



***Statement of the NGO Coalition
“For sustainable use of European funds 2007-2013”***

Regarding: The implementation of the partnership principle in the process of drafting the Bulgarian framework documents for the use of EU funds (2007-2013)

Bulgaria will for the first time receive funding under the European Structural Funds (SF) and the Cohesion Fund (CF). The implementation of the partnership principle was a requirement in developing and implementing projects that were part of the ISPA and SAPARD pre-accession funds (2000-2006). The pre-accession funds should have served to teach the Bulgarian government and civil society how to use the EU Funds (EF). That is why we expect that the government will be able to adequately fulfill the partnership requirements specified in the documents¹ regarding the use of EF in the period 2007-2013.

The experience from the pre-accession period proved that Bulgaria must make enormous efforts in order to be able to correctly use the money from the European funds – there should be no embezzling of these funds and they should go to projects that support the sustainable development of the country or of its regions. The scandal related to the theft and the large-scale embezzlement of over EUR 7 million under the SAPARD programme is proof of the necessity of exerting strong institutional and civil control over the work of the executive agencies and the national coordinator as well as over the work of the departments working with public funds at the regional and municipal levels.

The participation of NGOs in the monitoring committees, the committees for the evaluation and selection of projects and in other departments responsible for proposing, developing and analysing projects, will lead to higher levels of transparency and liability of the institutions. There is little chance for corruption when strong civil control is present. Environment NGOs were the pioneers in this field when they attracted the public's attention to the inappropriate use of money under the SAPARD programme in a report² published in 2005.

The EC has extensive experience with monitoring committees (ISPA, SAPARD) as regards cooperation with Bulgarian institutions and environment organisations. NGOs often presented information and stances that contradicted the official ones and often put forward alternative solutions and contributed to the more efficient presentation of the problems. The opinion of the public was voiced. Unfortunately, the Finance Ministry excluded environment NGOs from the ISPA monitoring committee because of their critical position vis-à-vis the work of Bulgarian institutions and the quality of some of the infrastructure projects (Lyulin highway³, Sofia Airport, etc.). Thus an end was put to a good practice – something that is a dangerous precedent in itself.

Several grave problems and threats were identified in the process of planning the use of EF in the period 2007-2013, including:

- The general feeling of the NGOs is that the process is governed by the Finance Ministry and that the mechanism for overcoming conflicts in the working groups lies in reshuffling group

¹ Article 11 of Regulation 1083/2006 and Article 6 of the European agriculture, fisheries and rural development fund – EU regulation 1698/2005.

² “Far Away from Brussels” – http://www.zazemiata.org/sapard_report_Oct2005.pdf

³ Presently under investigation by the European Anti-Fraud Office

members or simply in imposing decisions from above – at Coordination council or European integration council levels.

- It is not clear who takes the decisions – nor how they are taken – to distribute the funds among the programmes and the decisions regarding their prioritisation, as the financial schemes were imposed by the Finance Ministry without any reasoning or chance for discussion. Thus the entire process has been compromised at a time when working groups were expected to come up with their own proposals as regards the financial frameworks.
- Refusal to include NGOs in some of the working groups.
- An information blanket exists – the comments of the EC on the operational programmes and the National Strategic Reference Framework have not been disclosed to the members of the working groups.
- NGOs have been invited to take part only in some of the monitoring committees but not in the commissions that will discuss and approve projects. We believe that in order to avoid selecting “bad” projects, an official and regulated discussion is necessary at the stage of the development of each project before the monitoring committees.
- In the second half of 2006 almost none of the working groups had actually convened. For example, the latest version of the Environment Operational Programme was dated May 2006 and it was only recently (February 1, 2007) that a new version was presented. The draft of the Transport Operational Programme – dated February 2007 – has not been discussed by a working group yet!
- The latest draft of the National Strategic Reference Framework (12.12.2006) states that partnership with NGOs will be sought at all stages of the process of developing projects and documents⁴ but offers no concrete mechanisms for this.
- The conclusion is that actual partnership is merely a recommendation in character. The text shows that partnership is sought only with large NGOs or with NGOs that tend to agree with the official stances, which, in turn, creates suitable conditions for preferential treatment and corruption. Those NGOs of a critical predisposition are excluded although they voice the opinions of other interested parties.

Our conclusion is that many of the processes change as a result of the lobbying of ministries, agencies and even individuals rather than as a result of working group discussions. That is why we believe that as a whole the programming process is based on political decisions and the working groups serve merely to render these decisions official and to make the planning process seem “democratic”. As a result, the major problem lies not in the participation of NGOs but in the impossibility to design the programmes on the basis of working group discussions, which are in compliance with the EU’s bottom-up planning regulations.

Conclusions

We believe that the process of decision-making is not clear or transparent. We cannot yet understand who makes the end decision on the distribution of money from the EF among the operational programmes, as all the proposals are made by the Finance Ministry and have never been discussed with the working groups.

As the drafting of programming documents for the period 2007-2013 is the first of its kind, we believe that the Bulgarian government must aim at the wider participation of civil society in the process rather than merely using this mechanism only when it is possible. The EC must give a clear signal to the Bulgarian government that the partnership principle is an important element of the process of managing EF.

Recommendations:

- Involving environment and other NGOs in each of the stages of managing the EF (Article 11 Regulation 1083/2006)
- Bulgarian institutions should comply with the official procedure for the selection of NGO representatives which has been developed by environment NGOs.

⁴ Fostering partnership between NGOs (with particular focus on organisations representing the major target and beneficiary groups) and the administration should be deliberately searched and monitored at all levels: from the design of projects and documents to their implementation.

- NGOs should be included not only in the monitoring committees but also in the steering and project selection committees and in the departments responsible for evaluating the projects.
- Preparing unified regulations for the work of steering and project selection committees, etc. with clearly stipulated rights and obligations of the participants.
- Ensuring equal access to all documents on the projects that are applying for European funding.
- In order to stimulate informed participation, and to make the management of the EF more transparent, access to public information, both general and operative⁵, should be granted. We believe that the necessary information on the work of controlling bodies, comments, analyses and reports of the Bulgarian and European institutions must be disclosed in advance.

We believe that there is an opportunity and a need for further development of the partnership. We believe that dialogue between the government and civil society is a guarantee for a sustainable, transparent and efficient use of public funds. Such a turn of events and the wider participation of civil society in these processes will result in decentralisation and will bring an end to the present unsatisfactory “top-down” decision making process.

On behalf of the coalition

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⁵ Up until now, the websites of the Finance Ministry www.ispa.minfin.bg (working for two years now) and www.eufunds.bg have published almost nothing related to control and accountability. Many of the existing documents are old and do not reflect the present state of the process (in February the version of the Operational Programme Environment is dated December 2005). There are no reports, analyses or other relevant information.