

HOW PROJECTS TO BE FINANCED UNDER THE EUROPEAN STRUCTURAL FUNDS SHALL BE EVALUATED

Bulgaria is already part of the European Union and that affords it the opportunity to take part in the EU policy for economic and social cohesion. It is expressed in the possibility Community underdeveloped regions to receive financial resources to support certain economic and social sectors. Bulgaria has been given the chance to absorb up to EUR 7 billion from the European Structural Funds in the period 2007 - 2013. The first step to receive funds is the project development. Hence – be active!

The project submission process begins after the publication of a call for proposals. This is an obligation of each Managing Authority of all the 7 Operational Programmes (OPs). The calls shall be published in the national dailies and on the web sites of the line ministries. The criteria which the project submitted should meet shall be published in the application guidelines.

A Commission is formed for each appraisal, whose members are representatives of the Intermediate Body, the Managing Authority and experts with experience in the sector to which the beneficiary's project pertains.

The project appraisal includes:

- Administrative compliance appraisal
- Eligibility check
- Technical and financial appraisal

Appraisal of administrative compliance and eligibility

Both appraisals take into account the *financial stability of the applicant*.

In this context it is required to present financial statements for at least the last fiscal year. Where the applicant has a guarantee from a bank or large corporate organization, this fact is also taken in account when awarding the grant.

In order to pass successfully the evaluation of economic stability, the applicant must prove that it has necessary co-financing resources in place or can certify availability of co-financing resources at the relevant time.

The key to the financing under the European Structural Funds is in the argumentation that the project is in line with the priorities of the Operational Programmes thus contributing to the attainment of an objective which is part of the European Union policies. Potential beneficiaries must have also in place another source of financing. This is the *principle of additionality in the European financing*.

The probability for grant award becomes smaller if the project has been launched before being approved. This does not pertain to the preparation, coordination and partner activities that are crucial for the realization of any project. **Completed projects are not eligible for funding.**

Technical appraisal – the most significant element

This is *the most significant element* of the project appraisal. In order for the applicant to get a green light for a grant from EU, its project must:

- keep with the objectives of the call for proposal;
- provide measurable detailed end results and objectives;
- have some unique characteristics (distinction, novelty);
- prove to be strategic (from point of view of the applicant or the sector / region);
- explain whether partners are involved in the implementation of the project.

The appraisal commission also makes financial check of the project proposal with the purpose of budget optimization and elimination of ineligible costs.

The Intermediate Body shall inform each of the candidates about the final result of the appraisal process. The candidates, whose project proposals are rejected, would receive a motivated statement on the reasons by which the project in question was rejected.

Projects of value exceeding EUR 25 million require special appraisal procedure

The European Commission requires special appraisal procedure for environmental projects that exceed EUR 25 million and for projects exceeding EUR 50 million for the other OPs priorities. One of the conditions of EC is to be notified and involved in the appraisal of these “major projects”. The stricter measures of EC are addressed mostly to the Managing Authorities which must provide additional information on the way they are to monitor and control the appraisal of major projects. Potential beneficiaries must deliver additional documents whereby to provide a timetable for implementing the project and, where the implementation period for the operation concerned is expected to be longer than the programming period, the phases for which Community co-financing is requested. In the case of major projects the impact on the overall socio-economic situation of the country and the benefits of the project for the other regions of the Community will also be taken into account.

