EU funds in the new Member-states: good and bad examples from Bulgaria; tools to influence the process

ENPI seminar, Bazaleti, 30.11.- 01.12.2010

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Overview: pre-accession funds

- **PHARE**
  Institutional building and convergence with the EU legislation

- **SAPARD**
  Finances agricultural and rural development measures

- **ISPA**
  Major environmental and transport infrastructure projects

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Overview: Cohesion policy and structural funds

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Overview: Cohesion policy and structural funds

- **Cohesion policy & priorities**
  
  Cohesion policy is built on the assumption that redistribution between richer and poorer regions in Europe is needed in order to balance out the effects of further economic integration. Since 1988 the Union has invested around €480 billion in the ‘less favoured’ regions. The European Council on 17 December 2005 allocated €307.6 billion to the cohesion policy for 2007-2013.

- **Convergence**: support for growth and job creation in the least developed member states and regions.

- **Competitiveness and employment**: designed to help the richer member states deal with economic and social change, globalisation and the transition to the knowledge society.

- **Territorial co-operation**: stimulate cross-border co-operation to find joint solutions to problems such as urban, rural and coastal development, the development of economic relations and the networking of SMEs.

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Overview: Cohesion policy and structural funds

- **European Regional Development Fund (ERDF)** - aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions.

- **European Social Fund (ESF)** - to improve employment and job opportunities in the European Union.

- **Cohesion Fund** is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the Community average. It serves to reduce their economic and social shortfall, as well as to stabilise their economy.

For the 2007-2013 period the Cohesion Fund concerns Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

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Overview: Cohesion policy and structural funds

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Overview: policy stages

• Each Member State prepares a National Strategic Reference Framework (NSRF) coherent with the Strategic Guidelines. That document defines the strategy chosen by the Member State and proposes a list of Operational programmes that it hopes to implement.

• The Commission validates certain parts of the NSRF that require a decision, as well as each Operational programme (OP). The OPs present the priorities of the Member State (and/or regions) as well as the way in which it will lead its programming.

For the 2007-2013 period, around 450 Operational programmes was adopted by the European Commission. Economic and social partners as well as civil society bodies participated in the programming and management of the OPs.

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1) NGO elections e-platform

The Civic e- Governance Platform (www.bluelink.net/vote) is an Internet-based platform for election of NGO representatives in working groups and committees at the institutions dealing with environmental and sustainable development policies in Bulgaria, including the EU funding.

It is designed according the procedures for NGO elections, elaborated by the NGO community on series National Conferences of environmental and sustainable development NGOs.

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NGO elections e-platform

The beneficiaries

- NGO community – the online platform serves the environmental NGO community to elect its representatives and to receive a feedback from them;

- Institutions and authorities, looking for NGO representatives in their work.

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Some gaps and shortcomings...

- informal citizen groups are excluded
- long procedure - 30-40 days
- participation fee - although formally established, has never been collected
- ministerial officials set limiting criteria for NGO representatives - sometimes manipulated to exclude specific persons from being elected
- feedback from NGO reps to NGO community and vice versa - needs to be more regular and active on both ends
- low voting activity - from all circa 300 NGOs who founded the e-vote mechanism, very few vote on a regular basis

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2) Civic coalition for sustainable use of EU funds in Bulgaria

Established at 2005 by NGO’s monitoring the process of programming and implementation of the pre-accession funds in Bulgaria.

Main goals:

• to insure the public participation influencing the planning and spending of the public funds
• To insure the sustainability and environmental friendly substance of the planned projects

Open to new members

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Civic coalition for sustainable use of EU funds

- Participation at the Monitoring Committees of the Operational programmes
- Production of necessary documents – Guidelines and Reports
- Database on information connected to the EU funds

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3) Structural funds team for sustainable future

The NGO network “SFteam for Sustainable Future” promotes the use of structural funds for sustainable development of the regions in the Central and Eastern Europe.

The NGO network “SFteam for Sustainable Future” promotes the ecologically sound use of funds for sustainable development of the regions.

The members of the network are experienced, professional non-governmental organizations (NGOs) from the Czech Republic, Hungary, Poland, Slovak, Latvia, Bulgaria, Romania and the Netherlands.

The partners are non-governmental organizations, the local, rural and regional municipalities, local councils, political parties, regional development agencies, the business community, the public, ministries, national governments.

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Structural funds team for sustainable future

- absorption capacity building
- fundraising for the common ideas
- sustainable development plans, programs and projects preparation and realization
- partnership initiation and management
- structural funds watchdog, evaluation and monitoring on the regional and national level

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PUBLIC PARTICIPATION & PARTNERSHIP

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Cases from Bulgaria

- SAPARD pre-accession - Za Zemiata report Far away from Brussels, 2005

- OP Administrative Capacity – cohesion policy

- NGO in Monitoring Committees – cohesion policy

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1) SAPARD pre-accession

Far away from Brussels report

- Money for ski resorts and coastal hotels instead of agriculture
- Lack of transparency and accountability surrounding the funding schemes
- The SAPARD agency did not answer any information requests
- Certain selection criteria kept hidden to applicants – later used to reject them

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Far away from Brussels report

- The report reached EU institutions
- Bad practice stopped
- Better transparency – shed light over the agency;
- ZZ awarded at Right to Know day – 2006 – increased visibility of the report;
- Active pursuit of ZZ was crucial – collecting data, interviews, access to info, media, meetings etc.

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2) OPAC - cohesion funds

OP Administrative Capacity – NGO calls

• Over 20% of 137 approved projects have issues related to conflict of interest – mayors, city councilors, members of parliament, party functionals are part of NGOs which are at the same time partnering the same institution
• Funds paid so far EUR 24 733 113
• Lack of mechanism to trace the conflicts
• NGOs formed/registered right before the call or even after the call ends
• Twisted partnership – just to get the money, no real effect in most of the cases

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OPAC - cohesion funds 2

OP Administrative Capacity – NGO calls

• Costs for identical activities differ from 1500 EUR to 25 000 – web site
• Activities partially implemented, but 100% of the expenses asked and reimbursed
• 35 of 183 completed projects have malpractices – conflict of interest, tendering procedures etc
• Substitution of genuine NGOs with GONGO, PONGO (political)

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Partnership and transparency

- Only one NGOs was part of the working group – planning period – local governance
- No list of Monitoring Committee members was present – ZZ sent a letter – now it is online
- Few journalists are investigating and publishing information on OPAC projects
- Few cases reported to OLAF and at least 10 are investigated – BG EU funds coalition provided cases
- Ex- minister and his subordinates are under investigation

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3) NGOs in MC

NGO participation in Monitoring Committee – good practice

- NGOs were able to prevent some misuse – reallocation from small to big milk processors pushed by business associations members of the MC – the proposal was three times rejected and still MC secretariat tried to use e-mail procedure to vote the proposal.

- NGOs asked MC to respect its own rules and finally to decline the proposal (OP Rural development – CAP money)
NGOs in MC

NGO participation in Monitoring Committee – bad practice

• NGOs suggested activities to improve two environmental measures in OP Rural development – activities accepted by the MC at their meeting…

  … but few months later MC secretariat used e-mail procedure to approve changes in OPRD and excluded those two env. measures claiming they are not fully elaborated

• Only NGOs are selected through complicated and discriminating process – internal for MC
NGOs in MC

NGO participation in Monitoring Committee – structural issues

• NGOs have access to info to act against certain misuse – conflict of interest, lobbyism
• Low level experts from the institutions are present at the MC, do not take positions,
• Very easy for the Managing authority of the OP to pass any resolution–easy to manipulate the call- the set of selection criteria
• NGOs do not have voting rights (1- 2 exceptions)

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4) Partnership 2007-2013

Partnership in planning for the programme period 2007-2013

Good examples

- In most working groups NGOs were present 1 or 2
- Had voting power
- Appointed or self selected (env. NGOs have used their own election procedure)
- NGOs in WG of OP Environment convinced others that RES should stay in the Ministry of Energy

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Partnership 2007-2013

Partnership in planning for 2007-2013

Bad examples

- No representation of gender, human, social etc. groups – one or two exceptions
- Selection of NGOs – chaotic – most institutions did not know how to select NGOs
- NGO comments often not taken into account
- At regional level almost no consultations – regional development plans no integrated in the OP

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Recommendations

• Involvement of stakeholders at earlier stage of planning
• Involvement of wider scope of NGOs both in planning and monitoring (WG and MC)
• Voting power in WG and MC
• Support mechanism for tracing conflict of interest
• Investigate signals for potential misuse – BG coalition has a form on its web to receive such
• Contact OLAF and/or other relevant institutions

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Recommendations

- Demand publishing list of beneficiaries, project descriptions, costs
- Advocate for audits and investigations
- Search actively information and publish it
- Public black list of NGOs and other bad beneficiaries
- Demand strict control on tender procedures
- Check project selection criteria or project guidelines for dubious conditions
- Do regular assessments of the funding implementation and communicate the results to the relevant EU bodies

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Thank you for the attention!

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