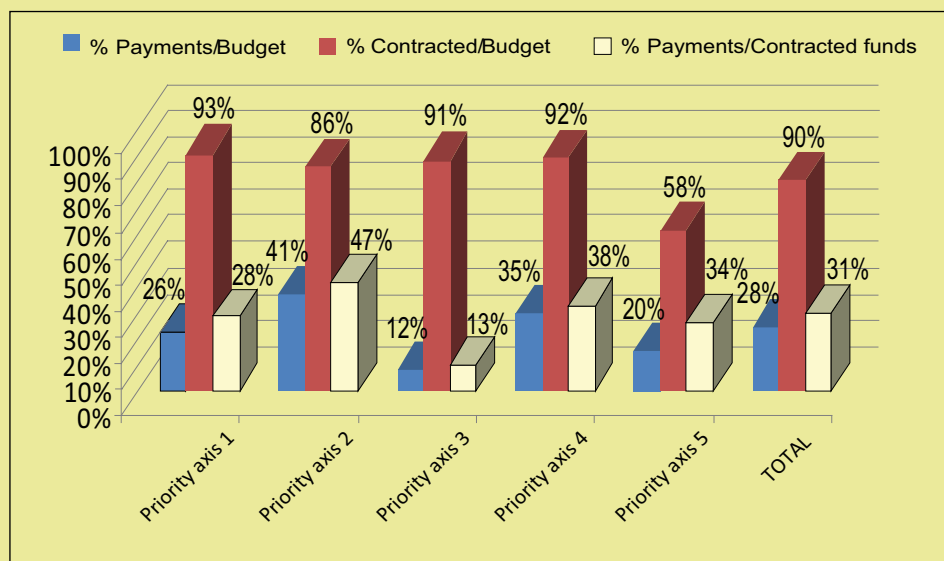
Beneficiaries: The Managing Authority of OPRD, "Housing Policy" Directorate and "Internal Audit" Directorate at the MRDPW, Ministry of Health, Ministry of Culture, Ministry of Education, Youth and Science, Ministry of Economy, Energy and Tourism, Ministry of Interior, Road Infrastructure Agency, Social Assistance Agency, Employment Agency, Executive Agency "Electronic Communication Networks and Information Systems".



Indicators of the overall progress of OPRD implementation

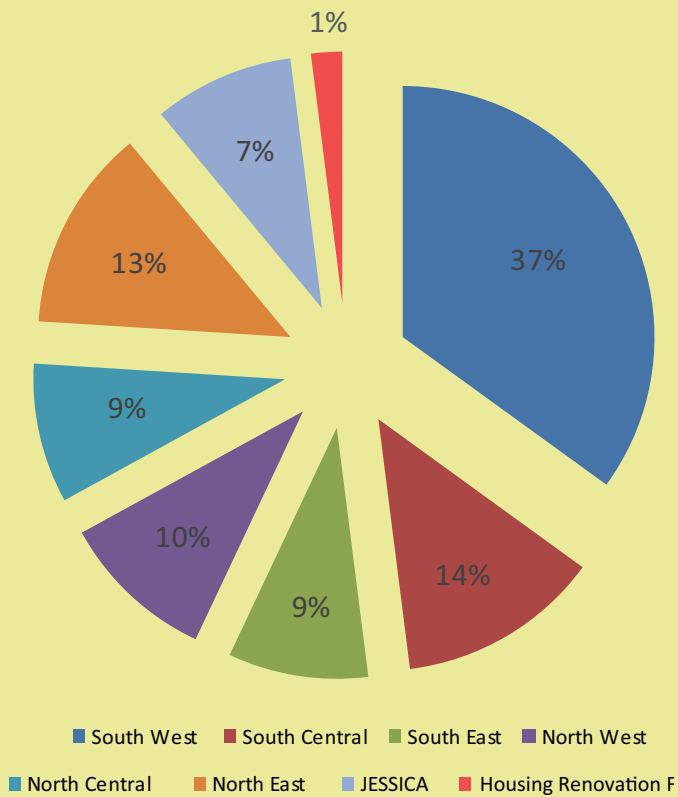
- Published were **46 grant schemes** for a total of **BGN 3,082 billion** or above **98%** of the OPRD budget (BGN 3,131 billion). On **3 September 2012** was launched a **third consecutive scheme** for improvement of the urban environment – **“Green and accessible urban environment”**. The deadline for applying under the scheme is 11 January 2013. Specific beneficiaries are 36 municipalities – centers of urban agglomerations.;
- Under the programme as of 31.08.2012 were **submitted a total of 1743 project proposals** and signed **966 contracts to a total amount** of grant – **BGN 2,811 billion** or **90 %** of the programme’s budget (BGN 3,131 billion);
- The total amount of payments as of 31.08.2012 adds up to BGN **870 million** or **31 % of contracted funds** and **28 % of OPRD budget**. The total amount of certified funds is **BGN 489 million**.

With these indicators OPRD finds its place among the most successful programmes in Bulgaria. Through supported activities we reach every region of the country, demonstrating visible results and contributing for improved quality of living and working environment of each Bulgarian citizen with a **better access to basic services and new opportunities for increased regional competitiveness and sustainable development**.



Financial implementation of OPRD for the 01.01.2007 - 31.08.2012 period

% paid funds by regions at NUTS 2 level for the 01.01.2007- 31.08.2012 period



Key projects of Operational Programme Regional Development 2007-2013

1. Deinstitutionalization of children in the Republic of Bulgaria

Within the framework of Operation 1.1 "Social infrastructure" a grant scheme **"Support for deinstitutionalization of social institutions providing services to children at risk"** is in implementation with a budget of **BGN 107 million**. Specific beneficiaries are 62 municipalities in urban agglomerations. The scheme aims to **support construction/reconstruction/renovation of an adequate infrastructure on the territory of urban agglomerations**, to replace institutional care and provide new opportunities to children with disabilities and their families to receive assistance within the community and in their natural environment. Signed are **62 contracts** to a total amount of **BGN 104,4 million**. With the implementation of the projects are **to be established 133 Accommodation Centers of Family Type and 27 Protected Homes**.

The Ministry of Health was granted with **BGN 10 million** for restructuring of **8 pilot Children's Medical and Social Care Homes** in order to provide innovative and integrated deinstitutionalization services and prevent abandonment of children aged 0-3.



2. Support for reconstruction, renovation and equipping of medical and healthcare institutions – state and municipal

Provided were **BGN 131 million** as a grant to the Ministry of Health for reconstruction and renovation of **13 state medical institutions**. Also envisaged are **BGN 140 million** for reconstruction and renovation of **municipal** medical facilities (2 grant schemes under Priority axis 1 and Priority axis 4). As of 31.08.2012 were signed **26 contracts** to a total amount of **BGN 125 million**.

3. Reconstruction and rehabilitation of second- and third-class roads

Main objective of the scheme is to encourage accessibility, interconnectivity and cohesion within regions through improvement and rehabilitation of regional and local roads. Beneficiary is the Road Infrastructure Agency. The total amount of funds is **BGN 501 million**. Rehabilitated / reconstructed will be approximately **795 km of road sections** on the territory of the country. Under implementation are **44 contracts** to a total amount of **BGN 460 million**. As of 31.08.2012 were rehabilitated and put into exploitation a total of **227 km road sections**. Under the scheme is being implemented the project for widening of Sofia ring-road near Mladost Quarter (**BGN 33,9 million**).



4. Support for urban transport in the big cities

Within Priority axis 1: "Sustainable and integrated urban development", Operation 1.5 "Sustainable urban transport systems" under Operational Programme Regional Development are provided grants to the amount of **BGN 411 million** for development of integrated urban transport in the 7 big cities of the country – Sofia, Plovdiv, Varna, Burgas, Pleven, Russe and Stara Zagora. The operation will focus mainly on creating more effective and speedy urban transport with less energy consumption, construction of more accessible secondary infrastructure of public transport networks and introduction of environmentally friendly modes of public transport. At the Managing Authority of OPRD was **established a Unit for Management of Projects for Integrated Urban Transport**.

- ***Integrated urban transport project of Burgas Municipality***

The "Integrated urban transport in Burgas" project is the **first major project** within the meaning of Article 39 of Regulation (EC) 1083/2006 in line of OPRD. The total amount of the project adds up to **BGN 131 million**, of which the grant amount under OPRD is **BGN 101 million** and **BGN 30 million** is the contribution by Burgas Municipality. The grant contract was signed on 26 November 2010 and will be implemented for 36 months. The project was approved by the European Commission on 16 August 2011.

The project provides **a set of measures for modernization of public transport and encourages transportation in alternative ways** (on foot or by bicycle), as well as **studies for further investments** to build on the results achieved.

- ***Integrated urban transport project of Sofia Municipality***

The "**Support for integrated urban transport in Sofia Municipality**" project is the **second major project** within the meaning of Article 39 of Regulation (EC) 1083/2006 in line of OPRD. The total amount of the project adds up to **BGN 122 million**, of which the grant amount under OPRD is **BGN 98 million** and **BGN 24 million** is the contribution by Sofia Municipality. The grant contract was signed on 23 August 2011 and will be implemented for 36 months.

The project envisages **a set of measures for improving the quality of public transport and encourages use of environmentally friendly urban transport**.



● *Integrated urban transport projects in the five big cities*

For implementation of urban transport modernization projects in the other five big cities in Bulgaria under OPRD are envisaged funds to the amount of **BGN 204 million** allocated between the cities based on number of residents, population using public transport and tourist flow. In June and August 2012 were signed contracts with the municipalities of Varna, Pleven, Plovdiv, Russe and Stara Zagora. The total amount of the projects adds up to **BGN 240,3 million**, of which the grant amount under OPRD is **BGN 203,5 million**.

Components of the urban transport projects:

- Planning of transport for transition from personal vehicles to public transport, bicycles or walking;
- Intelligent traffic management system;
- E-ticketing system;
- Environmentally friendly rolling stock of buses/trolley buses;
- Improvement and development of the urban transport infrastructure;
- Configuration of routes for the purpose of ensuring special lanes with right of way priority.



5. Support for housing policy

● **Support for energy efficiency in multifamily residential buildings**

Operational Programme Regional Development supports implementation of energy efficiency measures through scheme BG161PO001/1.2-01/2011 **“Support for energy efficiency in multifamily residential buildings”** in 36 urban centers. The scheme was published on 18.07.2011 as it is an integral part of the National Housing Strategy and will contribute to long-term improvements in the living conditions of the cities. Specific beneficiary is “Housing Policy” Directorate within the Ministry of Regional Development and Public Works, responsible for implementing housing policy in the Republic of Bulgaria. The start of project implementation was marked by issuing an Order of the Minister of Regional Development and Public Works on 09.04.2012 for provision of grant to the specific beneficiary. The total project amount comes up to **BGN 95 million**, of which the grant amount under OPRD is **BGN 50 million** and **BGN 45 million** is private financial contribution – funds provided by the associations of owners.

Within the project framework is envisaged implementation of energy efficiency measures in multifamily residential buildings in 36 urban centers, including energy efficiency audits and introduction of energy efficiency measures in multifamily residential buildings (insulation, replacement of woodwork, local installations and/or connections to gas and heating systems).

● **Support for establishment of a financial engineering instrument Housing Renovation Fund – BGN 13 million.** In March 2012 was selected a Housing Renovation Fund (HRF). HRF is a financial engineering instrument for provision of loans / bank guarantees to owners of properties in multifamily residential buildings to be used for securing financial participation in the process of housing fund renovation in Bulgaria.



6. Support for social homes of vulnerable groups

Under implementation is a scheme launched on 30.08.2011 with a budget of **BGN 16 million**, aiming to provide contemporary social homes for accommodation of vulnerable groups through renovation and modification of the function of existing buildings, property of public authorities or non-profit organizations. It will contribute to social inclusion of vulnerable people through improving their living standard and overall improvement of the quality of housing in urban communities. Specific beneficiaries are the municipalities of Burgas, Vidin, Devnya and Dupnitsa, selected by an Interinstitutional Working Group under the leadership of the Minister of EU Funds Management with the aim to establish pilot models providing contemporary social homes and sustainable dissolving of problems in this field. On 28 June 2012 were signed contracts with the municipalities of Vidin and Dupnitsa to a total amount of **BGN 8,9 million**.

7. Joint European Initiative JESSICA

The JESSICA initiative aims to support sustainable and integrated urban development. In Bulgaria JESSICA is implemented through OPRD – a Holding Fund managed by the European Investment Bank and two Urban Development Funds (UDF) supporting public-private partnership and other urban development projects on the territory of Sofia and the six big cities – Plovdiv, Varna, Burgas, Russe, Stara Zagora and Pleven. The **Urban Development Fund Sofia** provides low interest loans and equity for sustainable projects on the territory of Sofia City. The amount of financial resources to be invested in projects by the Fund is **BGN 49,2 million**. The **Regional Urban Development Fund** provides low interest loans and equity for projects on the territory of the six big cities. The amount of financial resources to be invested in urban development projects by the Fund is **BGN 110,7 million**.



8. Development of cultural infrastructure – key projects of the Ministry of Culture

The Ministry of Culture is implementing **14 contracts** to a grant total of **BGN 21 million** for reconstruction and renovation of cultural sites of national significance as “Sveta Sofia” Basilica, Bulgaria Hall; “Aleko Konstantinov” Satirical Theatre – Sofia, Russe Opera House, etc.

Provided are **BGN 33 million** under **10 contracts** supporting development of immovable cultural valuables of national and world significance such as Ancient Cultural Communication Complex “Serdika” (so-called Largo), the National Historical and Archaeological Reserve (NHAR) “Pliska”, the Historical Reserve (HR) “Trapezitsa” in Veliko Tarnovo, “Sv. Georgi” (St. George) Church in Arbanassi village, Eski Mosque and establishment of Museum of Religions, Stara Zagora, etc.



9. Support for development of tourist attractions in municipalities

Within the framework of 2 OPRD schemes are supported **61 projects** aiming to improve the condition of cultural valuables and natural landmarks on the territory of municipalities through a complex of measures for development of an integrated tourism product – a combination of infrastructure, marketing and conservation activities. The approved projects are to a total grant amount of **BGN 202 million**. Support is provided to some of the key landmarks of the country, and OPRD funding will contribute for improving their attractiveness:

- the Ancient City of Nessebar;
- the Madara Rider and Shumen Fortress – Shumen Municipality;
- the Archaeological Complex Perperikon – Kardjali Municipality;
- the Ancient Bulgarian capital Veliki Preslav – Veliki Preslav Municipality;
- the Belogradchik Fortress – Belogradchik Municipality;
- the “Assenovata krepost” Fortress – Assenovgrad Municipality;
- the “Sveta Anastasia” Island – Burgas Municipality;
- the Architectural and Ethnographic Complex “Etara” and Architectural and Historical Reserve in Bojentsi village – Gabrovo Municipality;
- the Sofia Museum with active presence of mineral water – Sofia Municipality;
- the “Ledenika” Cave – Vratsa Municipality;
- the Archaeological Reserve of Hissar City.

Support will be provided for development of new attractions with significant potential to attract tourists and increase tourism benefits.



10. Support for development of the regional tourism product and marketing of destinations

The Operational Programme Regional Development supports development of the regional tourism product and marketing of destinations through 2 schemes within the framework of Operation 3.2 "Development of the regional tourism product and marketing of destinations". Beneficiaries under the scheme are all 264 municipalities on the territory of the country. The activities to be supported are focused on destinations with significant tourist potential, promoting natural, cultural and historical heritage. In June 2012 were approved **28 project**

proposals to a total amount of **BGN 12,5 million**, as of them **23 contracts** are being implemented. In July 2012 was launched a **second scheme** "Support for development of the regional tourism product and marketing of destinations II" with a total budget of **BGN 6 million**.



11. In support of the next programming period

In March 2012 was launched a scheme "In support of the next programming period". It is implemented within the framework of Operation 5.3 "Capacity building of OPRD beneficiaries" under Priority axis 5 "Technical assistance". The scheme is aimed at developing working investment project designs so the beneficiaries will be able to apply for funding in the next programming period 2014-2020. The scheme's budget is **BGN 14,9 million** and eligible beneficiaries are 36 municipalities – centers of urban agglomerations.

Challenges before the Managing Authority of OPRD for the next programming period are related to active participation in discussions on defining the new strategic objectives and priorities of Cohesion Policy at European level, elaboration of the programming policy for development of the Republic of Bulgaria until 2020, effective coordination and cooperation in strategic planning, programming of state regional development after 2014. OPRD for the 2014-2020 period will be focused on territorial cohesion considering specific territorial features of development, practical application of an integrated approach in cities and urban areas and reinforced use of the leverage effect of the financial engineering instrument JESSICA.

The Managing Authority of OPRD starts the programming process by elaboration of a detailed social and economic analysis of the operational regional development programme for the 2014-2020 period. The objective is to identify strengths and weaknesses, opportunities and threats for development of Bulgarian regions, priority areas for intervention and overcoming development inconsistencies, utilization of possibilities for accelerated and sustainable social and economic development and territorial cohesion.

The real programming process for the next programming period started with the set up of a Thematic Working Group to develop the operational programme of regional development for the 2014-2020 period and organization of four meetings.

The first draft of the future operational programme has been developed and in June 2012 were signed contracts for preliminary and ecological assessment.

The Managing Authority has developed a conception of OPRD 2014-2020. The Operational Programme of Regional Development for the next programming period will be elaborated in compliance with and in support of the two national documents on Bulgaria's development until 2020 – "Bulgaria 2020" National Development Programme and National Reform Programme 2012-2020.

Developing further and upgrading the achievements of the present programming period and in relation to the reinforced role of urban development for obtaining the Cohesion Policy objectives, main priority in the 2014-2020 period will be the **sustainable and integrated urban development**. The priority will be implemented within the

framework of the integrated urban regeneration and development plans. Investments will be implemented within city boundaries of eligible urban centers and will support activities aimed at improving the urban environment, risk prevention, municipal educational, healthcare, social, cultural and sports infrastructure, areas with potential for economic development, energy efficiency in residential and municipal buildings and integrated public transport.

Two other main priorities will be focused on the effective implementation of investments in **state educational, healthcare and social infrastructure**, as investments outside urban regeneration and development plans will be funded. The realization of sectoral policies will be supported with distinct regional impact that goes beyond urban dimension. For example the state policy on deinstitutionalization of social institutions, support for universities and vocational schools are with clearly defined regional significance, but go beyond urban development policy. Among these policies are state healthcare, social and educational infrastructure, as investments will be provided outside the scope of integrated urban regeneration and development plans.

A particular priority axis will support preservation, promotion and development of the cultural heritage. **Nature and cultural and historical heritage** can be defined as one of the **most prominent advantages** of Bulgarian regions within the globalizing world. The development of the **regional tourism** can be used a **tool for regional development and creation of jobs**.

The use of financial engineering instruments will be further developed in the next programming period. JESSICA type projects will be applied with regard to urban development and tourism. They are also a part of potential business participation opportunities in relation to strategies for finding regional development funds. Investments will be implemented within the framework of urban areas with potential for economic development (industrial and business centers), establishment of office spaces and commercial centers. Funds will also be provided for sports infrastructure, tourism and energy efficiency in multifamily residential buildings.

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