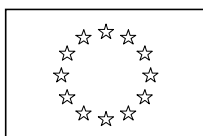




**Central Financing and Contracting Unit
Ministry of Finance of the Republic of Bulgaria
PHARE Twinning 2004**



Twinning Contract

*Building up integrated State Treasury
in the Ministry of Finance*

BG / 2004 / IB / FI / 09

Name of Beneficiary:	Ministry of the Economy and Finance of the Republic of Italy
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Dossier No	BG / 2004 / IB / FI / 09
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(for official use only)

**TWINNING CONTRACT
EXTERNAL ACTIONS OF THE EUROPEAN COMMUNITY**

(BG / 2004 / IB / FI / 09)

The Central Financing and Contracting Unit (CFCU) at the Ministry of Finance of Bulgaria, 102 Rakovski str., Sofia (“the Contracting Authority”),

on the one part,

and

The Ministry of the Economy and Finance of Italy, acting through its State General Accounting Department with its office at Via XX Settembre 97, 00187 Rome (Member State Partner - MSP),

on the other part,

have agreed as follows:

Special Conditions

Article 1 - Purpose

- 1.1 The purpose of this contract is the award of a grant, consisting of reimbursement of expenditures, by the Contracting Authority for the implementation of the Action entitled: “Building up integrated State Treasury in the MoF”.
- 1.2 The Member State Partner (MSP) will be awarded the grant on the terms and conditions set out in this contract, which consists of these special conditions ("Special Conditions") and the annexes, which the MSP hereby declares it has noted and accepted.
- 1.3 The MSP accepts the grant and undertakes to carry out the Action under its own responsibility.

Article 2 - Implementation period of the Action

- 2.1 This contract shall enter into force upon the date of notification by the EC Delegation of the contract signed by all parties.
- 2.2 Implementation of the Action shall begin on the date mentioned in article 2.1:

- 2.3 The Action's implementation period, as laid down in Annex I, is 25 months. This period includes the implementation period increased by one month for the starting up and closure of the Action

Article 3 - Financing the Action

- 3.1 The total cost of the Action eligible for financing by the Contracting Authority is estimated at € 797,785 PHARE budget and € 77 198 national co-financing, as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum of € 874,983. The final amount shall be established in accordance with Article 17 of Annex II except where Annex VII applies. The Action is co-financed as per Annex III by the Final Recipient of the Action.

Article 4 - Technical and financial reporting and payment arrangements

- 4.1 Technical and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of the General Conditions (Annex II).
In addition to these reports, the MSP will send additional interim reports in compliance with article 2.2 of the General Conditions (Annex II) on a quarterly basis. The specific reporting procedure will follow the provisions spelled out in Annex VII to this contract.
- 4.2 Payment will be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15.1, the following will apply:⁽³⁾

Option 2

First installment of pre-financing (80% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority: 294,039.17 EUR;

Further annual installment(s) of pre-financing: 412,627.49 EUR

Forecast final payment (minimum 10 % , subject to the provisions of Annex II): 78,518.52 EUR

Article 5 - Contact addresses

Any communication relating to this contract must be in writing, state the number and title of the Action and be sent to the following addresses:

Option 3: where the Contracting Authority is not the European Commission (decentralised):

For the Contracting Authority⁽⁴⁾

Central Financing and Contracting Unit
Mr. Vladimir Valchev, Director and Deputy PAO
102, Rakovski str., 1040 Sofia, Bulgaria
Tel.: +359 2 9859 2772, +359 2 9859 2777
Fax: +359 2 9859 2773
e-mail: Z.Kiziryan@minfin.bg;
cfcu@minfin.bg

A copy of the reports referred to in Article 4.1 must be sent to the European Commission Delegation in charge of monitoring the Action, at the following address:

Mrs. Paulina Stanoeva,
Public Finance Sector Advisor
European Commission Delegation
9, Moskovska str. 1000 Sofia, Bulgaria
Tel.: +359 2 933 5252
Fax: +359 2 933 5233
Dora.Krumova@cec.eu.int

For the Member State Partner:

Project Leader: Fabrizio Mocavini,
Ministry of Economy and Finance
Address: Ministry of Economy and Finance
State General Accounting Department
Via XX Settembre, 97
00187 Rome
Italy
Tel: +39 06 4761 4698
Fax: +39 06 4761 7557
e-mail: fabrizio.mocavini@tesoro.it

For the Final Recipient of the Action:

Project Leader: Mrs. Gergana Beremska
Position: State Treasurer, Ministry of Finance
Address: Ministry of Finance, 102 Rakovski Str.
1040 Sofia
Bulgaria
Tel: +359 2 9859 2490
Fax: +359 2 9859 2499
e-mail: G.Beremska@minfin.bg

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the contract:

- Annex I: Description of the Action (including Work Plan)
- Annex II: General Conditions applicable to European Community-financed grant contracts for external Actions
- Annex III: Budget for the Action (including co-financing part by the Final Recipient of the Action)
- Annex IV: Contract-award procedures
- Annex V: Standard request for payment and financial identification form
- Annex VI: Model audit certificate
- Annex VII: Special Financial Annex

6.2 In the event of conflict between the provisions of the Annexes and those of the Special Conditions, the provisions of the Special Conditions shall take precedence.

Article 7 - Other specific conditions applying to the Action

7.1 The General Conditions are supplemented by the following:

7.1.1 The Member State Partner is referred to as the Beneficiary within the annexes II to VI to this twinning contract. The word “NGOs” in article 1.3 is replaced by “MSP or designated Mandated Bodies”.

7.1.2. The Action is co-financed as per Annex III by the Final Recipient of the Action.

7.1.3. In article 7.1, “Beneficiary” is replaced by “the Final Recipient of the Action”.

7.2 The following derogations from the General Conditions shall apply:

7.2.1 The last sentence of article 2.4 of the General Conditions (Extension of the deadline for submission of the final report) shall not apply.

7.2.2 By derogation of Article 7.1 of General Conditions all rights to any work done by RTAs in the performance of their duties become the property of the beneficiary country in question. The MSP and the Commission will be permitted to use the results of the work elsewhere by permission of the beneficiary country. Permission may only be refused where the proposed use is liable to prejudice the interests of the beneficiary country or the European Union, or where it is for commercial purposes.

- 7.2.3 By derogation from Article 9.2 of the General Conditions, changes to the Twinning work plan and budget shall be governed by the procedure spelled out in Special Financial Annex VII.
- 7.2.4 By derogation from Article 12.1 of the General conditions, either party (BC or MS) may terminate the Twinning Contract at any time by giving three months notice in writing to the other party, after having informed the Commission and the administrative office thereof. Failure of a party to fulfil any of its obligations under the Twinning Contract entitles the other party to terminate the Twinning Contract stating the grounds. If such a failure occurs, or for any other duly substantiated external reason, the Commission (PHARE and equivalent pre-accession instruments before EDIS) or the administrative office after agreement with the Commission (PHARE and equivalent pre-accession instruments under EDIS) may also halt funding of the project by giving three months' notice in writing to the BC and MSP.
- 7.2.5. By derogation from Articles 13.3 and 13.4 of the General Conditions (Annex II), the following procedure for settlement of disputes shall apply: The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfillment of this Twinning Contract, including its existence, validity or termination. In default of amicable settlement, any Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organizations and States in force at the date of this Agreement.
The language to be used in the arbitral proceedings shall be English, French or German. The appointing authority shall be the President of the Court of Justice of the European Communities following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.
- 7.2.6 Eligible costs encountered by the MSP for this Twinning contract are defined in Annex VII. As such, if discrepancies appear between Article 14.2 of the General Conditions and Annex VII, the latter shall prevail.
- 7.2.7 Articles 14.4 and 14.5 of the General Conditions shall not apply.
- 7.2.8 The audit certificate of Article 15.6 is only required for the final payment. The auditor will be designated in accordance with the regulation prevailing for the MSP. The auditor will be duly notified to the Contracting Authority before the end of the contract.
- 7.2.9 By derogation from article 1.4 of the General Conditions (Annex II) the Commission shall not endorse the Twinning Contracts relating to Twinning projects implemented in those beneficiary countries operating under the Extended Decentralised Implementation System.

Done in five originals in the English language, one for each of the signatories of the contract, for the Final Recipient of the Action and the European Commission HQ.

For the Member State Partner:
Mr. Fabrizio Mocavini
Executive
Italian Ministry of the Economy and
Finance

For the Contracting Authority:
Mr. Vladimir Valchev
Director CFCU and Deputy PAO
Bulgarian Ministry of Finance

.....(signature)
(date)

.....(signature)
(date)

Endorsed for financing by the European
Community
Mr. Dimitris Kourkoulas
Head of Delegation

.....(signature)
(date)

-
- (1) Delete as appropriate.
 - (2) Give all amounts in the currency selected for payment (Euro or the currency of the country of the Contracting Authority).
 - (3) Delete the two options which do not apply. If the Contracting Authority wishes to reduce the percentage paid as pre-financing, Article 7.2 of the Special Conditions must state explicitly that this is by way of derogation from Article 15.1 of the General Conditions (specifying the frequency of payments), and that the other relevant clauses of the General Conditions (in particular, correlation of reports and payment requests) must be adhered to.
 - (4) Select one option and delete the other two.
 - (5) Delete if not applicable.
 - (6) Where the Contracting Authority is not the European Commission. Delete if not applicable.



TWINNING WORKPLAN

The Administration of Bulgaria (hereinafter referred to as the Beneficiary Country) represented by the Ministry of Finance – State Treasury, in the person of the State Treasurer, Mrs. Gergana Beremska *on the one part,*

And

The Administration of Italy (hereinafter referred to as the Member State or Italy), represented by Ministry of the Economy and Finance, acting through its State General Accounting Department in the person of Mr. Fabrizio Mocavini *on the other part*

HAVE AGREED THE FOLLOWING WORK PLAN WHICH THEY UNDERTAKE TO IMPLEMENT JOINTLY:

ARTICLE 1. BACKGROUND

1.1. Beneficiary Country policy developments in the sector

The reform in the economic policy and public sector management system in Bulgaria is a consequence of the Government's need to ensure both efficient budget implementation and good management of its financial resources.

The introduction of the treasury functions through the system of a treasury single account, the development of a new accounting framework for the budget enterprises, the implementation of the financial management information system within the budget sector and progress towards program and performance budgeting are the milestones of the budget reform process in Bulgaria for ensuring good formulation of fiscal policy, improvement in budget preparation process, good management of financial operations, efficient accounting and controls, maintaining a record of historical and comparative data, and auditing and evaluating the financial performance and results of government policies and programs.

The budget reform process in Bulgaria is progressing systematically and is facilitating better decision making by means of evaluation of the medium and long-term effects of the pursued and proposed budget policies and greater transparency of the benefits for society.

A new State Treasury structure was introduced through the new Structural Regulation of the Ministry of Finance in 2003. It comprises three separate directorates – Treasury, Government Debt and the National Fund under the State Treasurer's management, coordination and control.

This project is focused on the further development and implementation of a modern integrated State Treasury, harmonized with the best practices in the EU member states. It aims at enabling the State Treasury to operate as an active manager of the budgetary resources.

1. 2. Beneficiary institutions and other parties involved

The State Treasury in the Ministry of Finance of Bulgaria is the main beneficiary institution for this project.

The State Treasurer manages, coordinates and controls the functioning and the activities, related to State Treasury management in the following way:

- monitors the government debt status and ensures the implementation of the debt management policy;
- coordinates the execution of the functions of the Ministry of Finance, related to state budget performance;
- manages the liquidity of government finances;
- organizes the financial management of the funds, provided by the European Union;
- organizes and coordinates the activities of Treasury Directorate, Government Debt Directorate and National Fund Directorate;
- supervises the implementation of the assigned responsibilities.

The organigramme of the State Treasury is presented in Annex I A.

The Directorates involved are as follows:

Treasury Directorate

Contact Person: Mrs. Iana Paliova, Director,
Contact details: Ministry of Finance, 102 Rakovski Str.
1040 Sofia, Bulgaria
Tel: +359 2 9859 2130
Fax: +359 2 980 6863
e-mail: I.Paliova@minfin.bg;

The Treasury Directorate is responsible for:

- Coordination of the work on the current execution of the approved State budget;
- Coordination and production of short-term budget forecasts and analyses on the current execution of the consolidated budget;
- Annual and interim reports on the execution of the State Budget and the Consolidated Fiscal Program, based on the reports of the First Level Spending Units;
- Compilation of data on Government Financial Statistics for Republic of Bulgaria in compliance with IMF and EU statistical standards;
- Harmonization of the Financial Management and Control Systems (FMCS) in the general government sector.

The organigramme of the Treasury Directorate is presented in Annex I B

Government Debt Directorate

Contact Person: Ms. Milena Boikova, Head of “Issuance” Division,
Contact details: Ministry of Finance, 102 Rakovski Str.
1040 Sofia, Bulgaria
Tel: +359 2 9859 2491

Fax: +359 2 980 6863
e-mail: M.Boikova@minfin.bg ;

The Government Debt Directorate is responsible for:

- Tracking dynamics, amount and service of domestic and foreign debt;
- Ensuring the operations on budget deficit financing;
- Drafting and implementing the Government's issuance policy;
- Monitoring, registering and servicing government-guaranteed debt;
- Executing analyses and forecasts on sovereign debt for the purposes of monetary policy and budget deficit financing;
- Executing analyses on financing for projects with government loans (incl. government investment loans) and government guaranteed loans;
- Keeping track of and analyzing domestic and international financial markets for information purposes for the Ministry of Finance activities in debt management;
- Ensuring the process of developing and updating the country's credit rating;
- Providing and exchanging information on government debt parameters between the Ministry of Finance and other state administrations, Bulgarian National Bank, international financial institutions (IMF, WB, etc.) and others;
- Collecting and summarizing information about municipal debt and social insurance funds debt and providing for publication of official data in this regard;
- Carrying out activities related to the preparation of draft normative documents in the field of government debt;
- Publishing periodicals/bulletins on government debt status and outlook.

The organigramme of the Government Debt Directorate is presented in Annex I C

National Fund Directorate

Contact Person: Mrs. Silvia Indjova, Director,
Contact details: Ministry of Finance, 102 Rakovski Str.
1040 Sofia, Bulgaria
Tel: +359 2 9859 2781
Fax: +359 2 980 6863
e-mail: S.Indjova@minfin.bg ;

The main tasks of the Directorate are:

- To mobilize and to manage all funds granted to Bulgaria by the European Commission under the pre-accession instruments;
- To provide the flow of corresponding national co-financing under the pre-accession instruments;
- To approve limits of expenditure within which the Implementing agencies and the SAPARD Agency can execute payments to the beneficiaries and the contractors;
- To monitor and control the implementation of the projects;
- To maintain the reporting system for the EU funds;
- To execute overall co-ordination of the process of achievement of Extended Decentralised Implementation System of PHARE and ISPA projects and establishment of institutional structure based on the Extended Decentralisation Implementation System, as a precondition for management of future Structural Funds and Cohesion Fund;

- To act as a Competent Authority on the SAPARD programme, which is responsible for issuing, monitoring and withdrawing the accreditation of the SAPARD Agency.
- To prepare for the transition of the National Fund to become the Certifying Authority/Paying Authority for the Structural Funds and Cohesion Fund in Bulgaria.

The organigramme of the National Fund Directorate is presented in Annex I D

1.3. Parallel or related projects in the field

Over the last years several projects contributed to settle down a treasury structure, to review the Bulgarian treasury functions and to propose enhancements of their organization and management.

Assistance was received under the following projects:

- **BG9909-02-01 “Support for the Implementation of the Medium Term Strategy and the Restructuring of the Ministry of Finance”**. The project was focused on the restructuring process and capacity building in MoF in order to enable the Ministry to meet the new EU accession requirements. The immediate objectives of the BG9909-02-01 were met. MoF was reformed and the newly established and restructured directorates and divisions/units already function efficiently. One of the major outputs of the project was the establishment of the State Treasury in the MoF.
- Successfully completed **SIGMA program**, with following deliverables:
 - Analysis of the current structure, functions and tasks of the State Treasury established, in compliance with the new MoF’s structural regulation;
 - Presentation of different models of EU best practices for a modern integrated State Treasury.

The Feasibility Study – the result of this SIGMA program – presents shortly the current status of the Bulgarian State Treasury and broadly the main approaches for State Treasury scopes, functions and organizations in EU member states. The Feasibility Study will be the base for the planned detailed SWOT Analysis of current Bulgarian State Treasury and the Concept for optimized model of Integrated State Treasury.

- **BG0103.09 “Improving the management of EU Funds”**. The project was designed to improve the management of EU funds and co-financing resources in Bulgaria to make extended decentralization of PHARE project implementation possible. As a result of this project two additional modules of FMIS were implemented (Project System and Controlling) for the purposes of management of EU Funds.

There are some additional projects in progress or starting soon, which will interact with current twinning project:

- **BG 2004/016-711.09.04 “Strengthening the institutional capacity of the Ministry of Finance”**. Its overall purpose is strengthening the relevant institutional capacity at the Ministry of Finance in order to achieve, upon accession, sound public finance and efficient management of the national and the EU funds. It comprises of 6 Components, one of which is the current twinning

project (Component 3: “Building up Integrated State Treasury in MoF”). The other components and their purposes are:

Component 1: Support for Improvement of the Budgeting Process in Bulgaria, Twinning,

- Improvement of budget planning and procedures in compliance with the best EU practices.

Component 2: Strengthening the Capacity of the “Management of European Union Funds” Directorate at the Ministry of Finance for Monitoring and Evaluation – Twinning and Technical Assistance

- Full and effective implementation of the EU regulations for Monitoring and Evaluation for the EC Pre-Accession instruments.
- Further strengthening of the capacity of MEUFD for effective and efficient management of the Structural Funds and Cohesion Fund.

Component 4: Development of the common IT architecture in MoF. Further development and implementation of FMIS – Technical Assistance

- Development of Enterprise Architecture in MoF.
- Further development of FMIS and establishment of effective information technology management methods and tools within the MoF for better service to the basic function.

Component 5: Strengthening the institutional capacity of the AEF – Twinning

- Strengthening the capacity of the AEF in order to meet the increased requirements for economic policies analysis in view of Bulgaria’s future participation in the EU economic policy co-ordination process.

Component 6: Equipment Supply

- Improvement of the infrastructure and the capacity for financial management, IT architecture and training in the budget sector

The current twinning project is closely related to **component 1**: “Support for Improvement of the Budgeting Process in Bulgaria”, **component 4**: “Development of the common IT architecture in MoF.- further development and implementation of FMIS” in which Technical Specification for the necessary hardware and software for the development of Integrated State Treasury System will be prepared and the future Integrated State Treasury System will be designed as a part of the Enterprise Architecture in the MoF. As a continuation of deliverables of Component 4 the current twinning project is also connected to **Component 6**: “Equipment supply” under which the needed hardware and software designed in Component 4 - Integrated State Treasury System - will be supplied.

- **BG02/IB-FI-03/UE Strengthening the administrative capacity for the own resources administration.** This project is expected to finish by September 2005. The main objective of the project is to be prepared to participate in the EU Budgetary process upon accession and especially to guarantee the correct establishment, collection, payment and control of the Bulgarian contribution to the EU budget according to the rules of the own resources system. The main deliverable of the project will be developed legal framework facilitating the functioning of the system of Own Resources in order to ensure the effective management regarding the implementation of the system of Own Resources in all institutions involved.
- **BG 2003/004 – 937.10.04 “Setting up a coherent system for the Structural Funds and the Cohesion Fund in Bulgaria for the Managing Authority of the**

Community Support Framework (CSF) and the single Paying Authority for the Structural Funds (SF) and the Cohesion Fund (CF)". This project will strengthen the capacity of the Ministry of Finance in order to achieve, upon accession, sound and efficient management of EU Structural Funds and Cohesion Fund. As a result of this project a computerised Monitoring/Management System and a System for Electronic Data Transfer for the purposes of EU Structural Funds and Cohesion Fund will be implemented centrally in the Ministry of Finance giving all relevant institutions/organisations access to the central database. The system should allow all required information on programme/project performance, appropriately codified, to be relayed electronically to the Commission by the Managing Authorities and the Paying Authority/Certifying Authority [former National Fund]. The National Fund which acts as Certifying Authority/ Paying Authority, and with significant responsibility for the establishment of the Audit Authority, is executing the Certifying Authority function – one of the five functions of the integrated State Treasury. The National Fund is the National EDIS Coordinator, with a key role in the EDIS preparation process. All of the EDIS related projects are in close connection with the improvement of the overall Treasury functions.

- Within ISPA Measure 2002 BG 16/P/PA/003.01 the ISPA Gap Assessment project started effectively on 15 September 2003. The assessment was conducted by Deloitte & Touche in accordance with the project ToR, the Technical Proposal of the Contractor and with the specifications of the "Roadmap to EDIS for ISPA and Phare". The Gap Assessment Report was submitted in December 2003. Stage 2 of EDIS preparation within the same measure is expected to start on 15.09.2005.
- Within the Phare project BG 0103.09 "Improving the Management of EU funds" EDIS Stage 1 Gap Assessment was implemented for the National Fund, Management of EU Funds Directorate (NAC services) and the CFCU within the Ministry of Finance and the Phare Implementing Agency within the MRDPW. The Gap Assessment Report was submitted in February 2004. The project is completed.
- The implementation of stages 2 of the EDIS preparation of Phare IAs was based on the assistance provided by the Phare programme BG 2002/000-585 "Horizontal Programme Preparing Candidate Countries for EDIS in the Management of Pre-accession Funds in Bulgaria" and Phare 2004 National Programme to Bulgaria (part III). The implementation of stage 2 was completed on 05.07.2005.
- Stage 3 of EDIS preparation will be implemented within Phare project 2004/016-919.03.02 "Preparation for extended decentralized implementation system (EDIS) in the management of pre-accession funds in Bulgaria – stage 3 "Compliance Assessment". The project is expected to start October, 2005.

ARTICLE 2. ACQUIS COMMUNAUTAIRE - PROJECT FICHE FIELD OF COOPERATION WITH THE EU

The acquis of particular relevance for the project is:

- European System of Accounts, 1995 (ESA 95);
- ESA 95 Manual on Government Deficit and Debt;
- Council Regulation (EC) No 3605/1993 of 22 November 1993 on the application

of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community;

- Council Regulation (EC) No 475/2000 of 28 February 2000 amending Regulation (EC) No 3605/1993 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community;
- Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;
- Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;
- Commission Regulation (EC) No 438/2001 of 2 March 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds;
- Draft Regulation on the Structural and Cohesion Funds - Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund COM(2004) 492 final, Brussels, 14.7.2004, SEC(2004)924
- Communication from The Commission to the Council, the European Parliament and the European Court of Auditors on a roadmap to an integrated internal control framework

- EUROSTAT decisions on statistical issues;
- Regular report October 6 2004 – Chapter 29: Financial and budgetary provision;
- SIGMA report on the State Treasury and IT architecture of the Ministry of Finance;

Other relevant international regulations:

- Manual on Government Finance Statistics, 2001;
- International Public Sector Accounting Standards (IPSAS).

ARTICLE 3. MANDATORY RESULTS (OUTPUTS)

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
Overall Objective	Strengthening the relevant institutional capacity (in particular the overall Treasury functions) at the Ministry of Finance in order to achieve sound public finance and efficient management of the national and EU funds.	Achievement through a well developed Integrated State Treasury of sound public finance and efficient management of the national and the EU funds.	European Commission Regular Reports on Bulgaria's progress towards accession. Peer Reviews by SIGMA	
Project Purpose	Building up Integrated State Treasury in MoF through further development of the functions and the structure of the Treasury in line with best practice in the EU members states	Operational Integrated State Treasury according to best practice in the EU member states	Approval by the Project Steering Committee of the final report; Independent third party evaluation	Continuing support by the Government; Continuing support by the EU Commission

<p style="text-align: center;">Mandatory Results Component 1</p> <p style="text-align: center;">Further development of functional organisation</p>	<ol style="list-style-type: none"> 1. Review of the current situation in the BG State Treasury (Cash management; Short-term budget forecasting; Budget accounting and statistics; Methodology of budget control; Debt Management; National Fund and its management of EU resources.); 2. Review of EU best practice across all relevant Treasury functions; 3. Developed optimized model of integrated BG State Treasury organization as per best practices in the EU member states; 	<p>Review of the current situation in the BG State Treasury (Cash management; ShortTerm Budget Forecast; Budget accounting and statistics; Methodology of budget control; Debt Management; National Fund with EU resources.) using SIGMA Feasibility Study;</p> <p>Completed review of EU best practice across all relevant Treasury functions;</p> <p>Formulated Concept for the Optimized model of integrated BG State Treasury (including options based on a comprehensive review of EU best practice); Presented and discussed concept for the Optimized model of integrated BG State Treasury (including options based on a comprehensive review of EU best practice) to high level management of MoF and representatives from BNB, NSI, BNAO, AEA, EU Delegation; Approved by the high level management of MoF concept for optimized model of Integrated State Treasury in line with best practice in the EU members states Developed optimized model of integrated BG State Treasury (including elaborated internal work standards, rules, procedures for functioning and accountability of the integrated State Treasury); Developed Medium term strategy for implementation of the optimized model of integrated BG State Treasury Implemented optimized model of integrated BG State Treasury in line with best EU practice, in line with the Medium term strategy for implementation of the optimized model of integrated BG State Treasury;</p>	<p>SWOT Analysis Report assessing current situation in BG State Treasury;.</p> <p>Comprehensive EU best practice report;</p> <p>Concept for the Optimized model of integrated BG State Treasury (including options based on a comprehensive review of EU best practice); Medium term strategy for implementation of the optimized model of integrated BG State Treasury</p> <p>Document presenting Optimized model of integrated State Treasury in line with the best practice in the EU members states</p> <p>Completed and disseminated internal work standards, rules, procedures, organizational structures, etc.</p>	<p>Successfully finished SIGMA program, with the following deliverables: Analysis of the current structure, functions and tasks of the State Treasury established, in compliance with the new MoF's Structural regulation; Presentation of different EU best practices models for a modern integrated State Treasury; Development of a draft conceptual paper for financial management and control and managerial accountability in the budget sector, in compliance with the EU standards;</p>
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<p style="text-align: center;">Mandatory Results Component 2 Administrative capacity development</p>	<ol style="list-style-type: none"> 1. Assessment of the current professional knowledge and skills of the staff of the State Treasury and gap analysis for improvement of staff knowledge and skills; 2. Program for improvement of professional knowledge and skills of the staff of the State Treasury; 3. Staff trained and prepared to participate in the optimized model of integrated BG State Treasury organization as per best practice in the EU member states. 	<p>Completed report on gap analysis/assessment of the current professional knowledge and skills of the staff of the State Treasury;</p> <p>Relevant Training Program for enhancement of professional knowledge and skills of the staff of the State Treasury elaborated and approved</p> <p>Conducted training and study visits for the staff according to the approved Training Program.</p> <p>80 State Treasury specialists trained;</p> <p>Evaluation of the achieved professional knowledge and skills of the staff of the State Treasury under the project. Involved - 80 staff members;</p>	<p>Needs' Analysis Report based on gap analysis for improvement of staff knowledge and skills;</p> <p>Approved Training and study visit program;</p> <p>Mission reports, training certificates.</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>
<p style="text-align: center;">Mandatory Results Component 3 Legal framework development based on the implementation of the new model of State Treasury organization</p>	<ol style="list-style-type: none"> 1. Review of the current and needed primary and secondary legislation with regards to the new functions of the optimized model of Integrated State Treasury; 2. Workshops on proposed legislative changes related to the overall functions of the Integrated State Treasury. 3. Drafted legislative Acts. 	<p>Completed report on assessment of the current regulatory system with regards to State Treasury functions pointing out acts which need amendment according to the Optimized model for Integrated State Treasury;</p> <p>Prepared proposals for legislative changes in the functions and/or institutional structure of the State Treasury;</p> <p>Presented and discussed proposals for legislative changes to the overall functions of the Integrated State Treasury to high level management of MoF and representatives from BNB, NSI, BNAO, AEAF, EU Delegation; Approved by the high level management of MoF proposals for legislative changes to the overall functions of the Integrated State Treasury;</p> <p>Drafted legislative Acts; Involved - 80 staff members;</p>	<p>Report on assessment of the current regulatory system with regards to the new functions of the optimized model of Integrated State Treasury; Report containing proposals for legislative changes in the functions and/or institutional structure of the State Treasury;</p> <p>Workshop agenda, Documented comments and additional proposals from the participants;</p> <p>Approved proposals for legislative changes in the functions and/or institutional structure of the State Treasury;</p> <p>Draft legislative Acts.</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
<p style="text-align: center;">Activities Component 1: Further development of functional organisation</p>	<p>0.1 Project Kick-off</p>	<p>By the end of the 1st month</p> <ul style="list-style-type: none"> • The official project kick-off meeting; • Launch of the project with a press conference. Information materials, including press-release will be written, designed and printed for the press conference. <p>Overall Timing: 1 week Target group: Italian MoEF high level managers, Bulgarian MoF management – Minister of Finance, Deputy Minister responsible for State Treasury, State Treasurer, directors and heads of units, experts of the State Treasury, representatives from BNB, NSI, AEA, BNAO, EU Delegation; journalists for press-conference only. Place: Ministry of Finance, Sofia Bulgaria</p>	<p>Project Kick-off meeting agenda and minutes; Information materials for the project; Press-releases;</p>	<p>Signed Twinning contract; Continuing support by the Government; Continuing support by the EU Commission</p>
	<p>1.1 Overall review of the Bulgarian Treasury system with particular regard to the organizations and functions of TD, DD and NFD using the Feasibility Study prepared by SIGMA as a basis.</p>	<p>By the end of the 3rd month</p> <p>Completed review of the role and the functions of Bulgarian State Treasury system using the Feasibility Study prepared by SIGMA as a base :</p> <ul style="list-style-type: none"> • Government Debt Directorate (including review of the processes under the Government Debt Directorate responsibility currently outsourced to the BNB); • Treasury Directorate (including review of the processes under the Treasury Directorate responsibility currently outsourced to the BNB); • National Fund Directorate. <p>Overall Timing: 3 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria</p>	<p>SWOT Analysis Report</p>	<ul style="list-style-type: none"> • Continuing support by the Government; • Continuing support by the EU Commission

	<p>1.2 Review of EU best practice across all relevant Treasury functions</p>	<p>By the end of the 4th month</p> <p>Completed review of EU best practice for:</p> <ul style="list-style-type: none"> • Debt Management (including, for example, practices for denomination of debt, issued in domestic currency with respect to the Bulgaria's accession to EMU; MTS systems; etc); • Cash Management (including, for example, EU members' experience in payments of own resources of the EU budget – and in particular matters, concerning opening, monitoring and maintenance of accounts for own resources, the rules, procedures and regulations for management and control and the responsibilities and functions of the State Treasury regarding the system of own resources; cash flow forecast; liquidity management and recording of investment operations; different practices of reporting forms and organizational structures of the cash management; etc.) • Methodology and statistics (including, for example, practices for accounting of debt operations, practices for assessment of tax and social security contributions on an accrual basis; methodology used in payments of own resources of the EU budget; etc.); • Short term forecast and analysis (including practices in using IT statistical software for budget forecasting; etc.); • Peer-consultation visit to the Italian Ministry of Economy and Finance made by State Treasury high level management; • Discussion of EU best practices across all relevant Treasury functions on round table. <p>Overall Timing: 4 months</p> <p>Target group: State Treasury management – Deputy Minister responsible for the State Treasury, State Treasurer, directors and heads of units, experts of the State Treasury</p> <p>Place: Ministry of Finance, Sofia Bulgaria; MEF of Italy; a two-days round table – in Borovec, Bulgaria</p>	<p>EU best practice report; Mission Reports; Documented decisions from Round table discussions.</p>	<ul style="list-style-type: none"> • Continuing support by the Government; • Continuing support by the EU Commission
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	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
<p style="text-align: center;">Activities Component I: Further development of functional organisation (continue)</p>	<p>1.3 Formulation of Concept for the Optimized Model of Integrated BG State Treasury (including options based on a comprehensive review of EU best practice) and Medium Term Strategy for its implementation</p>	<p>By the end of the 6th month Formulated functions of the Integrated State Treasury within the optimized model related to:</p> <ul style="list-style-type: none"> • Debt Management (for example debt denomination; market makers; MTS system, etc); • Cash Management (for example, liquidity management; cash flow forecasts; payments of own resources of the EU budget; etc); • Methodology and statistics; • Short Term Budget Forecast and Analysis (for example analysis of fiscal risk, fiscal sustainability, fiscal vulnerability; etc.); • Certifying Authority Function/Structures • Other functions; <p>Formulated Medium Term Strategy for implementation of the optimized model of integrated BG State Treasury with major steps and implementation timetable</p> <p>Peer-consultations visit to the Ministries of Finance in Spain and Portugal by State Treasury high level management to discuss implications of the proposed Concept for Optimized Model of integrated State Treasury and the Medium term strategy for its implementation;</p> <p>Overall Timing: 3 months Target group: State Treasury management – Deputy Minister responsible for the State Treasury, State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria; Financial Ministries in Spain and Portugal;</p>	<p>Formulated Concept for model (to include a range of options) of integrated State Treasury in line with the best practice in the EU members states. Formulated draft Medium Term strategy. Mission Reports</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>
	<p>1.4 Conducting workshop with the high level management of the MoF for presentation and discussion on the Concept for Optimized Model of Integrated State Treasury (including options based on a comprehensive review of EU best practice) and the Medium Term Strategy for its implementation.</p>	<p>By the end of the 8th month Presented and discussed Concept for optimized model of integrated BG State Treasury and draft Medium Term Strategy for implementation of the optimized model with the MoF high level management and representatives from BNB, NSI, AEAf, BNAO and EU Delegation (by the end of 7th month, about 30 participants); Approved Concept for the Optimized model for Integrated State Treasury in line with the best practice of the EU members states and Medium Term Strategy for implementation of the optimized model by the high level management of MoF (by the end of 8th month)</p> <p>Overall Timing: 2 months Target group: MoF management – Minister and Deputy Ministers, Secretary General, State Treasurer, Directors, representatives from BNB, NSI, BNAO, EU Delegation; Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Workshop agenda; Participant’s evaluation and follow-up; Document presenting approved by the high level management of MoF Concept of optimized model for Integrated State Treasury in line with best practice in the EU members states; Approved Medium Term Strategy for the implementation of Optimized model of Integrated State Treasury</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
	<p>1.5 Development of the Optimized model of integrated BG State Treasury (including elaborated internal work standards, rules, procedures for functioning and accountability of the integrated State Treasury);</p>	<p>By the end of the 16th month Developed optimized model of Integrated BG State Treasury including:</p> <ul style="list-style-type: none"> • Optimized model for Debt Management; • Optimized model for Cash Management; • Optimized model for Methodology and Statistics (including, for example, development of methodology for debt accounting; program for improvement of the processes for data preparation and seminars will transfer the elaborated internal work standards, rules, procedures for functioning and accountability of the Integrated State Treasury) <p>Overall Timing: 8 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria.</p>	<p>Document presenting optimized model including internal work standards, rules, procedures; Progress reports by Twinners Interim and Final Reports</p>	<ul style="list-style-type: none"> • Continuing support by the Government; • Continuing support by the EU Commission • The beneficiary organization recruits and retains adequate staff; • Regular participation of the staff in trainings, seminars and workshops; • Continued employment of trained experts; • Staff readiness to implement the activities.

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
	<p>1.6 Implementation of the optimized model of integrated BG State Treasury in line with best EU practice according to the approved Medium Term Strategy;</p>	<p>By the end of the 21st month Implemented optimized model of integrated BG State Treasury addressing organizational, functional, structural and staff changes, including:</p> <ul style="list-style-type: none"> • Implemented optimized model for Debt Management (including implementation of a system for market makers; etc.); • Implemented optimized model for Cash Management; • Implemented optimized model for Methodology and Statistics; • Implemented optimized model for Short Term Budget Forecast and Analysis ; • Implemented optimized model for National Fund Directorate. • 4 workshops will transfer the elaborated internal work standards, rules, procedures for functioning and accountability of the Integrated State Treasury <p>Overall Timing: 5 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury; On 3 of the workshops the whole State Treasury staff will participate (about 80 participants all together); the forth workshop will be with State Treasury’ managers and representatives from other MoF directorates, BNB, NSI, AEF and BNAO (about 27 participants) Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Completed internal work standards, rules, procedures, organizational structures, etc. Workshops Agendas, Minutes of workshops. .</p>	<p>Continuing support by the Government; Continuing support by the EU Commission The beneficiary organization recruits and retains adequate staff; Regular participation of the staff in trainings, seminars and workshops; Continued employment of trained experts; Staff readiness to implement the activities.</p>

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
Activities Component 2: Administrative capacity development	<p>2.1 Assessment of the current professional knowledge and skills of the staff of the State Treasury and gap analysis for the needed knowledge and skills perfection</p>	<p>By the end of the 8th month Completed Needs' Analysis Report comprising:</p> <ul style="list-style-type: none"> Completed report on gap analysis/assessment of the current professional knowledge and skills of the staff of the Government Debt Directorate; Completed report on gap analysis/assessment of the current professional knowledge and skills of the staff of the Treasury Directorate; Completed report on gap analysis/assessment of the current professional knowledge and skills of the staff of the National Fund Directorate; <p>Overall Timing: 5 months, starting after first SC meeting; Target group: State Treasury staff (about 80 staff members) Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Needs' Analysis Report based on the reports on gap analysis for improvement of staff knowledge and skills for the whole State Treasury staff;</p>	<ul style="list-style-type: none"> Continuing support by the Government; Continuing support by the EU Commission
	<p>2.2 Preparation and approval of the program for improvement of professional knowledge and skills of the staff of the State Treasury</p>	<p>By the end of the 9th month</p> <ul style="list-style-type: none"> Training Program based on the optimized model of Integrated State Treasury and the Needs' Analysis Report for improvement of professional knowledge and skills of the State Treasury staff developed; Training Program approved by the State Treasurer or director(s) of the Treasury delegated by the State Treasurer Training Program. <p>Overall Timing: 1 month Target group: State Treasury staff (about 80 staff members) Place: Ministry of Finance, Sofia Bulgaria</p>	<p>Developed and approved Training Program;</p>	<ul style="list-style-type: none"> Continuing support by the Government; Continuing support by the EU Commission
	<p>2.3 Carrying out the training according to the program for improvement of professional knowledge and skills of the staff of the State Treasury</p>	<p>By the end of the 22th month Conducted Training Program for improvement of professional knowledge and skills of the State Treasury staff related to:</p> <ul style="list-style-type: none"> Debt Management, including for example: <ul style="list-style-type: none"> Seminar on best practices in EU member states for accounting system for debt operations Seminar on roles and functions of market makers; Workshop in implementation of the methodology for Debt denomination; Etc. Cash Management, including for example: <ul style="list-style-type: none"> Workshop on the practices in payments of own resources of the EU budget as well as its recording and coordination of this activity with the other directorates in the MoF responsible for this issue at the stage of budgeting and short-term and medium-term forecasting; Seminar on EU best practices of integrated treasury systems in particular the cash-flow forecasts and cash-flow management; Etc; 	<p>Mission reports, training certificates.</p>	<ul style="list-style-type: none"> Continuing support by the Government; Continuing support by the EU Commission

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
Activities Component 2: Administrative capacity development (continue)	<p>2.3 (continue) Carrying out the training according to the program for improvement of professional knowledge and skills of the staff of the State Treasury</p>	<ul style="list-style-type: none"> • Methodology and Statistics, including for example: <ul style="list-style-type: none"> • Seminar on preparation and submission of fiscal data required by EUROSTAT; • Seminar on assessment of tax and social security contributions on an accrual basis; • Seminar on quarterly government debt data required by EUROSTAT; • Seminar on financial accounts for General Government; • Seminar on EDP procedures and fiscal notification; • Seminar on methodology for payments of own resources of the EU budget • Etc. • Short Term Budget Forecast and Analysis including for example: <ul style="list-style-type: none"> • Seminar on preparation of short term budget forecast; • Seminar on management of fiscal risk, fiscal sustainability and fiscal vulnerability; • Etc. • Certifying Authority Function, including for example: <ul style="list-style-type: none"> • Seminar on the new work standards, procedures and rules for the Certifying Authority Function and other institutions involved; • Seminar on all forms of systems' approaches of communication between the Paying Authorities; • Seminar on the National Fund' treasury function for the Structural Funds and the Cohesion Fund • Seminar on treasury operations for EU Funds; • Workshop for providing theoretical and practical knowledge and skills in budgetary procedures and improvement of the planning and controlling performance; • Etc. <p>Overall Timing: 13 months Target group: State Treasury staff (about 80 staff members) Place: Ministry of Finance, Sofia Bulgaria; Ministry of Economy and Finance, Italy; other EU members states</p>	<p>Mission reports, training certificates.</p>	<ul style="list-style-type: none"> • Continuing support by the Government; • Continuing support by the EU Commission

	Intervention logic	Benchmarks	Sources of information	Assumptions (external to project)
<p style="text-align: center;">Activities Component 3: Legal framework development based on the implementation of the new model of State Treasury organization</p>	<p>3.1 Review of the current regulatory system and identification of the needed changes with regard to the optimized model of Integrated State Treasury</p>	<p>By the end of the 8th month Completed report on assessment of current regulatory system in relation to the new State Treasury functions; Overall Timing: 8 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Report on assessment of the current regulatory system with regards to the new functions of the optimized model of Integrated State Treasury</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>
	<p>3.2 Preparing proposals for changes of the regulatory system with regards to the new functions and/or institutional structure of the State Treasury</p>	<p>By the end of the 14th month Prepared report containing proposals for changes in the regulatory system with regards to the new functions and/or institutional structure of the State Treasury; Overall Timing: 6 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Report containing proposals for legislative changes in the functions and/or institutional structure of the State Treasury</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>
	<p>3.3 Conducting workshop on proposed regulatory system's changes related to the overall functions of the Integrated State Treasury</p>	<p>By the end of the 16th month Presented and discussed proposed regulatory system's changes related to the overall functions of the Integrated State Treasury with MoF high level management and representatives from BNB, NSI, BNAO, AEAf, EU Delegation (about 30 participants); Approved proposals for regulatory system's changes related to the overall functions of the Integrated State Treasury. Overall Timing: 2 months Target group: Minister and Deputy Ministers, Secretary General, State Treasurer, Directors, representatives from BNB, NSI, BNAO, AEAf, EU Delegation; Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Workshop agenda, Documented comments and additional proposals from the participants; Approved proposals for regulatory system's changes related to the overall functions of the Integrated State Treasury</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>
	<p>3.4 Drafting legislative Acts</p>	<p>By the end of the 22th month Drafted legislative Acts and completed regulatory system for the Integrated State Treasury Overall Timing: 6 months Target group: State Treasury management – State Treasurer, directors and heads of units, experts of the State Treasury Place: Ministry of Finance, Sofia Bulgaria;</p>	<p>Draft legislative Acts send to Council of Ministers</p>	<p>Continuing support by the Government; Continuing support by the EU Commission</p>

	<p>4.0 Project Closure</p>	<p>By the end of the 24th month</p> <ul style="list-style-type: none"> • Prepared final report and submitted to the SC • Final SC meeting • Final press-conference <p>Overall Timing: 1 month</p> <p>Target group: Italian MoEF high level managers, Bulgarian MoF management – Minister of Finance, Deputy Minister responsible for State Treasury, State Treasurer, directors and heads of units, experts of the State Treasury, representatives from BNB, NSI, AEAF, BNAO, EU Delegation; journalists for press-conference only.</p> <p>Place: Ministry of Finance, Sofia Bulgaria</p>	<p>Final report; SC meeting agenda and minutes; Information materials for the project; Press-releases;</p>	<ul style="list-style-type: none"> • Continuing support by the Government; • Continuing support by the EU Commission
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ARTICLE 4. TASKS (INPUTS)**Component 1 - Further development of functional organisation**

The main objective of this component is to develop an Optimized Model of Integrated State Treasury according to EU best practice, and to provide a Medium Term Strategy for the implementation of the developed optimized model based on the Feasibility Study prepared by SIGMA. Since in the European countries the Treasury' models differ significantly, two peer-consultation-visits by senior State Treasury managers focused on the in-depth study of different Treasury functions' organizations in the Ministries of Finances of Italy, Spain and Portugal are envisaged. These visits will complement the knowledge on the Treasury arrangements in Ireland, Sweden and the UK already acquired by the management staff of the Bulgarian State Treasury.

Activity 0.1 Project kick-off**Method:**

The objective of this activity will be to inform the public in Bulgaria about the starting project for Building up Integrated State Treasury, purposes of the project, its targets and expected deliverables. There will be an official project kick-off meeting in which high level managers, from both Italian and Bulgarian Ministries of Finances, representatives of BNB, NSI, AEAF and BNAO will participate. Following the kick-off meeting a press conference will be organized, for which information materials and press-releases will be written.

Resources

- *MS Human Resources needed. (4 experts and 4 man/days)*
- *Beneficiary Administration Human Resources. (18 experts/managers from the State Treasury – 3 directors, 9 heads of units, project manager and 6 key experts)*
- *Other resources:*
 - *Translation of about 60 pages of information materials, press-releases.*
 - *Consecutive Interpretation*

Activity 1.1 Overall review of the Bulgarian Treasury system with particular regard to the organizations and functions of TD,GDD and NFD**Method:**

The primary purpose of this activity will be an in-depth analysis of the current situation in Bulgarian State Treasury – Strengths – Weaknesses – Opportunities – Threats (SWOT) analysis of the current treasury organization, functions and activities to be presented.

The MS experts will carry out interviews with the State Treasury managers and experts and will scrutinize the current internal rules, procedures and practices. Interviews, based also on the results of the Feasibility Study prepared by SIGMA and other previously made analysis, will be conducted basically in order to get further information on the current situation in the BG State Treasury (the main topics are: cash management; short term budget forecast; budget accounting and statistics; debt management; National Fund for EU resources). The MS experts will prepare a draft version of a SWOT analysis on the current situation in Bulgarian State Treasury which will be discussed with the State Treasury managers in order to eliminate any open issues and to develop an agreed SWOT analysis on the current situation in Bulgarian State Treasury.

Resources

- *MS Human Resources needed. (11 experts and 36 man/days)*
- *Beneficiary Administration Human Resources. (18 experts/managers from the State Treasury – 3 directors, 9 heads of units, project manager and 4 key experts)*

- *Other resources:*

- *Translation of about 300 pages internal rules, procedures, etc.*
- *Interpretation when necessary (subject to the language competence of the twinning team)*

Activity 1.2 Review of EU best practice across all relevant Treasury functions

Method

The main purpose of this activity will be review and presentation by the twinning team of the treasury models currently adopted by EU member states in order to identify the best practice for the main Treasury functions: Debt Management, Cash management; Short Term Budget Forecast; Budget Accounting and Statistics and Certifying/Paying Authority Functions. The information needed will be obtained through documentation available on web sites (IMF) and through contributions from other EU member states. In order to explore in practice the Italian model of reference a group of 6 State Treasury high level managers - the Deputy Minister responsible for the State Treasury, the State Treasurer, the Component Leaders and the Project Manager - will carry out a peer consultation visit to the Italian Ministry of Economy and Finance for four working days. During this visit Bulgarian managers will meet their counterpart Italian managers from Italian Ministry of Economy and Finance, Italian National Statistical Institute and Italian Central Bank. This visit aims to complement the knowledge on the Treasury arrangements in Ireland, Sweden and the UK already acquired by the management staff of the Bulgarian State Treasury and to gain from exchange of real live expertise and lessons learned between correspondent level managers.

The results of all reviews will be incorporated in a comprehensive draft report on EU best practice across overall State Treasury functions. The report will be discussed with the twinning team on a round table workshop. In order to ensure an atmosphere of brainstorming the round table is envisaged to take place for two days in Borovec. The expected result from this workshop is a clear vision about EU best practice which will be incorporated in the Concept for the Optimized Model of Integrated State Treasury and agreed among the twinning team Report on EU best practice across overall State Treasury functions.

Resources

- *MS Human Resources needed. (8 experts and 19 man/days)*
- *Beneficiary Administration Human Resources. (13 experts/managers from the State Treasury – 3 directors, 9 heads of units and project manager)*
- *Other resources:*
 - *Translation of about 300 pages organizational and/or functional descriptions of different Treasury models;*
 - *Interpretation when necessary (subject to the language competence of the twinning team).*

Activity 1.3 Formulation of Concept for the Optimized Model of Integrated BG State Treasury (including options based on a comprehensive review of EU best practice) and Medium Term Strategy for its implementation
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Method

The objective of this activity will be to integrate the results achieved in both previous activities and to produce two documents crucial for the project: a Concept of Optimized Model for Integrated State Treasury (including options based on a comprehensive review of EU best practice) and a draft Medium Term Strategy for the implementation of the model. In order to explore in detail the implication of the proposed Concept for Optimized Model for Integrated State Treasury and the Medium

Term Strategy for its implementation, a visit will be made by the Bulgarian Deputy Minister responsible for the State Treasury, the State Treasurer, the Component Leaders and the Project Manager for peer-consultation discussions with the Treasury counterparts in Spanish and Portuguese Ministries of Finance.

The different options for each Treasury function raised from the analysis of both activities (1.1 and 1.2) will be discussed with State Treasury managers and experts in order to elaborate a Concept for Optimized Model for Integrated State Treasury and a draft Medium Term Strategy for its implementation.

Resources

- *MS Human Resources needed. (11 experts and 54 man/days)*
- *Beneficiary Administration Human Resources. (13 experts/managers from the State Treasury – 3 directors, 9 heads of units and project manager)*
- *Other resources:*
 - *Translation of about 300 pages other documents related to the Concept and Strategy drafts.*
 - *Interpretation when necessary (subject to the language competence of the twinning team).*

Activity 1.4 Conducting workshop with the high level management of the MoF for presentation and discussion on the Concept for Optimized Model of Integrated State Treasury (including options based on a comprehensive review of EU best practice) and the Medium Term Strategy for its implementation.

Method

The main objective of this activity will be to present the Concept for Optimized Model of Integrated State Treasury (including options based on a comprehensive review of EU best practice) and the Medium Term Strategy for its implementation to the high level management of the MoF and representatives of the Bulgarian National Bank, the National Statistical Office and the National Audit Office. The major output of the activity will be approval of the Concept and the Medium Term Strategy and achieving the support of the MoF high level management for the development and implementation of the Optimized Model.

One-day workshop on the Concept for the Optimized Model and the Medium Term Strategy will be organized. As a result we expect to have a Concept and a Strategy officially approved by the MoF management.

Resources

- *MS Human Resources needed. (6 experts and 12 man/days)*
- *Beneficiary Administration Human Resources. (50 High level MoF management/BNB, NSI and NAO representatives/State Treasury managers/experts)*
- *Other resources:*
 - *Translation of about 200 pages documentation for the workshop;*
 - *Interpretation will be needed for all sessions of the workshop;*
 - *Training materials for the workshop.*

Activity 1.5 Development of the optimized model of integrated BG State Treasury (including elaborated internal work standards, rules, procedures for functioning and accountability of the integrated State Treasury)

Method

After the approval of the Concept for the Optimized Model for Integrated State Treasury and the Strategy for its implementation, the Optimized Model will be developed through elaboration of internal work standards, rules, procedures for

functioning and accountability of the integrated State Treasury. Proposals for necessary organizational changes (if any) will be prepared and managed.

Resources

- *MS Human Resources needed. (7 experts and 57 man/days)*
- *Beneficiary Administration Human Resources. (30 experts/managers from the State Treasury – 3 directors, 9 heads of units, project manager and key experts)*
- *Other resources:*
 - *Translation of about 300 pages internal rules, procedures, etc.;*
 - *Interpretation when necessary - subject to the language competence of the twinning team.*

Activity 1.6 Implementation of the optimized model of integrated BG State Treasury in line with best EU practice according to the approved Medium Term Strategy;

Method

Within this activity the approved changes in the State Treasury will be implemented through adapting existing structures and creating new ones and introducing new functionalities. The implementation of the new model will lead to organizational, functional, structural and staff changes. This will have an impact on related activities under Component 2 and Component 3. Three workshops with the staff of each State Treasury Directorate will be organized. On each of these workshops will be disseminated new elaborated internal work standards, rules, procedures for functioning and accountability of the integrated State Treasury corresponding to each Directorate. One more workshop will be organized with the participation of the State Treasury managers and representatives of other MoF Directorates, as well as representatives from BNB, NSI, Agency for Economic Analysis and Forecast (AEAF) and Bulgarian National Audit Office (BNAO). On this workshop will be represented and discussed the corresponding work standards, rules and procedures. The MS experts will participate actively in the workshops, will assist and support the internal process of implementation of changes and will discuss the results and open issues with the State Treasury managers.

Resources

- *MS Human Resources needed. (6 experts and 18 man/days)*
- *Beneficiary Administration Human Resources. (80 experts/managers from the State Treasury, 27 representatives from other MoF directorates, BNB, NSI, AEAF and BNAO)*
- *Other resources:*
 - *Translation of about 300 pages internal rules, procedures, etc.;*
 - *Interpretation when necessary - subject to the language competence of the twinning team.*

Component 2 - Administrative capacity development

This component aims to assess the current professional State Treasury staff's skills and knowledge and to make a gap analysis for the cognitions needed for successful implementation of the modern Integrated State Treasury; to prepare a comprehensive training program and to carry out the planned in the training program workshops and seminars. In this component three study visits for the State Treasury middle management and senior experts to the Italian Ministry of Economy and Finance are envisaged. On these visits the Bulgarian experts will have the opportunity to learn about the specific practices and benefit from the expertise of their Italian colleagues. These study visits are intended to maximise the interaction at middle-management and technical level between the key specialists in the Treasury and Debt Management

Directorates and their specific counterparts in Italy through one-to-one on-the-job training and consultation. The senior experts from the National Fund Directorate, acting as Certifying Authority/ Paying Authority, and with significant responsibility for the establishment of the Audit Authority, will discuss these issues with the respective Italian counterparts during the visits.

Activity 2.1 Assessment of the current professional knowledge and skills of the staff of the State Treasury and gap analysis for the needed knowledge and skills perfection

Method

The assessment of the current professional State Treasury staff's skills and knowledge will be carried out by the MS experts through questionnaires, followed by interviews with the State Treasury staff. On the base of the questionnaires and interviews, as well as on the base on the developed Concept for the Optimized model of Integrated State Treasury three gap analyses reports will be produced for each of the ST Directorates. The results will be discussed with the State Treasury management. The results of these activities will be summarized in a Needs' Analysis Report based on the gap analysis made for the each of the three State Treasury directorates.

Resources

- *MS Human Resources needed. (4 experts and 24 man / days)*
- *Beneficiary Administration Human Resources. (80 experts/managers from the State Treasury)*
- *Other resources:*
 - *Translation of about 500 pages questionnaire, reports, etc.;*
 - *Interpretation when necessary - subject to the language competence of the twinning team.*

Activity 2.2 Preparation and approval of the program for improvement of the professional knowledge and skills of the staff of the State Treasury

Method

After the elaboration of the Needs' Analysis Report for the training and skill improvement of the Treasury staff, a comprehensive Training Program for all 80 experts will be elaborated and approved by the State Treasurer or director(s) of the Treasury delegated by the State Treasurer. According to the approved Training Program we envisage at least 15 seminars and 3 workshops to be planned. Each staff member will participate in corresponding to her/his specialisation seminars and/or workshops. Seminars and workshops will be prepared and organized, the lecturers and the experts for the seminars and the workshops will be assigned.

Resources

- *MS Human Resources needed. (4 experts and 16 man / days)*
- *Beneficiary Administration Human Resources. (13 managers/experts of the State Treasury - – 3 directors, 9 heads of units and project manager)*
- *Other resources:*
 - *Translation of about 300 pages seminars and workshops descriptions, time tables, etc.;*
 - *Interpretation when necessary - subject to the language competence of the twinning team.*

Activity 2.3 Carrying out the training according to the program for improvement of professional knowledge and skills of the staff of the State Treasury

Method

Within this activity seminars and workshops for improvement of the professional knowledge of the State Treasury staff according to the approved Training Program will be run. A major sub-activity providing the fundamental foundation for all of the associated training and development will be three study visits to the Italian Treasury (Ministry of Economy and Finance) for six experts on 2 of the visits, and 5 experts for the third visit – a total of 17 experts receiving intensive peer-related training (for all Treasury functions). They will be engaged in detailed work-shadowing, and on-the-job training involving simulation exercises with their direct counterparts in the Italian Treasury.

Among the topics to be addressed for the Debt management function will be simulation/expert advice in, for example: issuance, tracking and recording of domestic long-term securities and T-bills and ability to process bond and T-Bill auction results; bond calculation capability and securities calculations; capture of details of restructuring of trades including cancellations, prepayment of loans, buybacks, switching, etc; effective maintenance of current and historical data; recording and processing of risk management instruments; automatic generation of cash flows; tracking of asset and liability positions; interest rate exposure reporting, currency exposure analysis, etc.

For the Cash management function the major attention will be paid to the daily routines for cash flows forecasts, short term liquidity management, daily preparation and presentation of the cash information to the high level management.

In the field of Budget methodology and statistics function close attention will be paid to the work procedures for preparation and submission of fiscal data required by EUROSTAT, assessment of tax and social security contributions on an accrual basis, preparation of the financial accounts for General Government, EDP procedures and fiscal notification as well as procedures for payments of own resources of the EU budget.

For the Short Term Budget Forecast and Analysis function the main topics for real time simulation and expert advice in management of fiscal risk, fiscal sustainability and fiscal vulnerability and preparation of short term budget forecasts.

In the field of the Certifying Authority Function major efforts will be put on the real time simulations and peer counterpart advice on the topics like treasury operations for EU Funds, treasury function for the Structural Funds and the Cohesion Fund; practical knowledge and skills in budgetary procedures and improvement of the planning and controlling performance.

In all cases the primary focus is one-to-one intervention at the work station with counterparts in the Italian Ministry of Economy and Finance as the most efficient and cost-effective way of peer-to-peer transfer of expertise on the spot. All this visits will be followed by the workshops and seminars organized in Bulgaria with the State Treasury staff according to the approved Training Program. In order to be provided a good training and creative atmosphere two of the conducted workshops are envisaged to take place in Borovec.

Resources

- *MS Human Resources needed. (13 experts and 78man / days)*
- *Beneficiary Administration Human Resources. (80 experts/managers from the State Treasury)*
- *Other resources:*
 - *Translation of about 450 pages training materials and documentation;*
 - *Interpretation when necessary - subject to the language competence of the twinning team;*
 - *Training materials.*

Component 3 - Legal framework development based on the implementation of the new model of State Treasury organization

The main purpose of this component is to establish the necessary regulatory environment for successful operation of the Optimized Model of Integrated State Treasury. The activities aim to identifying the necessary changes in the current regulatory system essential for the implementation of the Optimized Model of Integrated State Treasury, proposing amendments in the legislation or drafting new legislative acts if necessary. The milestone of this component is the workshop where the suggested amendments of the regulatory system will be presented to and discussed with the Ministry of Finance high level management and representatives of the Bulgarian National Bank, the National Statistical Office and the National Audit office, as well as the Bulgarian Parliament.

Activity 3.1 Review of the current regulatory system and identification of the needed changes with regard to the optimized model of Integrated State Treasury

Method

Within this activity the current regulatory system underlying the Treasury functions will be investigated in order to identify the needed changes in the legislation. This activity will be carried out in parallel with the first two activities in component 1 – 1.1 “Overall review of the Bulgarian Treasury system with particular regard to the organizations and functions of TD, GDD and NFD” and 1.2 “Review of EU best practice across all relevant Treasury functions”. Discussions and interviews will be carried out for a better understanding of the current legislative environment. The report on assessment of the current regulatory system with regards to the new functions of the optimized model of Integrated State treasury will follow the approved Concept for Optimized model for Integrated State Treasury and will point out the acts in the current regulatory system which need to be changed.

Resources

- MS Human Resources needed. (6 experts and 18 man / days)
- Beneficiary Administration Human Resources. (13 managers/experts of the State Treasury – 3 directors, 9 heads of units and project manager)
- Other resources:
 - Translation of about 300 pages regulatory acts;
 - Interpretation when necessary - subject to the language competence of the twinning team.

Activity 3.2 Preparing proposals for changes of the regulatory system with regards to the new functions and/or institutional structure of the State Treasury

Method

After the completion of the in-depth review in the previous activity (3.1) and the approval of the Concept of the Optimized Model for Integrated State Treasury and Middle term strategy for its implementation in Component 1 proposals for the needed changes in the regulatory system will be elaborated and discussed within the twinning team.

Resources

- MS Human Resources needed. (6 experts and 18 man / days)
- Beneficiary Administration Human Resources. (13 managers/experts of the State Treasury – 3 directors, 9 heads of units and project manager)
- Other resources:
 - Translation of about 300 pages internal rules, procedures, etc.;

- *Interpretation when necessary subject to the language competence of the twinning team.*

Activity 3.3 Conducting workshop on proposed regulatory system's changes related to the overall functions of the Integrated State Treasury

Method

The main objective of this activity will be the proposals for legislative changes to be presented to and discussed with high level management of MoF and the representatives from Bulgarian National Bank, National Statistical Office, National Audit office and the Parliament. The major output of the activity will be approval of the proposals. The presentation of the proposals will be made on one-day workshop for discussing the needed amendments in the regulatory system. In this context the proposals will be officially approved by the MoF high level management.

Resources

- *MS Human Resources needed. (6 experts and 12 man / days)*
- *Beneficiary Administration Human Resources. (50 High level MoF Management/ BNB, NSI and NAO representatives/State Treasury managers/experts)*
- *Other resources:*
 - *Translation of about 300 pages documentation for the workshop;*
 - *Interpretation will be needed for all sessions of the workshop.*

Activity 3.4 Drafting legislative Acts

Method

This activity will comprise of drafting the legislative amendments and/or acts according to the approved proposals for changes in the regulatory system. The MS experts' role in this activity will be to assist and support the internal process of drafting legislative acts and to assess and confirm that the legal proposals are reflected well in the drafted acts. The BC team will be responsible for actual drafting of the amendments and/or acts according to the approved proposals for changes in the regulatory system.

Resources

- *MS Human Resources needed. (3 experts and 9 man / days)*
- *Beneficiary Administration Human Resources. (25 experts/managers from the State Treasury – 3 directors, 9 heads of units, project manager and key experts)*
- *Other resources:*
 - *Translation of about 300 pages regulatory documents;*
 - *Interpretation when necessary - subject to the language competence of the twinning team.*

Activity 4.0 Project closure

Method:

The objective of this activity will be to inform the public in Bulgaria about the closure of the project for Building up Integrated State Treasury, about the achieved results and planned further developments in the area of State Treasury. A Steering Committee meeting will be organized to present the final project report. Following the Steering Committee, a press conference will be held at which will participate high level managers both from Italian and Bulgarian Ministries of Finances, representatives of BNB, NSI, AEF and BNAO. Information materials and press-releases will be disseminated.

Resources

- *MS Human Resources needed. (4 experts and 4 man/days)*

- *Beneficiary Administration Human Resources. (18 experts/managers from the State Treasury – 3 directors, 9 heads of units, project manager and 4 key experts)*
- *Other resources:*
 - *Translation of about 300 pages final report, information materials, press-releases.*
 - *Consecutive Interpretation*

ARTICLE 5. SCHEDULE

Project Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Component 1																								
A.0.1	■																							
A.1.1.	■	■	■																					
A.1.2.	■	■	■	■	■	■																		
A.1.3.				■	■	■	■																	
A.1.5.							■	■																
A.1.6.										■	■	■	■	■	■	■	■							
A.1.7.																	■	■	■	■	■	■		
Component 2																								
A.2.1.				■	■	■	■	■																
A.2.2.									■															
A.2.3.										■	■	■	■	■	■	■	■	■	■	■	■	■	■	
Component 3																								
A.3.1.	■	■	■	■	■	■	■	■																
A.3.2.										■	■	■	■	■	■									
A.3.3.															■	■								
A.3.4.																	■	■	■	■	■	■	■	
A.4.0																								■

ARTICLE 6. RESOURCES**6.1 Human Resources****6.1.1. Member State(s)**

- Italian Ministry of the Economy and Finance – State General Accounting Department.
(Administration)
- Lazio Region – Council Department for Budget, Planning and Community Resources and Sviluppo Lazio Spa
(Administration)

Role of the Italian Authorities

The **Italian Ministry of Economy and Finance** entrusts the leadership of the project and the responsibility for it to one of its members, **Mr. Fabricio Mocavini**, Head of units RGS- Budget Directorate who will act as a **Project Leader**. He has the overall project responsibility, together with his Bulgarian counterpart he will organise the activities undertaken and monitor the results achieved during project implementation. Whenever necessary, both will have the responsibility to adjust the work schedule and to identify other areas of activities fitting to the needs and progress of the project.

The **Italian Ministry of Economy and Finance** will assign **Mr Gerardo Greco**, attorney at Law and legal assistant to The Italian Ministry of Innovation and Technologies, as a **Resident Twinning Adviser (RTA)** for a period of 14 months. The RTA will work on a daily basis with Bulgarian State Treasury staff to implement the project, support and co-ordinate the activities in Bulgaria. He will provide

organisational support to the Italian Project Leader and to all Short-term experts (STEs), including practical organisation of seminars and study visits. The RTA will report to MS Project Leader and quarterly to the Minister of Economy and Finance.

The main responsibilities of the RTA, working in close collaboration with the Bulgarian Project Manager, will be the following:

- Provision of organisational support to the MS Project Leader and to all STEs.
- Organisation of seminars, workshops, training and study tours and involvement in these as appropriate.
- Preparation of action plans relating to the different project activities.
- Provision of technical support to the different activities.
- Supporting training initiatives and monitoring the progress of project activities.
- Preparation and revision of financial spreadsheets and preparation of invoices.
- Drafting the quarterly, annual and final reports.

The RTA, following consultations with the leaders of the Components working groups, will be responsible for drawing up a list of objectives, a detailed program for the experts' visits and providing all necessary background documentation. This will be forwarded to the experts concerned at least one week prior to their arrival in Bulgaria.

All rights to any work done by the RTA in the performance of his duties will be the property of the Bulgarian Ministry of Finance. The results of the work can be used elsewhere only with the permission of the Bulgarian Ministry of Finance.

During his assignment the RTA will be supported on a daily basis by an **Assistant** of Bulgarian nationality who will have a 14-month contract.

The implementation of the project will receive appropriate support by the **MS Component leaders:**

Component 1 Ms. Luciana Patrizi

Component 2 Mr. Pier Paolo Italia

Component 3 Mr. Paolo Di Vito

The Italian Ministry of finance will make available a pool of short-term experts for the implementation of the project components. Within the project, workshops, seminars in Bulgaria and study visits to Italy, Spain and Portugal are organised for Bulgarian State Treasury experts and administrative staff.

*Career details of individuals performing each of the functions above as well as the **key short-term experts** who will be involved in the project:*

ANNEX I

Name	Present position	Employer	Years of experience	Nationality	Education	Specialist knowledge	BC experience	Languages
Mr Fabrizio MOCAVINI	Head of Unit	Italian Ministry of Economy and Finance (MEF); State General Accounting Dept.	20	Italian	Degree in Economics	Public Financial management (Accounting, Financial Control, Budget and Treasury system)	none	Italian (mother tongue); English; French.
Mr Carlo CONTE	Director General	Italian MEF; State General Accounting Dept.	35	Italian	Degree in Economics	Public Financial management (Accounting, Financial Control, Budget and Treasury system)	none	Italian (mother tongue); English; French.
Mr Giovanni DE SIMONE	Director General	Italian MEF; State General Accounting Dept	37	Italian	Degree in Economics	Public Financial management (Consolidation of accounts and Treasury system)	none	Italian (mother tongue); English; French.
Ms Estella LUZZATI	Director General	Italian MEF; State General Accounting Dept	20	Italian	Degree in Law	Treasury and Debt Management; consolidation of Accounts	none	Italian (mother tongue); English; French.
Ms Maria CANNATA	Director General	Italian MEF; Treasury Dept	25	Italian	Degree in Mathematics	Public Debt Management	none	Italian (mother tongue); English French.
Ms	Head of	Italian	22	Italian	Degree	Treasury	none	Italian

ANNEX I

Luciana PATRIZI	Unit	MEF; State General Accounting Dept.			in Economics	and Debt Management; consolidation of Accounts		(mother tongue); English
Ms Paola DE RITA	Head of Unit	Italian MEF; Treasury Dept		Italian	Degree in Economics	Public Debt Management		Italian (mother tongue); English French.
Mr Pier Paolo ITALIA	Head of Unit	Italian MEF; State General Accounting Dept	20	Italian	Degree in Law	Treasury management; consolidation of Accounts	none	Italian (mother tongue); English French.
Mr Andrea VASSALLO	Officer	Italian MEF; State General Accounting Dept	8	Italian	Degree in Economics	Treasury and Debt Management; consolidation of Accounts	none	Italian (mother tongue); English French.
Mr Paolo DI VITO	Consultant	Italian MEF; State General Accounting Dept	More than 30		Degree in Engineering	RTA in twinning projects focused on Budgeting, PIFC and Treasury Management	none	Italian (mother tongue); English French and German

6.1.2. Beneficiary Country**Role of the Bulgarian Authorities**

The **Bulgarian Ministry of Finance** (MoF) entrusts the leadership of the project to **Mrs. Gergana Beremska**, the State Treasurer who will act as **Project Leader**. She will be responsible for the organisation and implementation of State Treasury activities.

Ms Mila Teneva, Head of Budget Information Sector, will be the Project Manager of the Twinning project and will be responsible for the management and co-ordination of the State Treasury activities on the operational level. She will act as the **Daily counterpart of the RTA**.

Mrs. Gergana Beremska will regularly inform the Deputy Minister responsible for State Treasury on the progress of the covenant implementation.

The implementation of the project will receive appropriate support by the **Component leaders**:

Component 1 Mrs Iana Paliova, Director of Treasury Directorate;

Component 2 Ms Milena Boikova, Head of “Issuance” Division;

Component 3 Mrs Gergana Beremska, State Treasurer.

The further support of the project’s daily activities will be received from:

- Ms Milka Napetova, chief expert, Treasury Directorate;
- Mr Pavel Kyuchukov, chief expert, Treasury Directorate;
- Mrs Ana Foteva, chief expert, Government Debt Directorate;
- Ms Dafina Nedjalkova, National Fund Directorate.

Following are the address details of BC Project Leader and Project Manager:

BC Project Leader: Mrs. Gergana Beremska

Position: State Treasurer, Ministry of Finance

Address: Ministry of Finance, 102 Rakovski Str.
1040 Sofia
Bulgaria

Tel: +359 2 9859 2490

Fax: +359 2 9859 2499

e-mail: G.Beremska@minfin.bg

RTA Counterpart: Ms. Mila Teneva

Position: Head of Budget Information Sector,
Treasury Directorate, Ministry of Finance

Address: Ministry of Finance, 102 Rakovski Str.
1040 Sofia
Bulgaria

Tel: +359 2 980 6863

Fax: +359 2 980 6863

e-mail: M.Teneva@minfin.bg

6.1.3 Curricula Vitae

Attach EU format CVs for:

- (1) MS Project Leader,
- (2) BC Project Leader,
- (3) RTA,
- (4) RTA Counterpart in the BC,
- (5) Key STEs from the MS (Component Leaders) are presented in Annex I E

6.2 Material Resources

The beneficiary country commits itself to cover the costs of the following provisions:

- Adequately equipped office space for the RTA and the RTA assistant for the entire duration of their secondment.
- Adequate conditions for the STEs to perform their work while on mission to the BC.
- Training and conference venues, costs of catering (if any), as well as presentation and interpretation equipment.
- Airfares for international travels of BC participants of study visits and traineeships.

6.3 Indicative Budget

1.	Resident Twinning Advisor Remuneration		
	Total RTA remuneration	89 040	
2.	Resident Twinning Advisor Allowances		
	Total RTA Allowances	81 515	
3.	RTA Training		
	Total RTA Training	1 203	
4.	Project Assistant		
	Total RTA Assistant Costs	12 600	
5.	Project Preparation		
	Total Preparation Costs	19 560	
6.	Project Co-ordination Costs		
	Total Project Co-ordination Costs	27 048	
	Total BC Co-financing		9 750
PROJECT ACTIVITIES			
7.	COMPONENT 1: Further development of functional organisation		
	Total Component 1	270 482	
	Total BC Co-financing for Component 1		13 268
8.	COMPONENT 2: Administrative capacity development		
	Total Component 2	188 658	
	Total BC Co-financing for Component 2		51 688
9.	COMPONENT 3: Legal framework development based on the implementation of the new model of State Treasury organization		
	Total Component 3	88 221	
	Total BC Co-financing for Component 3		2 492
	PROJECT SUB-TOTAL	778 327	
	Provision for changes in prices (at maximum 2.5% of sub-total)	19 458	
	PROJECT TOTAL	797 785	
	BC CO-FINANCING TOTAL		77 198

ARTICLE 7 MANAGEMENT AND MONITORING**7.1. Language**

The official language of the project will be English. All formal communication regarding the project, including all reports will be produced in the agreed language.

Some of the STE inputs may be produced in Italian and will be translated into English and Bulgarian languages. Adequate provision has been made in the budget for this purpose.

7.2. Project Steering Committee

Steering Committee for project management will be established. The SC members will be:

- the Project Leaders,
- the RTA and RTA counterpart
- representatives of the BNB, NSI, AEAF and BNAO
- the BC Component leaders are members of the SC, if it deemed necessary, the MS component leaders can be invited.

EC Delegation and CFCU representatives will be observers to the Steering Committee.

Steering Committee meeting will be held on quarterly basis or whenever deemed necessary by its members. The major purpose of the SC meetings will be to discuss among all parties involved the project quarterly reports, to review progress made and/or problems faced during project implementation as well as to discuss future activities to be implemented and corrective measures to be undertaken (if found necessary).

The responsibility for the organization of the Project Steering Committee meetings lies with both Project Leaders.

7.3 Reporting

Every three months, the MS Project Leader in co-operation with the BC Project Leader will submit interim quarterly reports to the respective institution identified in section 6.4 to the Twinning manual. Each report will cover one quarter of the project calculated from the date of notification of endorsement / signature of the contract.

The interim quarterly reports will be prepared and distributed to all the participants in advance - at least a week before of the meetings of the Project Steering Committee. The template of the report is detailed in Annex C4 to the Twinning manual.

The first report will be due in the fourth month counting from the date of notification of endorsement. Failure to submit satisfactory reports in time may lead to the decision to suspend EU financing for the project.

The MS Project Leader shall submit the final report no later than three months after the implementation period as defined in article 2 of the General Conditions of the Twinning Contract.

The final report will be accompanied by an audit certificate

List of used abbreviations:

Abbreviation	Meaning
AEAF	Agency for Economic Analysis and Forecasts
BNAO	Bulgarian National Audit Office
BNB	Bulgarian National Bank
MoF	Ministry of Finance
MoEF, MEF	Ministry of Economic and Finance
OMIST	Optimized Model for Integrated State Treasury
MT Strategy	Middle Term Strategy
BC	Beneficiary Country
MS	Member State
PL	Project Leader
PM	Project Manager
CL	Component Leader
CFCU	Central Financing and Contracting Unit
EC	European Commission
RTA	Resident Twinning Advisor
TD	Treasury Directorate
NFD	National Fund Directorate
GDD	Government Debt Directorate
SWOT	Strengths – Weaknesses – Opportunities – Threats Analysis
EDP	Excessive Deficit and Debt Procedures
SAPARD	Special Accession Programme for Agriculture and Rural Development.
PHARE	Poland and Hungary Assistance for Economic Restructuring Programme
EDIS	Extended Decentralised Implementation System – with only ex-post control of all EU co-financed expenditures by the Commission and EC Court of Auditors
STE	Short Term Expert
SC	Steering Committee