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Chapter 21 – Regional Policy and Coordination of Structural Instruments

C A P A C I T Y B U I L D I N G R O A D M A P

Part I

The Government of the Republic of Bulgaria is leading dynamic policy for modernisation of the state governance directed towards strengthening of the capacity for planning, coordination and realisation of the negotiation process with the European Union, and the preparation of the public administration for effective participation in the structures of the European Union after the accession of the Republic of Bulgaria.

The Government of the Republic of Bulgaria understands the need for substantial investment of financial and human resources aimed to achieve the common principles and practices of good governance, the reliability, transparency and openness of the administration, characteristic for the European administrative space.

The strategic goal for the human resource management in the administration is to create a professional, politically neutral and accountable public administration.

In realising this goal and the policy for the application of the modern practices for human resources management and development, the Government has adopted a Strategy for training of the employees in the public administration (Decision No. 85 of 2002) and a Regulation for the terms and conditions for the attestation of staff in the public administration (adopted with CoM Decree No. 105 of 2002), which reflects the real employees performance and is a base for taking transparent and merit-based decisions for remuneration and career growth.

In order that the most highly qualified experts to be recruited in the civil service, competitive conditions have to be created when applying for positions in the public administration. The obligatory competition procedure is a means for impartial selection of highly qualified professionals, as well as for raising public trust in the procedures for recruitment of civil servants.

For raising the effectiveness in the human resource management, the need to introduce mobility for the civil servants between the ministries and the other administrative structures is recognised.

In order to motivate the public administration employees to come up to the high requirements posed, the Government has to achieve remuneration of the employees competitive to that in the private sector, provided in the general fiscal framework, and to introduce transparent and effective system for performance based financial stimuli.

Measures have to be undertaken to raise the prestige of the civil service aimed to achieve reduced turnover and a reasonable balance between number of staff and professional qualification of the employees.

The Bulgarian Government has accepted the proposed by the EC coherent approach for strengthening the state administration toward EU accession under two tracks:

- Track A: IB Support for horizontal public reform
- Track B: Strengthening the administrative capacity for realisation of the obligations, stemming from EU membership and preparation for participation in the EU Structural Funds and the Cohesion Fund

Level of the developed administrative capacity for effective management of the Structural funds is related to the clear assignment of responsibilities and tasks to institutions and further on, at the level of departments or units within the these institutions. The main tasks referred to the Structural Funds include management, programming, implementation, evaluation & monitoring and financial management and control. Therefore a clear estimation of the number and qualifications of staff shall be done and the recruitment needs shall be defined. The selected staff shall have very detailed tasks and responsibilities at the level of job descriptions. Timely availability of experienced, skilled and motivated staff shall be secured, as it is a key success factor in the management of the Structural Funds. Thus, the conditions within the administrative system need to be favourable towards recruiting and retaining such professionals.

The administrative capacity needed for effectively managing the Structural funds is to be seen as part of a wider challenge, namely the effective and efficient making use of the Structural funds. Thus, making a maximum contribution to economic and social cohesion with the resources available.

Administrative capacity can be described as one of the three main elements of the absorption capacity of the country outlined as an ability to take up external investment support effectively and efficiently.

Administrative capacity incorporates a number of abilities and skills of both central and local authorities such as:

- Preparation of appropriate plans, programmes and projects in due time;
- Selection of / decision on programmes and projects;
- Co-ordination among principal partners;
- Coping with the administrative and reporting requirements;
- Properly financing and supervising implementation;
- Avoiding irregularities.

In order to bring the capacity to the required level for the effective and efficient management of the EU funds in the period 2004-2006 intensive training for all the staff involved will be provided by the IPAEI and within the Phare funded projects.

Part II

To guarantee effective and efficient use of EU funds upon accession the Bulgarian Government has established a clear institution framework defined in the Strategy for Preparation of the Republic of Bulgaria for Participation in the Structural Funds and the Cohesion Fund of the EU, adopted by the CM Decision N 312/28 May 2002.

The main bodies, which will manage the Structural Funds and the Cohesion Fund of the EU, are designated and clear division of responsibilities among them is ensured.

The Bulgarian Government adopted a Plan for co-ordination of the implementation of the Strategy for Participation of the Republic of Bulgaria in the Structural Funds and the Cohesion fund of the EU, which comprises detailed tasks, deadlines and responsible institutions. The implementation of the Plan is monitored by the Minister of Finance and it is updated annually.



Ministry of Finance

CSF and Cohesion Fund Managing Authority

The Management of EU Funds Directorate (MEUFD) is staffed with 25 experts for whom intensive training is provided. Detailed individual working plans for the staff of the Directorate and Institutional Building Plan for MEUFD have been developed with the support of DFID. They are annually based and each year will be updated. As a part of individual working plans development process training needs analysis of the Directorate’s staff was done in January 2003. (Organigramme is enclosed in the end)

Organisational development strategy (ODS)

The ODS will be focused on optimisation of the structures, resources and building up tools for management of the processes. The ODS is aimed to improve the Directorate’s internal performance and the quality of service provided to its key stakeholders (various ministries, European Commission, etc.).

The purpose of the MEUF Organisation Development Strategy is to help the directorate build its internal capacity to meet the challenges it faces and will face by developing its people, structures, processes, systems and culture.

Producing an ODS is an opportunity for the directorate to look at itself internally and how it relates to its external environment (Ministries, Implementation Agencies, Council of Ministers, Delegation of the European Commission), and work out what it needs to do to meet the coming changes. This is more than working out how to technically manage the Structural funds: it includes for example how it will work internally in terms of communicating, cooperating, learning, solving problems, resolving conflicts, flexibility, adapting to change, dealing with challenges and crises etc. In short how it will work as an organisation.

The mission of the MEUFD in this strategy is to ensure that Bulgaria is using EU Funds in an effective and efficient manner. It has to enable not only the proper use of pre-accession funds but also the country's preparation for Structural Funds.

The strategic goal is to absorb at least 80% of the Structural funds and Cohesion fund allocation for Bulgaria for 2007.

The four strategic objectives in this strategy are:

- To build up clear understanding of the role of each individual and close co-operation between individuals, sections and departments in order to achieve efficient and effective work done.
- To strengthen the stakeholder relationships by improvement of communication and cooperation.
- To build up and develop culture for life-long learning and continuous improvement to achieve excellence of performance.
- To achieve best performance by improving the planning processes management and control system.

The process of elaboration of the MEUF Organisational Development Strategy is undergoing at the moment and it is intended to finish by June 2004. It will be elaborated for the period 2004-2006 and will be annually updated.

The Organisational Development Strategy of MEUFD will be used as a model for the elaboration of Organisational Development Strategies for the future Managing Authorities of the Operational Programmes, which will be for the period 2005–2006.

The Management of EU Funds Directorate will provide to the Operational Programmes Managing Authorities a Methodology on how to develop their own ODS.

Approach of the Ministry of Finance to Strengthening of the administrative capacity:

- Commitments for dedication of the staff and financial resources;
- Assures transparency in staff appointment in the all MoF structures;
- Publicity of the work activities & accountability to the public;
- Lack of corruption.

Recruitment Procedure

The additional staff for MEUFD will be recruited following the standard procedure envisaged in the new Civil Servants Law, amended in October 2003 and the Regulation on rules and procedures for competition, adopted by CoM on 8 January 2004. An evaluation commission will be set up to examine the candidature for vacant positions, including the Director of the Directorate, representative from the HR Directorate and one jurist. The procedures for competition include three steps – assessment the candidate's profiles against the job descriptions, writing procedures (it may be a test or developing a theses in the relevant field) and an interview. Based on results from the writing procedure and the interview, the Commission shall propose three possible candidates for each vacant position. The best candidates will be invited after an interview with the head of the administration.

Number of staff will increase to 45 as follows: 5 experts will be hired by the end of 2004, 8 additional experts will be appointed by the end of 2005 and by the time of accession 7 more experts will be nominated. By the time of accession the following steps will be accomplished:

- Monitoring and evaluation capacity will be built up and continuously strengthened;
- A new unit, dealing with IT issues and Monitoring information system will be set up;
- Capacity for programming, incl. budget issues, legal and regulatory framework, effectively established links with the regions and municipalities will be further strengthened;
- A special unit co-ordination of evaluation- ex-ante, mid-term and ex-post will be established;
- Capacity for internal control in relation to Art. 4, EC Regulation 438/2001 will be built up.

Job Descriptions and Requirements towards new staff

Relevant job description will be prepared by the responsible head of department in MEUFD and will be approved by the Minister of Finance before the beginning of recruitment procedure. The required education and competencies towards the expert positions in the Directorate are related to its responsibilities as co-coordinating body for future management, programming, control, monitoring and evaluation of the assistance from the Structural and Cohesion funds.

It is envisaged that all experts will be appointed as civil servants according to the Civil Servants Law.

Once recruited new experts will be intensively trained for the first six months of their appointment. Relevant training will be provided by the Ministry of Finance and by the Institute for Public Administration and European Integration according to the training plan of the directorate and the individual training plans, which include MEUFD activities as future CSF MA and Cohesion Fund MA upon EU accession. Some of the training areas of intervention are as follows:

- Extending and deepening the knowledge on: EU regulations for structural funds; EU criteria and regulations for ISPA; EU criteria and regulations for the application and management of Community Initiatives; Key EU sectoral or regulatory policies; State aid rules and application; Economic and financial analysis (including Cost - benefit analysis);
- Supporting other Agencies and Actors to develop projects and project Pipelines, focusing on: Advising and communicating implications of EU funds for Bulgarian public finance; Understanding, interpreting, communicating and advising on Commission notification; Identifying gaps, overlaps and duplication of aid; Coaching bodies on programming/project formulation; Giving advice and setting up framework for effective absorption of funds for appropriate project pipelines.
- Coordination: Effective inter-ministerial policy coordination; Effective inter-ministerial programme development and coordination; Effective inter-ministerial project coordination (investment projects and grant schemes); Manage conflicts between other stakeholders.
- High-Level Negotiation: Conceptualising, planning and implementing effective negotiation process, Negotiating to a common agreed position, Identifying and operating effectively in formal and informal negotiation situations with Bulgarian ministries and Commission.
- Monitoring and Evaluation: Developing capacity for both process of preparation and actual elaboration of quality monitoring reports; developing evaluation capacity.

The Ministry of Finance has introduced a transparent and effective remuneration system based on performance appraisal.

Regional Operation Programme Managing Authority

The Programming of Regional Development Directorate General is presently staffed with 18 experts at central and 28 at regional level. Since February 2004, the Directorate has 3 Departments- Cross-border Co-operation Programming Department, Economic and Social Cohesion Programming Department and Monitoring and Coordination Department. Each Department is staffed with 6 experts. (Organigramme is enclosed in the end)

Recruitment Procedure

Special Commission will be appointed by the Minister of Regional Development and Public Works to address the staffing issues of future ROP Managing Authority. It will include head officials of directorates responsible and will be administered by the HR Unit of the ministry. The immediate priority of the Commission is to properly identify the competences and skill mix required to support the future ROP MA and make it fully functional. Positions will be advertised in appropriate media and separate recruitment competitions will be organised covering the range of positions. Application procedures will be launched and selection will be made. The important task of the Commission will be to ensure that all staff has the necessary knowledge and skills fully meeting the job descriptions to support the work of the MA.

Newly recruited staff will be enrolled in a programme of initial training and professional development to be delivered under project BG03/IB-SPP-02. This project will also help the adequate preparation of job descriptions and delegation of tasks to be ready by the end of first quarter of 2005. The training programme will consist of seminars/workshops and on-the-job training. These actions will be based on the ROP MA Organisational Development Strategy, which will be elaborated by the end of 2004. CSF MA is expected to provide methodology for the ODS. Some staff members could be enrolled in the Master's degree programme "Programme and project cycles management of EU funds" provided by Varna University.

Job Descriptions and Requirements towards new staff

The Commission will elaborate detailed job descriptions and recruitment procedures, based on the merit principle and will be delivered through competence-based assessment.

A pool of experts with specific qualification will be recruited – economists, lawyers, financial experts, IT specialists, etc. to cover the required expertise for Structural funds management.

It is expected that up to 85% of the personnel working in the future MA will have the status of civil servants. The rest will be assistants employed under the Labour Code having supporting functions. Recruitment will be made in compliance with the following legislation:

Civil Servants Act (last amended 28.10.2003)

Ordinance on the competitions for civil servant positions (16.01.2004)

Ordinance and Unified Classifier for the civil servants positions (01.03.2004)

Ordinance 1 for the documents necessary for civil service (21.03.2000)

CoM Regulation on the salaries in budgetary organizations and activities (01.03.2004)

Development of the Competitiveness of the Bulgarian Economy Operational Programme Management Authority

At present the Pre-accession Programmes and Projects Directorate has 25 employees in place with substantial background education in finance, law, economics, international relations and engineering with excellent computer and language skills. These employees have already gained significant experience in the Phare programming cycle and implementing and monitoring of grant schemes. They have passed through several trainings related to Phare procedures and contract awarding as well as to the management of future programmes and projects under the Structural Funds. (Organigramme is enclosed in the end)

Recruitment Procedure

With a view to the envisaged structural changes of the Pre-accession Programs and Projects Directorate as a future Managing authority of Development of the Competitiveness of the Bulgarian Economy Operational Programme, the Directorate is currently making an assessment of the training needs of the staff. This is being performed with the active assistance of TA team working on Component 1 of the project BG 0102.01 SME services and Technology Grant Scheme. The experts of the team concluded a training need analysis for the PIU staff. In lieu with the observations of this analysis a thorough programme/plan for the development needs of the Directorate will be designed on a personal basis. This activity will be carried out for the purpose of elaborating Organizational Development Plan and Individual Development Plans, as well as for determining the criteria for the selection and recruitment of new personnel. The elaboration of such criteria could only be done on the basis of a precise assessment of the competences and skills of the current personnel and a thorough analysis of the future needs of the administrative units in view with the commitments undertaken in the Additional Information for Chapter 21. The process of criteria elaboration will further be sufficiently supported by the joint activities of the Directorate and the consultancy team contracted under Twinning project BG/03/IB/FI/03 for Strengthening the Administrative Capacity of MoE to manage the OP Competitiveness under the SF (starting in June 2004).

The selection and recruitment procedure for the new staff will follow the rules provided for in the Civil Servants Law and its implementing rules (Regulation on rules and procedures for competition, adopted by CoM on 8 January 2004.). The procedure for competition includes three steps – assessment the candidate's profiles against the job descriptions, writing procedures (it may be test or developing a conception in the relevant field) and an interview. In line with the needs of the Directorate the test and the interview with the applicants will be oriented to demonstrate their competency in the field of EU integration, knowledge and experience in the implementation of projects funded by EU pre-accession instruments.

Job Descriptions and Requirements towards new staff

The job descriptions and the distribution of activities among the new personnel will be prepared and adopted upon completion of the assessment of the current structure of the Directorate and on the basis of the recommendations to be provided by the consultancy team contracted under Twinning project BG/03/IB/FI/03 for Strengthening the Administrative Capacity of MoE to manage the OP Competitiveness under the SF (starting in June 2004). It is expected that such an assessment will be carried out by the end of this year; therefore the job descriptions and the new distribution of responsibilities will be in place at the beginning of 2005.

The Directorate will undergo restructuring and will comprise the following administrative units:

- Programming Department – 5 experts at the end of 2006
- Monitoring and Financial Control Department – 15 experts at the end of 2006
- Tender Department – 4 experts at the end of 2006
- Strategy Implementation Department – 7 experts at the end of 2006
- Internal and External Control Department – 3 experts at the end of 2006

Having in mind the responsibilities of the above-mentioned departments, the criteria for the selection and recruitment of new personnel will cover both general and specific requirements. The general requirements will be related to educational background (mainly Economics, Finance, Law, and Civil Engineering) and professional experience. The specific requirements will be laid down in conformity with the specific activities that are to be carried out within the relevant administrative unit.

The new staff will be appointed under the Civil Servants Law, i.e. by virtue of an order of the Minister of Economy and will be subject to the provisions of the above-mentioned Law.

Incentives for keeping the staff at a relatively permanent level are provided for in the Civil Servants Law as well as in the secondary legislation adopted by the Council of Ministers. The Law envisages incentives for employees who have achieved excellent results in their activities in the form of a gift in cash or in kind. The Council of Ministers Decree N.33 provides for yearly rewards to the amount of 6 monthly salaries of employees who have substantially contributed to the implementation of important tasks related to EU integration. This is particularly applicable to the staff, which is involved in the coordination, management, programming, implementation, monitoring and financial control on the EU pre-accession programmes funds and in the preparation of the country for absorption of the Structural Funds and the Cohesion Fund.

Ministry of Labour and Social Policy

Human Resources Development Operational Programme Managing Authority

Currently the Directorate is staffed with 24 experts, who are civil servants and additionally 10 experts and technical assistants in the central office, who are on civil contracts. There are also 28 regional coordinators and 28 financial experts in all NUTS 3 districts who are also on civil contracts. It is foreseen by the end of 2006 all the people working for the Directorate to be civil servants. (Organigramme is enclosed in the end)

Recruitment Procedure

The procedure for nomination of new civil servants is done according to the Ordinance to the new Civil Servants Law.

Job Descriptions and Requirements towards new staff

The Job descriptions and responsibilities of the civil servants working for the Directorate were elaborated during 2003. Till the end of 2006 all the staff of the Directorate both in the central office and at the regional offices will be civil servants and their Job descriptions will be elaborated according to the responsibilities they have at the moment and the responsibilities which they will have in connection with the EU accession of Bulgaria.

In a view of the complex type of work in “Pre-accession Funds and International Programmes and Projects” Directorate a broad spectrum of competences is required:

- Higher education – at least Bachelor’s degree in Sociology, Economics, Law, International relations, Political science, Finance, Social affairs or Linguistics;
- Previous experience in the field of pre-accession instruments;
- Language – English (additional languages are welcomed);
- Computer literacy.

The main envisaged stimuli for the personnel are:

- Opportunities for different trainings at IPAEI and other training institutions which will provide such services on the base of approved projects;
- Opportunities for professional development and improvement of qualification;
- Job rotation – in connection with the implementation of different projects the staff will create working groups and in this case they will have functions other than these, which they are performing in their unit. In this way the staff will have the opportunity to gain deeper knowledge of the whole process of implementation of projects.

Ministry of Agriculture and Forestry

Agriculture and Rural Development Operational Programme Managing Authority

Currently the Directorate is staffed with 26 experts organised in three departments: the SAPARD Department, the Investments in Rural Areas Department, and the Agri-environment Department. (Organigramme is enclosed in the end)

Recruitment Procedure

The additional staff will be recruited following the standard procedure envisaged in the Ordinance to the new Civil Servants Law, amended in October 2003.

Job Descriptions and Requirements towards new staff

In relation to the future functions of the Rural Development and Investment Directorate (RDID) as OP MA its staff will reach approximately 50 people. New 24 employees will be hired – dealing with: the internal evaluation; the different measures; agri-environment; tendering. Staff responsibilities, operational manuals and job descriptions will be further elaborated by December 31, 2005 on the basis of the results from a multi-annual Phare 2004-2006 project especially designed for the strengthening the administrative capacity of RDID to act as Managing Authority. The project will identify additional administrative capacity needs.

- Professional requirements: knowledge on Bulgarian agriculture and rural development; familiar with the existing Bulgarian legislation, defining the SAPARD measures implementation.
- Other requirements-languages (English, German, French)
- Computer skills – MS Office

Once recruited new experts will be intensively trained for the first six months of their appointment. Relevant training is provided by the Ministry and the Institute for Public Administration and European Integration. The experience of the old staff will be used to train the new expert also.

The additional staff will be hired as civil servants.

Ministry of Transport and Communication

Future Managing Authority of Transport Operational Programme will be placed within the Ministry of Transport and Communication

Ministry of Environment and Waters

Future Managing Authority of Environment Operational Programme will be hosted by the Ministry of Environment and Waters.

Ministry of Education and Science

A specialized structure within the Ministry of Education and Science also is foreseen to act as **intermediate body of the OP HRD** responsible for the implementation of the interventions in the field of education and science. The specialized structure will be established by the beginning of the year 2005. This unit will comprise of 10 experts – economists, lawyers, financial controller. The appointed experts will be trained under the training programmes of “PFIPP” directorate within MLSP and under the training programmes of the Institute for Public Administration and European Integration

An organigramme for the last two Managing authorities will be provided consequently. Identification will be done by the end of September 2004.

The same principles will be applied for the institution building of those ministries.
