

Beneficiaries should be acquainted with the opportunities for external financing

The start of the Ministry of Finance's campaign "Be Active" attained the desired results, evoking the potential beneficiaries thus launching the first active stage of the absorption of approximately EUR 7 billion from the Structural Funds and the Cohesion Fund. During the two seminars held in Plovdiv and Veliko Tarnovo the audience received answers to their questions personally from the Prime Minister of Bulgaria, the seven line Ministers under the relevant Operational Programmes and the Minister of Agriculture who presented details of the Rural Development Programme.

The representatives of the municipalities were interested in the amount of own resources which they should have in order to be able to implement projects co-financed with funds from the EU Structural Instruments. To their concerns that a lot of the Bulgarian municipalities have difficulties with the own financing Minister of Finance Plamen Oresharski answered that the ideal option for them would be if they described in detail the activities which would be performed under the individual phases yet with the preparation of the financial schedule of the project. Thus the Certifying Authority would be prepared for the documents which it will receive in certain periods of time. The technological deadline for this would be shortened to the highest extent possible so that the process is in favour of the beneficiaries.

The resources from the Structural Instruments need to be absorbed within seven years – before the next financial framework of the European Union. For the period 2007-2013 the difficulties related to ensuring entirely own resources for the implementation of a certain project are solvable. It would be a good idea if beneficiaries familiarize themselves with all opportunities for external financing and use those effectively. For small municipalities the most accessible source of external resources is the advance payments under the project as well as the bank loans. It would be useful if beneficiaries know the possibilities for the so-called bridge financing. Some of the instruments which would ensure such financing are the FLAG Fund, the Encouragement Bank (the only state-owned bank in the country supporting small and medium sized businesses), and the three new financial instruments the European Commission has established for the period 2007–2013 - Jaspers, Jeremie and Jessica.

The number of interim payments under a certain project depends on the contract signed between the beneficiary and the Managing Authority. The advance payment ensures up to 20% of the total cost of the project. Where beneficiaries have a document for specific expenses incurred they are to submit request for interim payment together with a valid supporting document and the amount spent will be reimbursed in accordance with the rules on eligibility of expenditure under the relevant Operational Programme.

The expenses actually made are to be offset against the advance payment received. When the latter is spent out the beneficiary is to use own resources which will be subsequently reimbursed. This enables the beneficiary at any time to have at its disposal a certain financial resource to perform the activities envisaged under the project.

