



PUBLIC PROCUREMENT TRAINING FOR BULGARIA: NEEDS AND PRIORITIES



Public Procurement Training for Bulgaria: Needs and Priorities

Under the project “Support for the Design and Implementation of the Bulgarian Public Procurement Training and Development Programme in the Frame of ESIF Ex-ante Conditionality Action Plan”

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Contents

Acronyms and abbreviations	5
Introduction	6
1. Institutional Framework for Public Procurement	10
Contracting Authorities.....	10
Managing Authorities (MA)	11
Public Procurement Agency (PPA)	14
Audit of European Union Funds Executive Agency (AEUFEA).....	16
Public Financial Inspection Agency (PFIA).....	17
Certifying Authority.....	17
Central Coordination Unit (CCU).....	18
Training for the Public Administration.....	18
2. Assessment of the Challenges	20
Guidance on Ex-ante Conditionality	20
Legislation	25
Capacity.....	25
Procurement process.....	27
Methodological guidance	29
3. Training of Trainers (ToT).....	31
Training of trainers.....	31
Setup of the training workshop (ToT).....	31
Assessing the trainers	32
Evaluation of the workshop and trainers.....	33
Training material for the ToT programme	33
Setup of pilot sessions	34
4. Moving Forward: Training Plan.....	36
Training action plan	37
Training material for the implementation of the training action plan and trainers.....	37
Target groups	39
E-learning	40
On the job training/job swapping strategy.....	40
Communication strategy for public procurement: Raising awareness.....	41
Risk factors.....	41
Appendix I: Training Plan 2017-2019	43

Workshop I.....	46
Workshop II.....	48
Appendix II: RESULTS FROM THE EVALUATION OF THE WORKSHOP AND TRAINERS.....	50
AGENDA FOR A WORKSHOP: TRAINING OF TRAINERS FOR PUBLIC PROCUREMENT IN BULGARIA....	53

Acronyms and abbreviations

AEUFEA	Audit of European Union Funds Executive Agency
BGN	Bulgarian Lev
CA	Contracting Authorities
CCU	Central Coordinating Unit
CFCU	Central Financing and Contracting Unit Directorate
CPB	Central Purchasing Bodies
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EMFF	European Maritime and Fisheries Fund
ESIF	European Union Structural and Investment Funds
ESPD	European Single Procurement Document
EU	European Union
IPA	Institute of Public Administration
MA	Managing Authorities
MEAT	Most Economically Advantageous Tender
MG	Methodological Guidelines
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
OJEU	Official Journal of the European Union
PAMC	Partnership Agreement Monitoring Committee
PFIA	Public Financial Inspection Agency
PPA	Public Procurement Agency
PPL	Public Procurement Law
PPP	Public Procurement Portal
PPR	Public Procurement Register
SAIs	Supreme Audit Institutions
SMEs	Small and Medium-sized Enterprises
ToR	Terms of Reference
ToT	Training of Trainers

Introduction

Public procurement represents a significant share of the GDP in Bulgaria, amounting to 12%, the same as the OECD average, although below the 18-20% average in the European Union. European Union Structural and Investment Funds (ESIF) are a considerable source of financing for public procurement and public investment in the country: Cohesion Policy, European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF) financial allocations represented 3.3% of the Bulgarian GDP in 2013.

In some European Union Member States, structural shortcomings related to public procurement are hindering the effective use of EU structural funds, from interruptions of payments, financial corrections in case of wrongdoing, and/or failure of preventive systems to detect errors.¹ For instance, identified public procurement mistakes resulted in significant financial corrections by the European Commission Funds during the 2007-2013 programming period.

For the 2014-2020 ESIF programming period, the European Commission (EC) decided to verify the conditions of national systems by analysing ex-ante conditionalities in different domains, before allowing the Member States to access the funds. Following assessments performed in 2014/15 by Bulgaria and the EC, a capacity gap was identified in the country's public procurement system, which meant that the country was not meeting the ESIF public procurement ex-ante conditionality for capacity. A significant share of the EUR 9.8 billion allocated to Bulgaria under ESIF for the programming period 2014-2020 is conditioned on the fulfilment by the end of 2016 of the so-called ESIF Ex-ante Conditionality Action Plan (the "Action Plan") (annexed to the Partnership Agreement² and all programmes). In case of a lack, or late implementation of this plan, interim payments could be suspended. The content of the Action Plan with regards to the PP ExAC is complementary to Bulgaria's *National Strategy for Development of Public Procurement Sector (2014-2020)* (referred to as the National Strategy), which tackles specific bottlenecks related to public procurement. The strategy foresees, amongst other actions, the development of centralised procurement for central and sub-central public structures and gradual implementation of all stages of electronic procurement.

As part of the Action Plan, and to address some of the identified gaps, the EC approached the OECD to design, together with Bulgarian authorities and the EC, a project to support the development of administrative capacity, training and dissemination of information, ensuring the effective application of public procurement rules through appropriate mechanisms. The OECD's experience working with countries shows that capacity is a key pillar for a sound public procurement system. An efficient system usually includes:

¹ According to REGIO's auditors findings, a typology of recurrent problems would include: *Use of selection criteria as award criteria (mixing), Disproportionate selection criteria, Unjustified rejections of tenderers, Rejection of tenderers based on formal reasons; Unclear requests for clarifications, Shortening of deadlines for submission based on incompliant Prior Information Notices; Unequal treatment of tenderers at selection phase; Irregular extension of the deadline for submission of tenders.*

² The agreement between the EU and Bulgaria on using EU Structural and Investment Funds for growth and jobs from 2014-2020.

1. Procurement rules and procedures that are simple, clear, along with ensuring access to procurement opportunities;
2. Effective institutions to conduct procurement plans and procedures; and produce, manage and monitor public contracts;
3. Appropriate electronic tools;
4. Suitable human resources, in numbers and skills, to plan and carry out procurement processes; and
5. Competent contract management

Adequate capacity of the procurement workforce is therefore a crucial component of a sound public procurement system, laying the foundation for the successful development of all other elements. The 2015 “OECD Recommendation of the Council on Public Procurement” (hereinafter, “the OECD Recommendation”) called upon countries to develop a procurement workforce with the capacity to continually deliver value for money efficiently and effectively (“capacity building”).

Building on the existing work at the national level, in addition to European and international frameworks, the OECD, the EC, and Bulgaria, developed a Terms of Reference (ToR) for the project “*Support for the Design and Implementation of the Bulgarian Public Procurement Training and Development Programme in the Frame of ESIF Ex-ante Conditionality Action Plan*” (hereafter referred to as the Project).

To implement the project, key counterparts were identified; the coordination role was given to the Institute of Public Administration’s (IPA), the National training academy for public administration. Given its leadership in developing and implementing training programmes for the public administration in Bulgaria, it was considered critical to involve IPA to work closely with the EC and the OECD, to develop a training plan covering public procurement processes related to the preparation, management, control and implementation of EU co-financed projects.

The Project is set up to reflect the Ex-ante Conditionality Action Plan, targeting the three following groups of institutions:

- (i) Managing authorities, and audit authority of ESIF, and in particular staff members responsible for the first- and second-level control checks on public procurement expenditure;
- (ii) the Public Procurement Agency (PPA); and
- (iii) Contracting authorities and other bodies applying public procurement as ESIF beneficiaries.

The present report, “*Public procurement training for Bulgaria: Needs and priorities*”, is a key deliverable of the Project: defining training gaps, conceptualising a training plan and presenting a proposal which includes training materials and a curricula for a training plan to enhance capacity in certain areas of the public procurement process and to meet the ESIF ex-ante conditionality on capacity. The purpose of this report is to present the main results of the assessment carried out by OECD in Bulgaria and showcase the training action plan and related proposals for its implementation. The analysis in this report is based on a needs assessment carried out via interviews

with key stakeholders³. Furthermore, the analysis relies on additional reports and research from the OECD, the European Commission and Bulgarian Authorities.

The first part of this report provides an overview of key institutional actors in Bulgaria responsible for investing, purchasing, managing, monitoring and/or auditing under the ESIF framework. The second part assesses the needs of procurement officials and defines training priorities. This component includes the identification of the main capacity gaps within public procurement in Bulgaria, taking into consideration the overall procurement process and the ex-ante conditionality. The report assesses how Bulgaria stands in relation to these conditions. Thirdly, the report reviews the training of training programme developed by the OECD, its results and the pilot studies. Concluding, this report outlines a plan detailing training priorities, target audiences, training methodologies, a training curricula and key components of a training plan.

As part of this project, the OECD has developed relevant training materials for the capacity building programmes and key deliverables, including a general guide for the practical usage of the new public procurement legislation, presentations for the training modules that were developed, pre-exams and post-exams, checklists and guidelines to assist procurement officials to apply the right public procurement principles, five policy papers on certain strategic procurement topics and more. The training programme (Training of Trainers (ToT) programme) presented later in this report was designed to target procurement officials with good knowledge of public procurement, for them to become future trainers. Therefore, relevant public procurement experience was considered essential for future trainers to better understand the materials.

The initial plan for the training programme and associated workshops was to have separate workshops for each target group. However, during the fact-finding missions, common challenges and public procurement issues were identified for all target groups. This assessment was validated by the Bulgarian Authorities, who requested to have a mixed participation in all training modules, even though certain modules had been specifically designed for the need of each individual target group: ex-ante control for PPA, tender design for CAs, ex-post controls for MAs. Hence, the approach and setup of the workshop to train the trainers and deliver the training materials (see third section of the report) was to have all future trainers attending all sessions. That way, all participants would benefit from each other's experience.

This methodology would provide give Bulgarian authorities with more flexibility when they utilise the modules to organise future trainings. At the same time, pilot sessions were included as part of the deliverables of the Project, to verify the absorption capacity of the trainers and the effectiveness of the Training of Trainers (ToT) programme. The purpose of the pilot sessions is to allow each future trainer to present two modules (1-2 hours). It is an exercise for future trainers to be evaluated on their level of knowledge on specific subjects (one module) but also on their presentation skills. Future trainers will receive expert feedback on their individual performances.

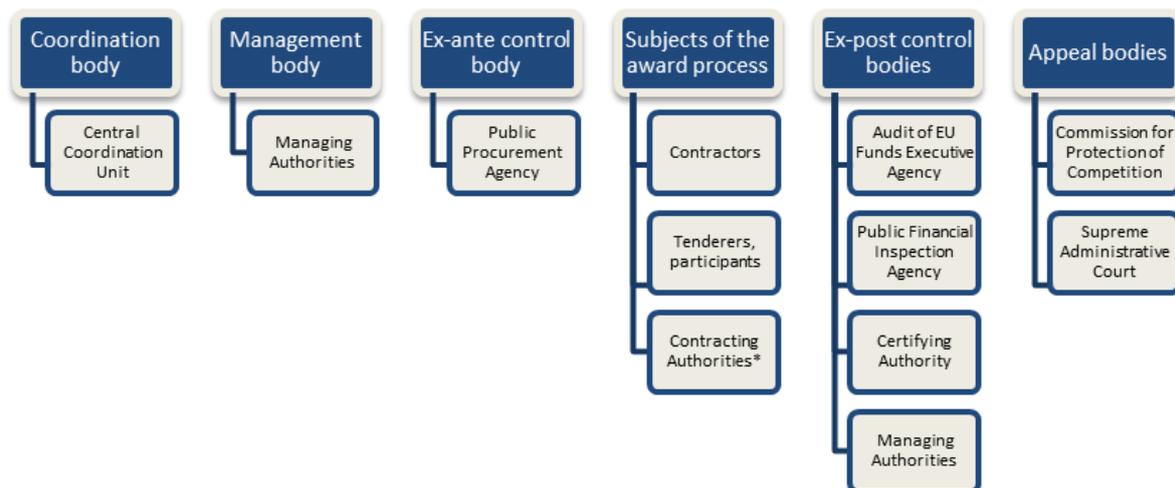
³ The interviews were carried out during two missions to Sofia, in February and April 2016. The OECD met the Institute of Public Administration, Public Procurement Agency Central Coordination Unit, several Managing Authorities of Operational Programmes, local and central contracting authorities, Audit Authorities, Central Financing and Contracting Unit Dir.

This report does not present a comprehensive strategic vision for public procurement in Bulgaria; it is neither a full blown review of the public procurement system or the existing management system for ESIF. It however takes into consideration deficiencies identified and explores what is needed for Bulgaria to meet the PP ex-ante conditionality on capacity. The report also addresses potential risks that the EC and Bulgarian Authorities need to be aware of and mitigate against for a successful and positive impact of the training action plan on the public procurement community.

1. Institutional Framework for Public Procurement

Member States have their own public management and control frameworks in place to manage both national and European Union (EU) public expenditure and funds, involving a wide range of public authorities, including supreme audit institutions (SAIs). There are several institutions in Bulgaria that play a key role in the management, contracting out, and supervision of the European Structural Investment Funds (ESIF). The most relevant players are the managing authorities for the Operational Programmes (OP, the document approved by the European Commission which establishes the programme strategy and priorities), and other contracting authorities which include public entities at the national and sub-national level. In addition to these institutions, there are control bodies who perform ex-ante control as well as ex-post control of the whole procurement process. In this section, key institutions of the procurement process are introduced, especially those that have responsibilities for the fulfilment of the ex-ante conditionality on capacity and need further training activities, (i.e. PPA, MAs and CAs). Figure 1 provides an overview of those key institutions.

Figure 1. Key institutions involved in the ESIF procurement process in Bulgaria

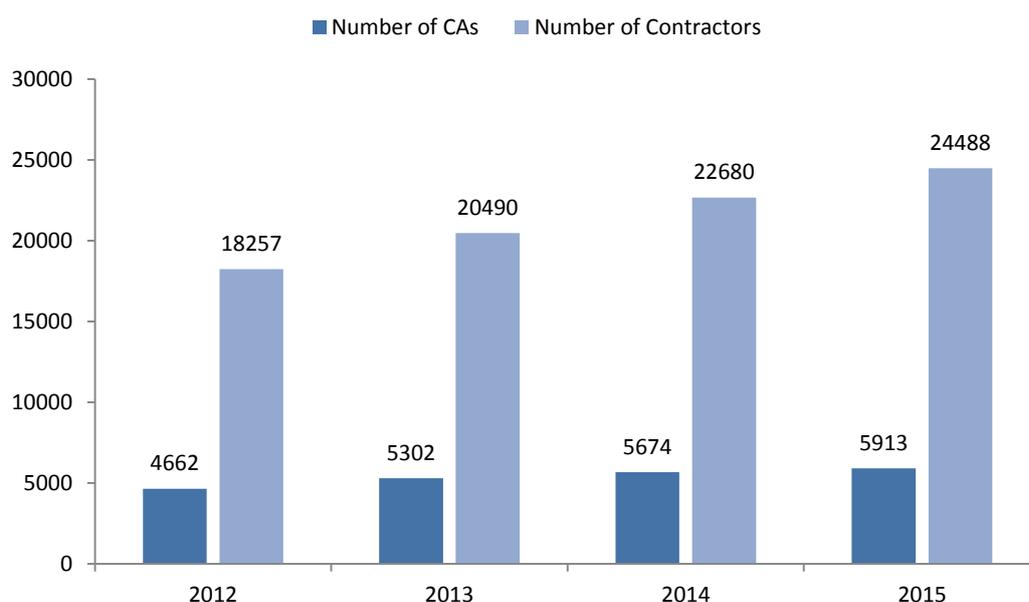


*All public organisations could be beneficiaries, including Public Procurement Agency, Managing Authorities, National Audit Office, Public Financial Inspection Agency, and Audit of EU Funds Executive Agency.

Contracting Authorities

Bulgaria’s public procurement system has traditionally been comparatively centralised. The number of contracting authorities has substantially risen in recent years, due to a push to increase local control by decentralising budgets. The result has been to put more procurement contracts under the control of mayors, school administrators, and other local officials, who often lack procurement expertise and are not prepared in terms of capacity for this budget and procurement decentralisation. Figure 2 illustrates the change in the number of contracting authorities and contractors over the past four years.

Figure 2. Number of registered entities and contractors in the Public Procurement Register (PPR)



Source: PPA website: http://rop3-app1.aop.bg:7778/portal/page?_pageid=173,1710276&_dad=portal&_schema=PORTAL

The administrative capacity is a challenge for beneficiaries at all levels of government in many European countries, regardless of their maturity and institutional framework. In Bulgaria, insufficient numbers of staff, frequent turnover, low salary levels, unqualified personnel and lack of adequate training are among the difficulties that contracting entities face, most notably at the local level.⁴ At the central level, there is substantial variance in staffing levels and capacity. Some contracting authorities turn to hire procurement consultants to manage the procurement process mainly for the technical specifications, although the cost is relatively significant and reviews by the Public Procurement Agency (PPA) indicate that it does not guarantee the success of the procurement process since they also sometimes face a capacity issue.⁵ Contracting authorities, as the main beneficiaries of ESIF funding in Bulgaria, need to adhere to the highest standards set in terms of procurement. Therefore it is important that public officials procuring for ESIF funded projects receive the necessary training to ensure transparency, and efficiency in the public procurement system.

Managing Authorities (MA)

A managing authority (MA) is responsible for the efficient management and implementation of an Operational Programme. A managing authority is one of a number of bodies identified by European regulation and given a particular role in the administration of the programmes. A managing authority may be a national ministry, a regional authority, a local council, or another public or private body that has been nominated and approved by a Member State. Managing authorities are expected to conduct their work in line with the principles of sound financial management. In

⁴ Partnership Agreement Of The Republic Of Bulgaria Outlining Aid From The European Structural And Investment Funds for 2014-2020, July 2014

⁵ European Commission (2016), Stock-taking of administrative capacity, systems and practices across the EU to ensure the compliance and quality of public procurement involving European Structural and Investment (ESI) funds. Final Report, Country Profiles.

Bulgaria the MAs are directorates within ministries. A MA has a number of responsibilities established by EU Regulation, among them:

- Ensuring that projects are selected according to the criteria approved by the Programme Monitoring Committee;
- Establishing and monitoring procedures for ensuring that project expenditure has been properly and legally incurred, claimed and paid;
- Maintaining systems to store data on all aspects of programme implementation including financial management, audit, monitoring and evaluation;
- Ensuring that proper evaluation of the programme is undertaken

MAs control the distribution and use of ESIF funds in Bulgaria, carry out ex-post control and review the lawfulness of public procurement during verification of the beneficiaries' expenses. The reason for control is the obligation of MAs to confirm that the costs incurred under contracts are conducted in accordance with the law on public procurement. These activities are highly sensitive to the risks of fraud and irregularities and thus necessitate stronger controls of public procurement procedures. The ex-ante controls are performed mainly before the contract is signed and before payments are made.⁶ Some MAs have not carried out ex-ante controls in Bulgaria for some time and the recent changes to the regulatory framework on ex-ante control will not change that.

The rationale of the Bulgarian PP reform is to have MAs concentrating on their ex-post control functions. The PPA should be the only reference point when it comes to ex-ante checks, to avoid confusion of functions, and to limit divergent interpretations observed in the past. In Bulgaria some MAs have personnel dedicated to procurement, while others lack procurement-specific staff entirely.⁷ MAs play a key part in ensuring that ESIF programmes run smoothly in Bulgaria. Issues identified in the past underscore the importance for MAs to attend further training to enhance the level of capacity within the system.

In the previous programming period (2007-2013) seven Operational Programmes were executed and funded through the structural funds: Transport; Environment; Regional Development; Competitiveness; Technical Assistance; Human Resources Development and Administrative Capacity. The overall amount funded by the EU was approximately 13.2 billion Bulgarian Lev (BGN)⁸ or 6,7 billion Euros with 2.3 billion BGN coming from the National Government. The two largest programmes were Transport and Environment with approximately 2 billion BGN each. In terms of number of contracts, the Human Resource Development programme accounted for over 5000 contracts and Competitiveness over 3000. The smallest programme is the Technical Assistance with a budget close to 95 million BGN. Figure 3 presents the budget breakdown for each OP for the

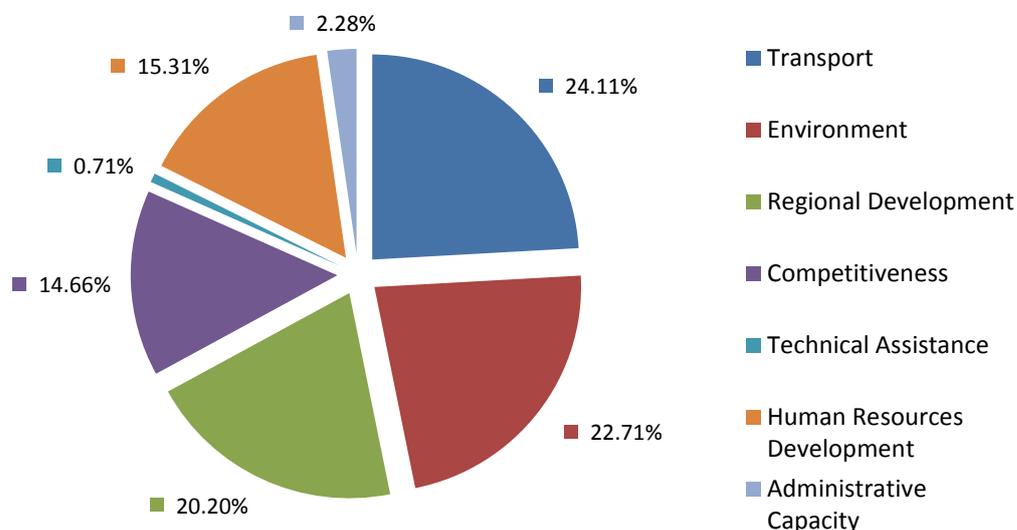
⁶ European Commission (2016), Stock-taking of administrative capacity, systems and practices across the EU to ensure the compliance and quality of public procurement involving European Structural and Investment (ESI) funds. Final Report, Country Profiles.

⁷ Annex 3, Partnership Agreement Of The Republic Of Bulgaria Outlining Aid From The European Structural And Investment Funds For 2014-2020, July 2014

⁸ A Bulgarian LEV is roughly half the value of a EURO.

programming period 2007-2013⁹. In addition to the seven OPs, there are two programmes, Fisheries and Rural Development, funded through the agricultural funds.

Figure 3. Operational programmes budget 2007-2013 (Funding from the EU)



Source: EC

The following list presents the OPs for the 2014-2020 programming period:

1. Operational Programme SME Initiative
2. Operational Programme "Good governance" 2014-2020
3. Operational Programme "Regions in growth" 2014-2020
4. Operational Programme "Environment" 2014-2020
5. Operational Programme "Transport and Transport Infrastructure" 2014-2020
6. Operational Programme "Innovation and competitiveness" 2014-2020
7. Operational Programme "Human resources development" 2014-2020
8. Operational Programme "Science and education for smart growth" 2014-2020
9. Programme "Rural development" 2014-2020 (agricultural funds)
10. Programme "Maritime and fisheries" 2014-2020 (agricultural funds)

Each participant in the Management Control System of EU funds has its own checklist for public procurement verification. In 2015, the checklists of Audit of EU Funds Agency were circulated to the other bodies. The methodology is not for ex-post control, but only to determine the financial impact of different types of irregularities. This methodology is also in compliance with the Guidelines for determining financial corrections applied to expenditure financed by the EU under shared management, adopted by the EC (Decision of 19.12.2013). The MAs, Certifying Authorities and Audit Authorities have different powers and are in accordance with the applicable legal framework, regulated at the European level (e.g. Regulation No 1303 of the Council, etc). The three institutions implement control activities on expenditures of public procurement contracts. Problems of ex-post

⁹ https://www.eufunds.bg/images/Summary_implementation_OPs_November_2015.pdf

control have materialised when the Audit Agency reaches a decision that is contradictory to the review carried out by an MA. Having two different bodies auditing is not efficient and can undermine the MA as a supervising body. Moreover, during the fact-finding missions, some CAs dealing with different MAs raised the issue that MAs do not have the same requirements as CAs, leading to additional uncertainty and a lack of visibility and unforeseen financial corrections.

Public Procurement Agency (PPA)

The Public Procurement Agency (PPA) is an independent body under the Ministry of Finance. The Agency was established in 2004 partially in order to fulfil the commitment taken before the European Commission under Chapter One “Free movement of goods” of the negotiation process for Bulgaria’s accession to the EU. The PPA is responsible for drafting legislation in the field of public procurement. The Agency also monitors the amendments made to the applicable EU Directives and Regulations, and aims to facilitate the maintenance of an updated legislative framework. It also acts as a contact point responsible for providing methodological support and disseminating best practices.

Examples of documents developed by the PPA, related to methodological support include:

- General methodological guidelines, which “have been developed as one of the means to provide help to contracting authorities and candidates and tenderers about the precise and uniform application of the legislative acts in compliance with the principles of publicity, transparency, free and fair competition and equality of all tenderers”. These guidelines concern different aspects of the awarding process and are developed on the basis of practice from frequently asked questions from contracting authorities.
- Practical Guidelines which “assist all the interested parties in solving their questions concerning the format and arrangements of submitting the information to be published, provide directions on how to work with the specialised software “Form Editor”, etc.”
- Opinion letters to contracting authorities in reply to requests on specific cases from their practice.¹⁰
- Preparing of general guidance for implementation of the new legislation and Green Public Procurement Guidance.
- Coordinating the activities of the newly set up Permanent Methodological Council aiming at creating synergies between ex-ante and ex-post control bodies and at monitoring the functioning of the overall public procurement system toward continuous improvement.

A new methodological guidance which includes the provisions of the new legislation has been elaborated by PPA experts and was made available on the agencies webpage in December 2016. Furthermore, the PPA has developed 12 guidelines, published on the PPA Portal. It is very important for PPA to communicate these products developed to ensure impact. During the fact-finding mission concerns were raised over the usefulness and design of previous guidance to enhance capacity of the procurement workforce. One of the components of the training plan raises the importance of a communication strategy which would be very beneficial for the PPA in improving the accessibility of the advice provided by the agency.

¹⁰ http://rop3-app1.aop.bg:7778/portal/page?_pageid=173,1122257&_dad=portal&_schema=PORTAL

The PPA used to carry out ex-ante control on two types of procedures: procedures fully or partially funded by ESIF above a certain value, and on negotiated procedures without notice. The control was preventive in nature and was a form of methodological assistance. The PPA does not carry out ex-post control; as described in this section, those controls are carried out by the MAs, the Public Financial Inspection Agency (PFIA) and the Audit of European Union Funds Executive Agency (AEUFEA). The new Public Procurement Law (PPL)¹¹ that came into force on the 15 April 2016 changed the rules for the execution of ex-ante control. Not all procedures would be subject to ex-ante control; the selection of cases to be reviewed will now be done by an electronic system based on risk-mapping. The tool for random selection of the procedures has been in place since 1 September 2016. The Rules for conducting this type of control and the methodology for the random selection are published on the PPA website.¹² In addition to the type of control mentioned in the procedures, the PPA also carries out control over some contract modifications and control over negotiated procedures without publication. The methodological trend to audit (ex-ante or ex-post) public procurement contracts according to a risk-based approach deriving mainly from amount thresholds is often encountered with less developed risk management systems. There are certain additional criteria that the PPA should consider including in their control procedures:

- Percentage of awards given to the same contractor in a specific market and/or entity;
- Repeated patterns of change orders that increases the price, scope, or period of an agreement, issued after a procuring entity awards the contract;
- Repeated patterns of contract modifications and supplementary contracts after the initial award (depending on total revisions and between a specific date range);
- Review of vendors with similar names, addresses, phone number etc.;
- Review of contracts that have been ordered through multiple awards to the same vendor (contracts splitting).

Ex-ante control will be also performed for exceptions to use direct awarding. In the frame of the ex-ante assessments, the PPA will also have to assess technical specifications. This additional assessment was not part of the previous control process and thus requires additional skills and improved competencies within the PPA. The new ex-ante control aims to empower the PPA to increase the quality of its ex-ante controls by reducing their number and enlarging the scope of the control. Trainings should enhance the skills of PPA officials enabling them to go deeper in the control of individual tenders than in the past, including through the verification of technical specifications. In addition, with the recent reform of the public procurement system, the PPA will have the capacity to nominate "observers" entrusted to participate in evaluation committees.

The PPA has the responsibility to maintain the Public Procurement Portal (PPP), a centralised information system which provides access to all aspects of public procurement, and the Public Procurement Register (PPR). The PPR is an electronic database with information on all procurement procedures that contracting authorities are required to submit into; the Register is considered the

¹¹ http://www.aop.bg/fckedit2/user/File/bg/Normativna%20baza/ZOP_03_05_2016.pdf

¹² http://rop3-app1.aop.bg:7778/portal/page?_pageid=173,1086250&_dad=portal&_schema=PORTAL

main instrument to ensure compliance with the publicity and transparency principles. Currently, only the Central Financing and Contracting Unit Directorate (CFCU), the central purchasing body, is using the e-procurement portal, publishing notifications and full documents and contracts when they are designed.

E-notification has been mandatory for all contracting authorities since 2004, with 87% of contract notices having been published online in 2013.¹³ The procurement portal has an e-sender functionality that simplifies the submission of contract notices to the PPA. E-access has been obligatory since October 2014. E-submission functionality which is a key indicator of the level of e-procurement uptake in a country is not yet available on the national portal, but by March 2017 e-submission will become mandatory for central purchasing bodies (CPBs) and in September 2018 it will become mandatory for all contracting authorities in the European Union.¹⁴ According to the National Strategy and the Implementation plan, e-procurement will be introduced in a progressive manner, aiming for full functionality by 2020.

The new regulatory procurement framework requires the PPA to update all public procurement procedures, and the agency is doing it with the help of relevant counterparts. The PPA organises and manages the process of preparation, drawing up and publishing standardised forms and documents for public procurement activities in areas of intervention of the ESIF funds, such as water and waste water treatment plants, and transport infrastructure. The MA for Environment along with the Central Coordination Unit (CCU) has elaborated typical contract conditions and standard forms for contracts in line with the new legislation, and were checked by the PPA for compliance with the PPL. The guidance's and contract forms can also be developed together with private sector associations, relevant ministries and administrative authorities, and the PPA. For example, the Chamber for Construction will participate in the development of a standard contract form for construction. In any case, the guidance's and the contract forms will be submitted to the PPA for final review of their compliance to the PPL. Currently, the PPA is finalising the texts of a Handbook on the new PPL and is issuing methodological guidelines (MG) on specific topics. The previous MG mainly included Q&A referring to the exemptions of the law. As mentioned previously, the PPA is still missing the relevant questions for the application of the new provisions provided by the CAs. Hence it will take some time until the MG will include a detailed database on Q&As. The PPA furthermore has a wider role which is to provide guidance for the execution of public procurement, whether based on national funding or European funds. Therefore, strengthening the capacity of the PPA, so that it can better help CAs handle ESIF funds, is of vital importance for Bulgaria.

Audit of European Union Funds Executive Agency (AEUFEA)

The Audit Agency implements specific audit activities on EU funds and programmes. It performs independent audits of public finance for the legality, efficiency and effectiveness in the use of public funds. The Agency's approach is strongly influenced by the approach of the EC auditors which

¹³ НАЦИОНАЛНА СТРАТЕГИЯ ЗА РАЗВИТИЕ НА СЕКТОРА ОБЩЕСТВЕНИ ПОРЪЧКИ ВЪБЪЛГАРИЯ ЗА ПЕРИОДА 2014 - 2020 (National Strategy for Development of the Public Procurement Sector in Bulgaria for the period 2014-2020)

¹⁴ European Commission e-Procurement Uptake: Final Report (2015), prepared for DG GROW.

monitor their work. The EC auditing team reviews and evaluates the quality of the reports produced by AEUFEA annually. Ex-post control on EU funds absorption is also performed by the Agency, assessing the compliance of the management and control systems for all Operational Programmes co-funded by the European Regional Development Fund, the European Social Fund and the Cohesion Fund, and then confirming the legality and regularity of certified expenditure to the European Commission.

The Agency audits funds and programmes financed by the EU only. The Agency audits both MA's and CAs. Beneficiaries are indirectly audited in order to determine the legitimacy of public procurement expenditures, as well as other expenditure requested for reimbursement by the Commission. It regularly audits contracting authorities at the central and local levels. The AEUFEA focuses on the legality of procedures and proposes financial corrections but has no power to impose sanctions. The work of all the beneficiaries of ESIF is audited, including the private entities that apply their practices in accordance with the 2014 Decree 118. The audit reviews the whole procurement process, not only the contract itself. On average, the agency audits between 300 - 500 tenders every year, the results of which are communicated to the respective managing authorities and contracting authorities. The analysis of this overall audit is published on their website and includes the relevant checklists (one for public bodies and one for private bodies). The Audit Agency also conducts training sessions for public officials, discussing real case studies of past mistakes relating to financial corrections.

Public Financial Inspection Agency (PFIA)

The Public Financial Inspection Agency (PFIA) was set up in 2006 to ensure the protection of public financial interests. It carries out inspections of the budget and the financial-economic and accounting activities of public bodies, and has the authority to impose sanctions. The PFIA is responsible for ex-post controls of public procurement and provides a wealth of information on the violations of procurement regulations detected in the course of its inspection activities. While the PFIA is empowered to sanction, it is vulnerable to undue political interference. As a result, it tends to avoid large-scale projects and concentrate on small contracts.¹⁵

Certifying Authority

Member states of the EC have to appoint one Certifying Authority (CA) per programme, the same body is able to act as a CA for several programmes. The National Fund Directorate in the Ministry of Finance in Bulgaria is the CA responsible for receiving funds from the EC. The CA is responsible in particular for drawing up and submitting certified statements of expenditure and applications for payment to the EC as well as certifying that the:

- Statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;

¹⁵ Alexander Stoyanov, Ruslan Stefanov And Boryana Velcheva (2014) "Bulgarian Anti-Corruption Reforms: a Lost Decade?" in *The Anticorruption Frontline: The Anticorruption Report Volume 2*

- Expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and National Rules.

Managing authorities of each individual operational programme are under the supervision of a Certifying authority and the EU Funds Audit Executive Agency. The CA is responsible for ensuring that it has received adequate information from MAs on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure.

Central Coordination Unit (CCU)

The Central Coordination Unit (CCU) is the coordination body for all EU structural and investment funds. It is responsible for the overall monitoring of all operational programmes and works in coordination with the Programme for Rural Development and Programme for Maritime and Fisheries, although the CCU does not directly manage them as that is the mandate of the respective managing authorities and Intermediate Bodies. The CCU ensures the overall process of coordination at the operational level including:

- Guidance on the elaboration of the national legislation and documents and rules with regard to ESIF;
- Coordination and negotiation of major projects with the EC;
- Preparation and submission of reports on the contribution of the EU co-financed programmes to the implementation of the Partnership Agreement;
- Coordination mechanism for information and publicity, and overall monitoring of the Programmes' implementation;
- Organisation of working groups and meetings;
- Support of the work of the Coordination Council for Management of EU Funds and Partnership Agreement Monitoring Committee (PAMC);
- Overseeing the performance of the managing authorities and the progress of the operational programmes as well as the Rural and Fisheries programmes;
- Nominating OP Liaison Officers to assist MAs' OPs and to monitor if the OPs are making progress towards the Partnership Agreement¹⁶

The CCU also makes available detailed operational manuals and procedures that it reviews on a regular basis. The CCU also coordinates the process of developing the new checklists on ex-post control.

Training for the Public Administration

The Institute of Public Administration (IPA) provides centralised training on all relevant topics to the civil servants from all levels (central, regional and local) of public administration in Bulgaria, including

¹⁶ Ministry of Finance (2007), Operational Programme Technical Assistance 2007-2013. Bulgaria.

on public procurement. The IPA includes 29 staff employees who are responsible for designing, planning, organising, implementing and evaluating training programmes for civil servants in different fields. The Institute has agreements with more than 100 training providers coming from public and private sectors, experts and specialists on different topics. When it comes to the development of training projects on procurement, the IPA has a coordination role while the PPA helps with the identification of the needs and can provide trainers. The IPA is in charge of developing the training strategy and initiates training modules but it does not provide permanent training for procurement officials and does not always involve PPA trainers in the trainings.

The IPA has no obligation to provide permanent trainings on a given topic. Instead, the Institute prepares a catalogue based on the training needs analysis and receives applications for the trainings. Depending on the applications, the Institute forms groups for specific dates to provide the trainings. In terms of training on public procurement, the PPA helps in the preparation of the training program and could provide trainers. The current training strategy though does not meet the necessary training requirements and there is a need to revise the overall strategy, assess the training needs and monitor the training outcomes in the short, medium and long-term.

Training specifically dedicated to public procurement is seriously limited, with only one course offered in 2014¹⁷ which is partly due to a lack of sufficient information on training needs. This also explains why, in the recent years, private training has been growing. The IPA is currently developing a more robust procurement training programme for newly hired staff to be updated periodically for long-term employees. The OECD recommends that countries should promote collaborative approaches with knowledge centres; the Institute is in discussion with the University of Sofia about developing a procurement learning programme. It is unclear when this programme will be in place but representatives of the IPA have shared their ideas with OECD officials and suggested that the material developed under this EU project might be included in the university curricula.

The IPA will be responsible for implementing the training plan by its own means, possibly with financial support available under the ESIF Operational Programmes. In addition to being one of the key target groups of the training plan, the PPA is expected to support the IPA in the implementation of the training plan and supply trainers for certain parts of the programme.

¹⁷ Institute of Public Administration, Catalogue 2014 available at : http://www.ipa.government.bg/sites/default/files/catalogue_2014_en.pdf

2. Assessment of the Challenges

In this section, key issues related to the procurement framework for the use of ESIF are highlighted, based on interviews carried out with relevant stakeholders, e.g. the PPA, CCU, MAs, CAs, etc. Further evidence has been gathered complementing the interviews providing a more comprehensive view of the situation, namely status reports published by the European Commission on the procurement situation in Bulgaria, the Guidance on Ex-ante Conditionalities for the European Structural and Investment Funds (ESI), the Guidance for practitioners on the avoidance of the most common errors in projects funded by the European Structural and Investment Funds, the Bulgarian procurement strategy, etc. The highlights of the results were divided into topics that laid the foundations for the capacity building workshop and future training. These results reflect challenges faced by Bulgarian Authorities in the area of public procurement in general, not only exclusively on procurement issues related to ESIF. While the findings should not be generalised as not all public entities are facing the same issues, there are a significant number of public entities that need to address these challenges in Bulgaria. Addressing these issues would bring Bulgaria closer to meeting the PP ex-ante conditionality criteria on capacity by the due date.

Guidance on Ex-ante Conditionality

In 2014 the European Commission published a *Guidance on Ex ante conditionalities for the European Structural and Investment Funds PART I and II*. This guidance is addressed to units handling ESI Funds. Its purpose is to provide a framework for the assessment by the Commission of the consistency and adequacy of the information provided by Member States on the applicability and fulfilment of ex ante conditionality. In Part II certain types of irregularities that deal specifically with the public procurement conditionality are identified. Table 1 includes an overview of those irregularities along with an assessment of how Bulgaria is matching up against these irregularities.

Table 1. Types of irregularities identified in Bulgaria.

No.	Procedures	Type of irregularity	Identified in Bulgaria
1	Contract notice and tender specification	Lack of publication of contract notice	Yes
2	Contract notice and tender specification	Artificial splitting of works/services/supplies contracts	Yes
3	Contract notice and tender specification	Non-compliance with time limits for receipt of tenders; or -time limits for receipt of requests to participate	Yes
4	Contract notice and tender specification	Insufficient time for potential tenderers/candidates to obtain tender documentation	Yes
5	Contract notice and tender specification	Lack of publication of (1) extended time limits for receipt of tenders; or (2) extended time limits for receipt of requests to participate	Yes
6	Contract notice and tender specification	Cases not justifying the use of the negotiated procedure with prior publication of a contract notice	Yes
7	Contract notice and tender specification	For the award of contracts in the field of defence and security falling under directive 2009/81/EC specifically, inadequate justification for the lack of publication of a contract notice	Not raised

No.	Procedures	Type of irregularity	Identified in Bulgaria
8	Contract notice and tender specification	Failure to state: - the selection criteria in the contract notice; and/or - the award criteria (and their weighting) in the contract notice or in the tender specifications	Not raised
9	Contract notice and tender specification	Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents	Yes
10	Contract notice and tender specification	Selection criteria not related and proportionate to the subject-matter of the contract	Yes
11	Contract notice and tender specification	Discriminatory technical specifications	Yes
12	Contract notice and tender specification	Insufficient definition of the subject matter of the contract	Yes
13	Evaluation of tenders	Modification of selection criteria after opening of tenders, resulting in incorrect acceptance of tenderers	Not raised
14	Evaluation of tenders	Modification of selection criteria after opening of tenders, resulting in incorrect rejection of tenderers	Yes
15	Evaluation of tenders	Evaluation of tenderers/candidates using unlawful selection or award criteria	Yes
16	Evaluation of tenders	Lack of transparency and/or equal treatment during evaluation	Yes
17	Evaluation of tenders	Modification of a tender during evaluation	Yes
18	Evaluation of tenders	Negotiation during the award procedure	Not raised
19	Evaluation of tenders	Negotiated procedure with prior publication of a contract notice with substantial modification of the conditions set out in the contract notice or tender specifications TM	Not raised
20	Evaluation of tenders	Rejection of abnormally low tenders	Not raised
21	Evaluation of tenders	Conflict of interest	Yes
22	Contract implementation	Substantial modification of the contract elements set out in the contract notice or tender specifications"	Yes
23	Contract implementation	Reduction in the scope of the contract	Not raised
24	Contract implementation	Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in cases of extreme urgency brought about by unforeseeable events; unforeseen circumstances for complementary works, services, supplies	Yes
25	Contract implementation	Additional works or services exceeding the limit laid down in the relevant provisions	Yes

Source: EC (2014) Guidance on Ex-ante Conditionalities for the European Structural and Investment Funds PART¹⁸

There were several irregularities relating to contract notices and tender specification and the evaluation of tenders identified during the interviews corroborating recent assessments on the procurement system. Furthermore, the analysis of contract implementation reaffirms the need to improve the process for procuring additional works. These irregularities represent some of the key challenges faced by the Bulgarian procurement authorities and, therefore were taken into account when designing the training.

¹⁸ Based on Guidance on ex ante PART II, Section B4 deals specifically with Public Procurement conditionality. The irregularities identified are based on information gathered during the fact-finding missions on how Bulgaria is meeting the ex-ante conditionality.

Another tool developed by the European Commission is the Public Procurement Guidance for Practitioners: on the avoidance of the most common errors in projects funded by the European Structural Funds¹⁹. The guidance provides an overview of some of the most serious mistakes made in the ESIF projects. These mistakes were assessed in relation to the situation in Bulgaria. Table 2 provides a description of the common errors in ESIF projects in Bulgaria.

Table 2. Common errors in ESIF projects²⁰

Topic	What needs to be in place to avoid serious errors in ESIF projects	Status in Bulgaria
<i>Preparation and planning</i>	Do you have elaborate standard templates for communicating with tenderers? Do you record key decisions (e.g. to register information known at that stage, available options and justification of the preferred option)? Do you have rules concerning planning, conducting and control of the procurement procedures?	Not in place but working on developing standard documents. Need to improve documentation of information. Need to improve procedures
<i>Preparation and planning</i>	Do you ever fail to advertise? Do you advertise in the Official Journal of the European Union (OJEU)?	Yes, that does happen
<i>Preparation and planning</i>	Are contracts regularly split up? (i.e. so that they fall below the EU threshold for publication)	Not clear
<i>Publication</i>	How often does it happen that the publication of a Contract Notice for a contract with a value above the threshold not get advertised?	Not clear
<i>Publication</i>	Do CAs often make changes to the selection or award criteria after the publication of the contracting notice (CN)?	Yes, that does happen
<i>Publication</i>	How aware are procurement officials that material changes of the selection criteria once set are not acceptable?	They should know it, but that is not always the case
<i>Publication</i>	Is it common to include a specification in the CN's terms particularly against tenderers from another country or requiring goods that only one supplier (or suppliers from one country) can deliver?	Yes, that does happen
<i>Publication</i>	Do timelines fluctuate? Do fees for tender dossiers vary between different CN, why?	The timelines tend to fluctuate and fees as well
<i>Evaluation of tenders</i>	Does it often happen that the award criteria or evaluation methodology is amended midway through the procurement process?	It does happen
<i>Evaluation of tenders</i>	If MEAT is to be used, are details of all the criteria (as well as the proposed evaluation methodology) included - in order of importance – in either the CN or the tender documents or both?	Details are not included or well developed
<i>Evaluation of tenders</i>	Do clarifications provided by a CA lead to a bidder being allowed to change an already submitted tender?	Not clear
<i>Evaluation of tenders</i>	Is all communication with tenderers documented?	No
<i>Award</i>	Is it common that a CA does not publish the contract award notice? If a contract award notice has not been published, even after the 48 day period, does the CA nonetheless publish it?	Not clear
<i>Contract implementation</i>	Is it common that modifications are made to contracts and the use of a negotiated procedure for additional works with an existing contractor without any tendering of these additional works or services?	Yes, that does happen

Source: EC (2015), Public Procurement - Guidance for practitioners on the avoidance of the most common errors in projects funded by the European Structural and Investment Funds available at:

http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_public_proc_en.pdf

¹⁹ http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_public_proc_en.pdf

²⁰ The common errors identified are based on information gathered during the fact finding missions and EU Commission reports on how Bulgaria is executing ESIF projects.

The ESIF checklist for common errors clarifies where the needs for improvement should be concentrated. There are issues which the Bulgarian authorities need to address at all stages of the procurement cycle. However, the most serious ones are at the preparation and planning stage and when evaluating (selecting) and awarding tenders. The processes and procedures for remedies or arbitration have not been an integral part of this assessment but should be included in any reform of the procurement system. In fact, when failures and violations occur, a strong arbitration system is required.

Control of public procurement procedures and defining the financial effect of identified irregularities is part of the mandate of the Audit of European Union Funds Executive Agency. The irregularities identified by the AEUFEA can have major consequences for public entities if financial corrections are imposed. The audit itself covers the public procurement procedures, the documentation related to the procurement process, the signed contract and the implementation, documents establishing the implementation as well as physical implementation. Table 3 presents a list of irregularities, along with different options for financial corrections and common examples for irregularities.

Table 3. Types of irregularities identified in Bulgaria by Audit of European Union Funds Executive Agency²¹

Type of irregularity	Financial corrections	Most common examples
Related to the applicable procurement order and to the principle for publicity and transparency	The financial correction is either 100 % or 25 %.	Unlawful dividing of procurement procedures; lack of invitation in the EU Official Journal; not sending a decision for an amendment in the invitation/extension of the final deadline for submission of proposals to the EU Official Journal
Unlawful final deadline for submission of proposals	The financial correction is determined based on the ratio between the lawful deadline and the unlawful decrease and is: 25 % (for more than or equal to 50 % unlawful decrease) 10 % (for more than or equal to 30 % unlawful decrease) 5%/2% (for smaller decrease)	Incomplete preliminary invitation; lack of electronic sending of the public procurement; lack of providing full access to the documentation on the webpage of the buyer; failure to comply with an obligation for extending the final deadline; unlawful decrease of the final deadline with a decision for a change
Unlawful deadline for purchasing/receipt of procurement documentation	The financial correction is determined based on the ratio between the final deadline for receiving the proposals and the final deadline for the procurement documentation and is: 25 % (for less than 50 %) 10 % (for less than 60%) 5% (for less than 80 %)	
Restricting and unlawful requirements	The weight of the irregularity is determined based on the number of received proposals and other related factors. There is always a financial	Requirement for registration in the national register for foreign economic operators without "or equal"; requirement for providing service in the territory of the country or in an exact place as a selection criteria and not as requirement to the

²¹ Based on a presentation on the *Control of public procurement procedures and defining the financial effect of identified irregularities* developed by the Audit of EU Funds Executive Agency and presented in April 2015 at the The Public Finance School (Ministry of Finance).

Type of irregularity	Financial corrections	Most common examples
	correction of 25 %, 10 % or 5 %.	tenderer; unequal treatment of different types of tenderers; non-proportional requirements for turnover; requirements regarding professional liability insurance for design or construction tenderers experience; technical equipment; project implementation team, quality management and environmental protection certificates.
Unlawful evaluation methodology	The weight of the irregularity is determined based on the number of the received proposals and other related factors. There is always a financial correction of 25 %, 10 % or 5 %.	Mixed evaluation indicators with the selection criteria; methodologies of the “average values”; evaluation indicators not related to the procurement subject; formula mistakes; evaluation of proposals not meeting the requirement of the buyer.
Unlawful procurement subject and technical specifications	The weight of the irregularity is determined based on the number of the received proposals and other related factors. There is always a financial correction of 25 %, 10 % or 5 %.	Including activities, which are within the interest of different economic operators, without positions; obligatory submission of proposals for all differentiated positions, when the positions are within the interest of different economic operators; unclear (incomplete) subject/technical specifications; standards trademarks or models without “or equivalent”; including supplies or services not related to the construction.
Unlawful amendment of requirements in the procurement documentation	The financial correction is 25 %, 10 % or 5 %.	Amendment in the selection criteria or requested proof documents related to them or of technical specifications with the provided clarifications; clarifications are not published; when the clarifications amend the information published with the public procurement invitation.
Unequal treatment of tenderers	The financial correction is 25 %, 10 % or 5 %.	The selected contractor does not meet the requirements; unlawfully rejected tenderers; unequal treatment of the selected contractor and the rejected tenderers.
Unlawful contract amendments before or after its signing	The financial correction is 25 %, 10 % or 5 %.	Before signing the contract – contract does not include all attachments based on which the contractor is selected; contract is not in accordance to the one provided in the procurement documentation, contract is signed without the documents required in art. 42 of the PPL (documents for registration, performance guarantee, etc.) After signing the contract – contract should be implemented in accordance with the requirements of the procurement documentation and the proposal of the selected for contractor; special attention to be paid to deadline, value, other evaluated tenderers, including the expert team for project implementation.

Source: AEUFEA

According to the Audit Agency the situation has not improved. Furthermore, for the last couple of years more irregularities have been identified and more financial corrections have been applied. In parallel, some of the more common irregularities that were identified in the past and presented to the CAs have been resolved. The checklists developed by the Audit Agency will now be amended in accordance to the new PPL. At the same time, the checklists of MAs for ex-post control are supposed to be aligned to those of the Audit Agency and will also be amended. The CCU will coordinate the process of developing the new checklists.

Legislation

The transposed procurement legislation and the secondary regulation that came into force in Bulgaria on the 15 April 2016 should lead to significant changes on how procurement is managed and practiced. A certain level of complexity is inherent to any public procurement system and that has also been the case in Bulgaria, especially with EU directives conflicting with national legislation, which, on its turn, has led to financial corrections for entities applying the Bulgarian legislation. There has been a lack of clarity with the previous law which was considered to be too focused on procedures. There has been a call for simplification of the procurement procedures; hence the new regulatory framework is more principle-orientated.

It has been a challenge for the MAs and CAs to handle frequent changes to the national procurement legislation, which have been amended over 30 times since 2004. It has left the MAs unable to predict what type of irregularities to identify and has made it difficult to build a competent administrative capacity. Ahead of any changes to the regulatory framework, the Bulgarian Authorities need to identify ways to better communicate them to public entities at the national and sub-national level. Audits by the EU Court of Auditors suggest that problems of non-compliance are related to weak implementation of existing rules on procurement.²² As mentioned previously, to combat this issue the OECD will provide CAs with a practical guide containing general guidance on the new legislation to support them in the application of the new law.

There will be a need to improve checklists that include requirements of the legislation and the application of public procurement principles. The PPA has been conducting ex-ante controls and had some positive impact in the past by reducing irregularities and strengthening the capacity of contracting authorities.²³ The control has a preventive character and is a form of methodological support.²⁴ However, ex-ante controls do not guarantee compliance with the regulatory framework.

Capacity

Lack of administrative capacity and skills of the procurement workforce relates to a lack of knowledge of the rules and of technical expertise. This problem touches upon not only contracting authorities but also authorities responsible for monitoring the procedures. The capacity issue was frequently raised during the fact finding missions by key stakeholders. A strategy for the professionalisation of procurement officials has not been developed and has been seriously limited in recent years due to a lack of needs assessment.

²² European Court of Auditors (2015) Efforts to address problems with public procurement in EU cohesion expenditure should be intensified, see at http://www.eca.europa.eu/Lists/ECADocuments/SR15_10/SR_PROCUREMENT_EN.pdf

²³ АГЕНЦИЯ ПО ОБЩЕСТВЕНИ ПОРЪЧКИГОДИШЕН (Public Procurement Agency), (2013), ГОДИШЕН ДОКЛАД (Annual report)

²⁴ СМЕТНА ПАЛАТА, ОТЧЕТ ЗА ДЕЙНОСТТА НА СМЕТНАТА ПАЛАТА НА РЕПУБЛИКА БЪЛГАРИЯ за периода от 01.01.2013 г. до 31.03.2014 г. (Annual report of the Court of Audit).

The PPA should play a bigger role in developing the capacity of procurement officials. Currently, the role is in the hands of the contracting authorities—although, within its capacity, the PPA uses various forms of methodological guidance to support the contracting authorities. Even in cooperation with the IPA, the PPA has not been able to meet the needs for training. Certain matters have been raised about the role of PPA in capacity building within the procurement community. PPA has been criticised for having a passive role and not being active enough in clarifying the law for comprehensive and coherent practices. The IPA has to rely on the PPA since they are the content providers and have the relevant knowledge and expertise on the subject.

There is a need to increase the overall capacity of procurement officials in Bulgaria as many public officials are not educated in the field. As referred to above, the IPA is currently developing a training programme in collaboration with universities (namely the University of Sofia). Unfortunately, this approach will not solve any immediate problems as the training modules will be limited to a certain number of officials per course and year. Also, the IPA has in the past experienced some difficulties when recruiting qualified trainers for public procurement courses. There is an administrative limitation for public administration employees to provide trainings, e.g. if the training is within working hours, trainers cannot have additional payment to their salaries. Trainers working in public administration usually take a paid leave to provide trainings, hence public officials do not have any financial incentives to provide trainings.

In addition to training public officials involved in public procurement, other supportive actors need to be considered as there often is a need for technical and legal expertise when developing contracting notices. For example, a vast majority of the 265 local governments in Bulgaria have relied in the past on external consultants, many of them without the adequate competencies, and lacking proper supervision of the outsourcing and of the procurement process. Furthermore, from the information gathered during the fact-finding missions, many consultants followed their own interests and even took advantage of information received during the consultation stage, clearly engaging in conflicts of interest. Concerns were raised relating to incompetence and negligence among procurement officials when performing specific tasks throughout the procurement cycle.

For the moment, there are no formal educational requirements for procurement officials in Bulgaria. The country should set educational requirements for public servants in general, and move towards improved qualifications requirements for PP officials as a key step for the professionalisation of the public procurement workforce. For instance, the majority of public procurement officials should have at least a bachelor's degree in procurement related subjects, or at least 90% of them should have received six-weeks of public procurement specific training, according to international good practices. As mentioned previously, there are no specific requirements for procurement specific training, there is only limited availability of training, and officials either have to pay for it themselves or it can be included in an individual training plan and be paid for by the training budget of the administration. Training as a capacity building topic has to be readily available whenever officials need it, matched to their individual needs, and covering the whole procurement cycle (i.e. planning, preparation and contract management) in both theory and practice. While not the only factor, procurement-related weaknesses in Bulgaria, primarily associated with weak administrative capacity, contribute to one of the lowest EU funds absorption rates in the European Union.

Procurement process

The standard public procurement cycle incorporates three main phases: pre-tendering, tendering, and contract management, with each phase incorporating specific steps. The seriousness of the breach of procurement rules within each phase of the procurement process has been studied recently by the EU Court of Auditors. The seriousness of the breaches varies but in the pre-tendering phase most errors are detected when contracting authorities avoid procurement procedures by awarding contracts directly where a procurement procedure should have been carried out. During the tendering phase, most serious errors are detected in the specification and application of selection/award criteria. In the contract management phase errors are detected concerning modifications or extensions to the scope of contracts without using a procurement procedure where such a procedure is required.²⁵

The evidence gathered during the fact-finding missions is to a large extent corroborating results from previous audits and reviews. Overall, there are widespread irregularities and violations of procurement rules. There are procedural and formal errors by contracting authorities, as well as serious violations such as failure to apply tender procedures and use of tailor-made criteria. In a recent review carried out by the Public Financial Inspection Agency, which is responsible for ex-post controls of public procurement, violations were found in over 55% of the 384 contracts reviewed, worth EUR 508 million. Administrative and judicial proceedings initiated as a result of inspection activities resulted in the issuance of 1,751 penalty decrees and imposed fines of EUR 2.3 million.²⁶

Main issues raised during the interviews concerning the procurement process were:

1. Planning and preparation

Ineffective planning and error in procedures are common along with mistakes which occur when drafting technical specifications in terms of references, such as when the technical specifications lead to just one specific brand. These mistakes are transversal to all kind of beneficiaries: MAs, CAs, local entities, and private beneficiaries. Even when these cases are identified by the auditing authorities MAs have on occasion not fully carried out financial corrections when it was necessary. CAs with limited capacity tend to hire external consultants to assist them, which is both expensive and does not guarantee results.

The importance of understanding the market cannot be underestimated. Carrying out proper market research and analysis is an important part of the pre-tendering stage that has not matured enough along with other procurement techniques in Bulgaria. Market studies serve to collect information as input to define procurement requirements, select the appropriate tender method, analyse and evaluate proposals/submissions from

²⁵ European Court of Auditors (2015) Efforts to address problems with public procurement in EU cohesion expenditure should be intensified, see at http://www.eca.europa.eu/Lists/ECADocuments/SR15_10/SR_PROCUREMENT_EN.pdf

²⁶ European Commission (2016), Stock-taking of administrative capacity, systems and practices across the EU to ensure the compliance and quality of public procurement involving European Structural and Investment (ESI) funds. Final Report, Country Profiles.

bidders/suppliers and better determine the outcome of the best solution in terms of outcomes, price and risk.

There is a lack of legislative rules for dealing with conflict of interest in Bulgaria. The overall framework covers only public officials and not employees in private bodies. The regulatory framework is very general, focusing on the financial relationship between those involved; hence it is difficult to prove misconduct especially when the conflict of interest is not of an economic nature. The concept is barely defined in the new PPL and mainly refers to the general legislative framework. Contracting authorities need to be able to verify the level of conflict of interest when conducting a procurement procedure. They need to provide in writing that there is not conflict of interest. A new comprehensive policy would have to include private bodies and non-governmental organization.

2. Tender publication

The publication of tender notices has been an issue in Bulgaria for many reasons. The period for submitting bids but also for purchasing tender documents is often insufficient. Moreover, tender documents are frequently incomplete and they do not contain all the necessary information required by the PPL. The nature of requirements in CAs' tenders can be unclear, vague, discriminatory, thus not complying with the law regarding the selection criteria.

3. Evaluation of tenders and tender award

There are frequent issues occurring during the assessment of offers, mainly related to restrictions included in tender documents and discriminatory criteria. There are also examples of discriminatory assessment during the evaluation phases, for example not demanding specific documents from all tenderers, etc. Some of the methodology applied for the award criteria is unclear or not specific enough. Complaints filed with the Commission for Protection of Competition highlight discriminatory conditions for bidders, unlawful exclusion of candidates, and arbitrary assessment of tenders and selection of contractors.²⁷ Other irregularities involve procedural violations, such as failure to meet deadlines or to submit information to the Public Procurement Register.

When criteria are mentioned in the solicitation documents, the pre-decided methodology and criteria of evaluation might not be used. There are examples of use of tailor-made criteria strongly favouring specific bidders and unjustified use of negotiated procedure instead of open tender. Tenderers are awarded contracts without complying with criteria and tenders complying with the criteria are rejected.

Furthermore, contracting authorities frequently failed to design assessment methodologies that are compliant with the PPL, in particular with respect to the implementation of "most economically advantageous tender" (MEAT) award criteria. According to the repealed PPL, there are two types of award criteria envisaged: price and MEAT. A majority of beneficiaries would prefer to include MEAT criteria in order to obtain quality offer – however, due to

²⁷ КОМИСИЯ ЗА ЗАЩИТА НА КОНКУРЕНЦИЯТА, РЕШЕНИЕ № 278 № 05. 03. 2014 г (Commission for the protection of competition).

capacity reasons, they opt for the lowest price criteria which is easier to implement. There is a risk of incurring financial corrections when MEAT is used without the adequate knowledge of how to apply it.

4. Contract Management

Insufficient planning of projects and tendering procedures is also a cause of error, particularly those occurring in the contract management phase regarding modification or extension of contracts. Difficulties with contract amendments were identified, especially regarding extension of the final contract date. The management of contracts has been neglected by CAs. In some cases the changes to contracts have not been documented with an amendment, nor have they been annexed. There is a need for guidance explaining the process for contract changes and amendments.

Methodological guidance

The Public Procurement Agency will have a stronger methodological role with the new legal framework, both in relation to providing advice but also in managing and coordinating the process for preparation of standardised solicitation documents and contract models. These documents, if correctly devised, could improve the procurement process; insofar all the relevant parties use them, which is mandatory according to the legislation. With the new regulatory framework, the plan is to standardise guidance's in collaboration with relevant stakeholders such as private entities. In 2013 standardised tender documents were elaborated in the Transport Sector, through coordination among the PPA, CCU, and MAs' OP for transport (OPT), the Construction Chamber and OPT Beneficiaries.

The PPA, CCU and the OP for Environment are working in a collaborative approach, with different organisations and Chambers, on developing practical supporting material on how to do contracting. These public entities are working with the private sector on: construction, IT, consultancy services and supply sectors. The purpose is to develop standardised requirements based on experience of error identified in the previous programming period. The OP for Environment will develop the best practice principles for construction, the CCU is leading the work on IT and consultancy services, and PPA is collecting information on future procurements from key contracting authorities with the aim to select documents and recommendations, which could be standardised. The products developed will be shared and endorsed by the PPA/MA as guidance for others to follow.

Based on the needs assessment and on irregularities identified in the procurement processes, the key topics (organised in the form of training modules) developed for the Training of trainers programme are the following:

1. General Guide of Public Procurement: Guidance for a new regulatory framework
2. Common mistakes leading to financial corrections and how to avoid them
3. Training of trainers
4. Ways to strengthen ex-post controls
5. Strengthen ex-ante controls

6. How to provide methodological guidance
7. E-procurement: tools and process
8. The importance of structure, leadership and tools
9. Procurement planning and market analysis
10. Technical specification
11. ESPD and publishing notices
12. How to identify conflict of interest
13. Qualification and awarding criteria
14. Awarding contracts
15. Contract management

3. Training of Trainers (ToT)

This section provides in-depth information about the Training of trainers programme developed by the OECD under this project. The Training of trainers programme includes the delivery of a training workshop for trainers and pilot sessions for trainers to sharpen their training skills. As was agreed in the ToR, the training materials will be used by three target groups:

- ESIF officials and managers, Managing Authorities, the Certifying Authority and Audit Authority of ESIF, and in particular staff members responsible for the first- and second-level control checks on public procurement expenditure;
- Officials from the PPA;
- Officials in contracting authorities applying public procurement as ESIF beneficiaries (and possibly others, to be defined in consultation with the Advisory Committee).

Training of trainers

The main purpose of the workshops is to train local experts in the field of public procurement in training skills and use of appropriate modern training techniques (visual presentations, interactive training methods, case studies etc.). In terms of training beneficiaries, the goal is to equip as many public officials as possible with a core knowledge and understanding of the principles and application of the 2016 Bulgarian Law on Public Procurement but also on adequate training methodology. The selection of local trainers to conduct training activities was carried out by the IPA. The trainers selected were asked to participate in a pre-exam online developed by the OECD in order to assess their knowledge prior to the workshop. It is important to underline that the training materials that were prepared are aimed at individuals who will become trainers for the 15 modules previously mentioned, alongside additional materials developed for each training session. Each key topic (module) includes a support package such as guidance and checklists, policy papers, etc. At the end of each session the participants took an exam to confirm the level of knowledge, and needs for further guidance on specific topics.

As mentioned previously, the pilot sessions were structured around the content of the programme, where trainers showcased their presentation/ teaching skills and knowledge of the subject. Each trainer presented alone or co-jointly with another trainer one or two modules for about 1-2 hours, to assess whether they were capable of training other officials and ensure an effective implementation of the ToT programme. The OECD provided feedback on the trainers' performance; in addition to that, all trainers were asked to provide feedback on the content of training material, setup of pilot studies, areas for improvement etc. The feedback was used to further improve the training material for each module.

Setup of the training workshop (ToT)

The setup of the training workshop for the trainers was developed in line with advice and guidance provided by local stakeholders and project leaders: to keep the training sessions very practical; to

describe novel elements in the regulatory framework; to focus on risks within the procurement cycle; to provide examples on how to avoid common mistakes; etc. The challenges identified for each target group were in many ways very similar: The managing authorities and the contracting authorities' face similar issues concerning the procurement process. However, the challenges confronting the PPA are centred on the governance of public procurement and its role as the main ex-ante control supervisor. As mentioned before, to optimise the added-value provided by this exercise, the methodological approach for the workshop was for all future trainers to attend part of the modules together, even though some modules are considered more relevant for specific target groups.

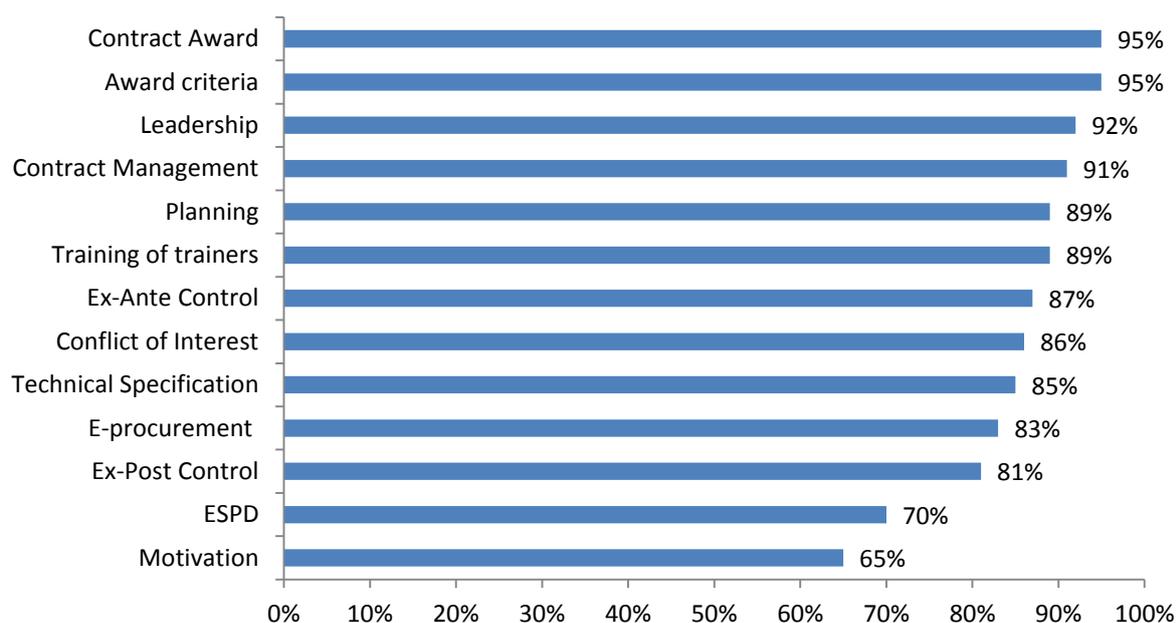
All future trainers received a five-day training workshop which took place from 12-16 September. Participants in the workshop, from the PPA, MAs, CAs, PFIA and AEUFEA, had a strong background and wide experience in the field of public procurement. As stated before, the purpose was to provide future trainers with high quality material on public procurement to enable them to train effectively procurement officials all around the country. All the modules conducted during the workshop lasted between 1-3 hours and were supported with slides and other materials that participants could use to support their own training. Preparing future trainers to become trainers is a skilled activity that requires preparation on its own, and is considered an important part of the implementation of the training programme; therefore a module on *how to train / how to teach others* was also included in the programme. During the effective implementation of the training programme, the workshop may last between 1-2 weeks, depending on the number of peers/experts sharing their experience/case studies. As explained, the key topics (organised in the form of training modules) to address during the training workshops for MAs, CAs and the PPA were based on the needs assessment and on irregularities identified in the procurement processes.

To further support each target group, peers and experts from European countries (Portugal, Lithuania, Austria, Finland and Italy) with expertise in the management and control of ESIF and public procurement were invited to share experience and real life cases addressing the challenges already identified by the OECD. The agenda, duration and dates of the workshop are attached to the report.

Assessing the trainers

During the workshop, the participants were regularly tested on the different topics taught. There were 20 participants that took the entire exam, performed at the end of each of those five days. Each topic included between 3-6 questions, with the planning of procurement being the longest with six questions. As described in Figure 4, the overall results of the exam show a high level of knowledge on almost all the topics. The low score for ESPD can be explained by a misunderstanding of one question. The question on motivation addresses the promotion of a methodological guidance which is mainly a core topic for the PPA. The high score for ex-ante and ex-post control show that trainers from other agencies than the control agencies have a relatively good understanding of key control principles.

Figure 4. Score of participants in the training of trainers workshop (score from 1- 100)



Evaluation of the workshop and trainers

As part of the capacity building workshop for trainers, the OECD conducted a survey of the participants to collect their feedback on the content of the modules, usefulness of the modules, training material, and the trainers. In addition to these, there were other general questions related to the setup of the workshop (facilities, equipment, translation and refreshments). The results of the evaluation can be found in Appendix II. Some of the main findings suggest that the participants were overall satisfied with the workshop; between 85-100% of participant said that the content, usefulness of the module and the training material were either excellent or good. The two main trainers got high marks, as over 80% of participants considered them excellent. Concerning more general matters, participants were relatively content but mentioned that the facilities could have had air conditioning and Wi-Fi in the room.

Training material for the ToT programme

The material developed as part of this project is not only for training workshops, it can also be used to assist procurement officials while conducting the tendering procedure. Some material was specifically developed for this purpose, such as the presentations, legal guidance, exams, policy papers and policy studies. The guidance and checklist is based on an OECD/SIGMA²⁸ training programme to enhance public procurement capacity and was specifically adapted to the Bulgarian

²⁸ SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the [OECD](#) and the [European Union](#). Its key objective is to strengthen the foundations for improved public governance, and hence support socio-economic development through building the capacities of the public sector, enhancing horizontal governance and improving the design and implementation of public administration reforms, including proper prioritisation, sequencing and budgeting.

context. Material developed by the OECD Public Procurement Unit for the toolbox related to the implementation of the OECD Recommendation is used along with reports on irregularities and common errors published by the EC.

Trainers were provided with presentational material, case studies from peers and other relevant supporting material for the topics addressed in the workshop. As previously explained, the OECD decided to produce a legal guide. The guide is an informative document which addresses the fundamentals of public procurement by providing references to the applicable rule of law as well as interpretations on specific practical and legal aspects. The assessment suggested that there was a need to provide practical and easy to use access to procurement rules, and this finding was further addressed by the new public procurement legislation. The guide takes into account the new legal framework and reflects the law to its full extent. The OECD believes that this key deliverable of the project will allow a wide and user-friendly dissemination of public procurement good practices in Bulgaria. Furthermore, a comprehensive guidance and checklist was developed based on issues and challenges identified by the OECD. During the workshop, these deliverables were shared with future trainers with the aim of receiving their feedback to further develop and adapt the material. Below is a list of some of the material that was developed and presented during the workshop:

- Presentations (slides) covering the topics of the workshop (14 topics)
- Guidance on the new legislation (1 topic)
- Public Procurement guidance and checklists, including content on:
 - planning for procurement;
 - design of tender;
 - issues to consider when developing technical specification;
 - contract notices and tender specification for public bodies;
 - market research;
 - selection of economic operators;
 - awarding criteria;
 - contract management;
- Case studies from peers
- Exam at the end of workshop (all target groups)

Setup of pilot sessions

The objective of the pilot sessions was to give every participant (trainer) the opportunity to present a part of or a full module. This exercise was key to ensure a proper implementation of the Training of trainers programme. The pilot sessions were conducted in the form of a two-day mini-seminar with the participants from the initial workshop presenting in front of a group of procurement officials from MAs and CAs. Between 16-20 trainers took part in the two pilot sessions taking place on 18-19 October and 15-16 November 2016. As mentioned above all participants were provided with presentations, the legal guidance, and other material required to conduct the training of all the modules. Before each pilot session participants further improved the material themselves, incorporating the Bulgarian context and aligning it with the OECD material. During the pilot session,

members of the OECD project team were there to assess and to provide guidance and feedback. The IPA invited 15-20 additional public officials to attend each pilot session as part of a training course.

The results of the first pilot were very encouraging. Most trainers showed that they had the ability to perform in front of an audience. Each trainer was assessed in terms of his performance, i.e. facial expressions, eye contact, tone/volume, pausing/pace and visual aid management. In addition, the presentation/slides were assessed in terms of content, relevance, accessibility, and whether they included graphs, tables, cases, examples, group work, etc. An assessment by the project team and the audience provided concrete suggestions about what each trainer needed to consider to improve their individual performance and the content of their material. The second pilot study in November showed that the performance of the trainers had improved significantly but that the material needed more work. After the pilot study, the OECD revised all the modules and shared them with the trainers before the training package for each module was finalised.

4. Moving Forward: Training Plan

Designing and implementing a procurement training strategy is a challenge in every country. As described in the *OECD Road Map: How to Elaborate a Procurement Capacity Strategy*, an efficient training strategy forces the prioritisation of objectives and contemplated outputs that are conceivable in a reasonable timeframe and with limited resources.²⁹ The Bulgarian Government laid out its vision for public procurement in the *National Strategy for Development of the Public Procurement Sector in Bulgaria over the period 2014-2020*. The Government decided to take measures to reinforce the administrative capacity and professionalism in the public sector, objectives which have been defined as:

- Putting in place stable and simplified legislation, fully compliant with the new EU Directives;
- Establishing a lawful practice;
- Enhancing publicity and transparency by introducing fully electronic methods and means for the award of public procurements;
- Creating a sustainable administrative capacity and enhancing professionalism;
- Enhancing the effectiveness of ex-ante, ongoing, and ex-post control on public procurement³⁰

This project is designed to equip Bulgarian authorities with the capability to transform its own capacity in the field of public procurement. It is important for all stakeholders to understand the principles underlying the development of an effective public procurement system consistent with international recognised good practices. As such, Bulgarian public officials should apply the following key public procurement principles for capacity building:

- Effective public procurement relies upon the exercise of skilled judgement by public procurement officials and, as a result, cannot rely solely on following pre-determined procedures;
- There is a need to maximise the exposure of trainings to as many officials as possible to change the procurement culture;
- The impact of training public procurement officials will be maximised if there is also an appropriate element of awareness raising amongst senior officials and politicians (an issue to be addressed in the Training action plan);
- The implementation of distance learning elements of the training interventions would be best undertaken in light of emerging practical experience of the training workshops.³¹

²⁹ 2016 “OECD Roadmap: How to Elaborate a Procurement Capacity Strategy”

³⁰ National Strategy for Development of the Public Procurement Sector in Bulgaria for the period 2014-2020

³¹ <http://unpan1.un.org/intradoc/groups/public/documents/nispacee/unpan027504.pdf>

Training action plan

To further ensure the effectiveness of the public procurement training in Bulgaria, the OECD has jointly developed with the key national stakeholders a training plan to maximise the optimisation of the materials that were created for the project. This plan is aligned with the long-term vision set out in the *National Strategy for Development of the Public Procurement Sector in Bulgaria 2014-2020* aiming towards improving skills and knowledge of public procurement officials. The plan is designed to complement and support the strategy and should be seen as a key component of the Bulgarian public procurement training action plan for the implementation of the ESIF programme (2014/2020). In general, the training plan incorporates four components:

- face to face workshops/seminars (the main focus of the training plan);
- e-learning;
- on the job training/job swapping strategy;
- communication strategy/raising awareness.

The proposed plan includes quantitative/qualitative indicators allowing for monitoring and reporting to the EC on the implementation phase. The plan has been developed for three target groups: (1) ESIF officials and managers, such as MAs and controlling agencies; (2) officials from the PPA; (3) officials in contracting authorities at the central and local level. It is the responsibility of the Bulgarian authorities to implement and advance the training plan and recruit new trainers if need be during the execution of the training plan. The project is led by the IPA, the project coordinator and supported by the PPA which has played an active role in the development of the regulatory framework and related materials. Furthermore, with PPAs' involvement, the training plan can be aligned with any changes made to the regulatory framework in the future.

The training plan is comprehensive and exhaustive and incorporates four components. As referenced above the most significant element is the execution of face to face workshops/seminars using material developed by the OECD and by Bulgarian trainers. Details of the training plan are displayed in Appendix I defining the targeted institutions, target groups, content of workshops, a time schedule running for the next three years, until the end of 2019. The other three components of the training plan are discussed below in more general terms. The e-learning tool will also likely to play a significant role in raising the level of competency across the country in the future.

Training material for the implementation of the training action plan and trainers

The training material is meant to improve the skills and knowledge of public officials working on public procurement projects. The material is composed of 13 presentations/modules set up for a three-day workshop and a one-and-half day refresher workshop on specific aspects the procurement cycle and ESIF control. The modules provided by the OECD are designed to be used/taught separately, which gives the Bulgarian organisers a certain amount of flexibility when setting up the workshops based on their own needs assessment. The presentations provided a foundation for Bulgarian trainers to build on. The material and presentations include in-depth descriptions of processes and procedures that procurement officials need to know, along with examples/case

studies and assignments for participants in workshops. As trainers deliver their modules, it is important for them to master the content and use their own words and examples drawn from their own experience.

Under the leadership of the IPA and with the support of the PPA, trainers will help support the objectives set out in the *National Strategy for Development of the Public Procurement Sector in Bulgaria over the period 2014-2020*. The role of trainers cannot be underestimated in securing the sustainability of the project both during its lifetime and beyond. For this reason the IPA will need to pay special attention to the selection of additional trainers in the future. A balance was sought between the initial groups of trainers so that they would reflect the different roles of the target groups. This training plan will need at least over ten trainers from MAs, CAs, AEUFEA, PFIA and the PPA. The setup of the training plan foresees for at least two trainers to be involved in each workshop, devoted to either the control or the procurement cycle part. It will be essential to have a trainer for the controlling and legislative part coming from the PPA, PFIA and AEUFEA discussing financial corrections and ex-post control. The training on the procurement cycle will be conducted mainly by trainers from MAs beneficiaries, CAs and the IPA.

The training plan includes a schedule for 70 to 80 workshops taking place over the next three years. Half of them will be three-day workshops and half will last one-and-half day. All target groups' needs are being addressed in those workshops with officials with less than 3 years of experience, considered as priorities, along with those specifically identified by the management section of each public body. Each target group will be offered two workshops (two phases) to ensure skills are kept up to date. The first one will cover all relevant subjects, while the second workshop will be a refresher covering some of the same subjects from the first workshop, with the addition of new practical cases based on recent experience of the new regulatory framework. The second workshop should be open to all ESIF related officials but priority should still be given to those who need it the most according to local needs assessment.

The first phase should take place during the first two years and the second phase will start mid-2018 and run until the end of 2019. In order to not disrupt the functioning of larger institutions, it is recommended to only have a small number of staff attending each training session from each large institution at a time, for example in the case of MAs participants may account for more than ten. Furthermore, mixing employees from different MAs will enable them to build networks. The training plan estimates that 35-40 three-day workshops and 35-40 one-and-half day workshop will take place with 20 to 30 participants attending each one. This will lead to around 1,000 public officials being trained twice under this training plan with most of them attending two workshops, as seen below in Table 4.

Table 4. Number of workshops/seminars 2017-2019

Schedule	3 day workshop	1 ½ day workshop	Total
April – December 2017	10 to 12		10 to 12
September 2017 – June 2018	14 to 15		14 to 15
January – December 2018	11 to 13		11 to 13
April – December 2018		10 to 12	10 to 12
September 2018 – June 2019		14 to 15	14 to 15
January – December 2019		11 to 13	11 to 13
Total No. of workshops	35-40	35-40	70 to 80
Total No. of participants	1000	1000	

Target groups

As discussed, there are ten managing authorities and over 5.000 contracting authorities in Bulgaria (not all of them receive ESIF funding). The public officials receiving training will be representatives from all target groups, MAs, CAs, including the PPA that carries out ex-ante control and the ex-post control bodies of the AEUFEA, PFIA and Court of Auditor. Although this training programme is mainly designed for officials involved in procurement using ESIF fund, most of the training modules could also benefit CAs not receiving ESIF funds, especially the modules addressing aspects of the procurement cycle. It is for the IPA and the PPA to decide if they want to invite those officials to attend the training.

It is very difficult to identify the exact number of procurement officials and other relevant experts working directly or indirectly within public procurement, and whether they are using national funds or ESIF ones. Many officials are for example only partially involved in the procedures, providing legal advice, developing technical specifications, paying suppliers etc. However, estimation was made based on the data and information that is available taking into consideration the capability of the Bulgarian authorities to implement and deliver a comprehensive training plan that will help the country meet the ex-ante conditionality for capacity.

Evaluation and assessment

The OECD has developed an evaluation form to assess the workshops in general (facilities, material, performance of trainers, etc.). As mentioned before, the OECD has also designed pre-training and post-training assessments. The purpose of the pre-assessment is to evaluate the participants' skills and competency regarding the procurement principles before attending the workshop to adjust the module to the needs of participants. The post-assessment (final exam) is based on the content of the modules presented and provides the Bulgarian authorities with vital tools to assess the level of knowledge acquired and the progress made by each target group for specific subjects, but also the overall effectiveness of the trainings.

E-learning

The second component of the training plan is the implementation of a distance learning programme (e-learning). Experience from numerous country-wide projects suggests that even with an active programme of face to face training seminars and workshops, training activities cannot reach all public officials who may be involved in the conduct, supervision or auditing of public procurement. With a high number of beneficiaries outside the Sofia metropolitan area, e.g. contracting authorities at the central and local level, a distance learning course should be developed. E-learning should be accessible and available to public officials unable to attend face to face workshops. E-learning programmes can also be used as a refresher for those who have attended a workshop and as a support tool for less experienced public officials working for the different target groups, with the aim of enhancing the sustainability of the project. The development of distance learning should be a collaborative work between the IPA and the PPA. The IPA in partnership with the PPA could adapt and design a self-study version of the materials based on the face-to-face training workshops to meet demands for training outside Sofia. The training materials could be posted on the training section of the PPA webpage, along with answers to frequently asked questions and suggestions for further reading. In this respect, distance learning materials could be made available to a wide range of potential stakeholders, not only public officials.

On the job training/job swapping strategy

On the job training for public officials engaged in public procurement forms the third component of the overall training plan. The purpose of this scheme is to give procurement and control officials the opportunity to work with colleagues in other agencies for a period of time to share experience and knowledge. For example a job swapping strategy could be beneficial to those conducting control (ex-post or ex-ante) if allowed to stay for a given period (a few days/weeks) with a contracting authority (beneficiary) to watch and learn how they apply different procedures within the procurement cycle. At the same time, officials from controlling authorities can provide guidance and advice if they identify gaps in certain processes, improving the contracting authorities' processes. The PPA, which as the institutional function of providing methodological guidance, can only benefit from enhancing their understanding of how contracting authorities apply the procurement procedures recommended by them, bringing theory and practice together.

One of the main arguments for Bulgarian authorities to consider a job swapping strategy is the vast number of different contracting authorities all around the country applying different processes and methods when carrying out a tendering procedure. Furthermore, the managing authorities for the Operational Programmes are applying different approaches and using different processes to conduct tendering and ex-post controls. All procurement entities could benefit from exchanging experiences, with a more horizontal collaboration being more beneficial for the public procurement community in Bulgaria. On the job training can take different forms:

- Tutoring a colleague from another agency;
- Two-week study visits to another agency;
- Informal workshops in the different workplaces;

- Establishing a national help desk for practical issues arising;
- Establishing “local” help desks for practical issues arising

Communication strategy for public procurement: Raising awareness

The PPA must ensure that the tools and information that the PPA is providing procurement officials are up to date and that they reach the public procurement community in Bulgaria. It is important not to underestimate the importance of a sound communication strategy to raise awareness of recent developments in the field of public procurement as the fourth component of the training plan. This is a component that the PPA should consider developing as there have been issues in the past relating to the relevance of the material developed, its practicality and its accessibility, etc. The purpose of a communication strategy would be to define clear and measurable communication objectives with an evaluation, identify the relevant audience and the available channels to communicate a message to audiences. A well-developed communication strategy should engage and mobilise procurement actors.

The analysis of the OECD suggests that there is a need to explore different ways to engage public officials, not only by releasing information on the agencies website or via its portal. The PPA should create a network of procurement officials all over Bulgaria and inform its members on a regular basis about any new developments concerning the legal framework, the methodological guidance, best practices or practical advice. The network members can act as a relay of information for the public procurement community. The PPA could also use other means in order to spread relevant information, for example by:

- revamping the PPA website;
- reconsidering how to present their guidance by incorporating more visual effects;
- holding an annual conference for practitioners in partnership with the IPA;
- engage in regular interactions with the different stakeholders, by means of meetings, seminars, workshops and so on

Risk factors

The success of this project will depend on whether the Bulgarian Authorities will succeed in implementing the training plan under the leadership of the IPA, supported by the PPA. The OECD has identified project and systemic risks that could hinder the effective implementation of the training plan. The risks will need to be addressed collectively by the Bulgarian authorities to ensure the sustainability and efficiency of this project.

The following project risks were identified:

- Lack of engagement and leadership – resulting in workshops not being conducted
- Lack of ownership of the project – it needs to be clear that the IPA is responsible and that the Bulgarian Government fully supports the project

- Lack of support and commitment from stakeholders (managing authorities and contracting authorities)
- Lack of financial resources -inability to secure sufficient resources for the implementation of the training plan
- Lack of commitment from trainers: without them the plan cannot succeed
- Lack of financial incentives (payment) for public officials to become trainers. This risk should be considered seriously because trainers are not entitled to receive any payment if the training is among their duties
- Training in rural areas: despite the possibility to set up an e-learning programme, some officials will still need face to face training. Given the size of the country and the traveling costs, this risk can slow down the implementation of the training plan
- Lack of follow up of the project implementation by the local counterparts, the EC and/or the OECD

The following systemic risks were identified:

- The new legal and regulatory framework could increase the risks of irregularities in the public procurement process since there is a lack of capacity within the system
- High turnover of procurement officials at the central and local level
- The uptake of a full fledged e-procurement system

Many risks are interconnected and some of them should be addressed by the Bulgarian authorities themselves or with the support of the EU and the OECD, namely key risks related to the leadership and ownership of the project and the implementation of the training plan. Hence, there is a need to follow up on the progress of this project in the forthcoming months to ensure its sustainability.

Appendix I: Training Plan 2017-2019

Managing authorities of OP	Target groups	Priority audience	Size of workshop	Core topics	Additional topics
OP-MA as beneficiaries of ESIF X 10 authorities	Staff working on public procurement and ex-post control	Staff with less than 3 years' experience and others identified by the management section	Max size for workshop 30 participants	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, Ways to strengthen Ex-post control, Financial corrections	The importance of structure, leadership and tools
Control and guidance	Target groups	Priority audience	Size of workshop	Core topics	Additional topics
PPA	All staff working on procurement related topics, legal, methodological, etc.	All relevant experts	Max size for workshop 30 participants	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, Ways to strengthen Ex-post control, Financial corrections	The importance of structure, leadership and tools
Control bodies (PFIA/Court of Auditor/AEUFEA)	Staff working on ex-post control	All relevant experts	Max size for workshop 30 participants	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflict of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, Ways to strengthen Ex-post control, Financial corrections	The importance of structure, leadership and tools

Report on Public Procurement Training Needs and Priorities

CAs (Municipalities)	Target groups	Priority audience	Size of workshop	Core topics	Additional topics
Large municipalities: More than 50.000 inhabitants (26) and Regions (28)	Officials working on procurement using ESIF funds (others involved in supporting the procurement, i.e. technical officials, legal, etc.)	Staff with less than 3 years' experience and others identified by the management section	Max size for workshop 30 participants	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, The importance of structure, leadership and tools, Ways to strengthen Ex-post control, Financial corrections	
Medium-sized municipalities: Between 10.000 and 50.000 inhabitants (114)	Officials working on procurement using ESIF funds (others involved in supporting the procurement, i.e. technical officials, legal etc.)	Staff with less than 3 years' experience and others identified by the management section	Max size for workshop 30 participants (consider mixed with e-learning)	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, The importance of structure, leadership and tools, Ways to strengthen Ex-post control, Financial corrections	
Small-sized municipalities: Less than 10.000 inhabitants (125)	Officials working on procurement using ESIF funds (others involved in supporting the procurement, i.e. technical officials, legal, etc.)	Staff with less than 3 years' experience and others identified by the management section	Max size for workshop 30 participants (consider mixed with e-learning)	Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, The importance of structure, leadership and tools, Ways to strengthen Ex-post control, Financial corrections	

Report on Public Procurement Training Needs and Priorities

CAs (ministries and agencies as beneficiaries ESIF funds)	Target groups	Priority audience	Size of workshop	Core topics	Additional topics
<p>Ministries and agencies</p>	<p>Officials working on procurement using ESIF funds (others involved in supporting the procurement, i.e. technical officials, legal, etc.)</p>	<p>Staff with less than 3 years' experience and others identified by the management section</p>	<p>Max size for workshop 30 participants</p>	<p>Procurement Planning and market analysis, Technical specification, Selection criteria, Awarding criteria and awarding the contract, Strengthen Ex-ante control, How to identify conflicts of interests, Procurement Procedures in the Context of the PP legislation and the legal guidance, ESPD, Evaluation committee, Publishing Notices, Contract Management, The importance of structure, leadership and tools, Ways to strengthen Ex-post control, Financial corrections</p>	

Report on Public Procurement Training Needs and Priorities

Workshop I

Managing authorities of OP	1. Workshop	Time schedule	Number of trainings	Content
OP-MA as beneficiaries of ESIF X 10 authorities	3 day workshop	April - December 2017	8 to 10 workshops	Core topics
Control and guidance	1. Workshop	Time schedule	Number of trainings	Content
PPA	3 day workshop	April - December 2017	1	Core topics
Control bodies (PFIA/Court of Auditor/ AEUFEA)	3 day workshop	April - December 2017	1	Core topics
CAs (Municipalities)	1. Workshop	Time schedule	Number of trainings	Content
Large municipalities: More than 50.000 inhabitants (26) and Regions (28)	3 day workshop	September 2017 – June 2018	6 to 7	Core topics

Report on Public Procurement Training Needs and Priorities

Medium-sized municipalities: Between 10.000 and 50.000 inhabitants (114)	3 day workshop	September 2017 –June 2018	4	Core topics
Small-sized municipalities: Less than 10.000 inhabitants (125)	3 day workshop	September 2017 –June 2018	4	Core topics
CAs (ministries and agencies as beneficiaries ESIF funds)	1. Workshop	Time schedule	Number of trainings	Content
Ministries and agencies	3 day workshop	January -December 2018	11 to 13	Core topics

Report on Public Procurement Training Needs and Priorities

Workshop II

Managing authorities of OP	2. Workshop	Time schedule	Number of trainings	Content
OP-MA as beneficiaries of ESIF X 10 authorities	1 ½ day	April - December 2018	8 to 10	Based on the needs of the authorities
Control and guidance	2. Workshop	Time schedule	Number of trainings	Priority audience
PPA	1 ½ day	April - December 2018	1	Based on the needs of the authorities
Control bodies (PFIA/ Court of Auditor/ AEUFEA)	1 ½ day	April - December 2018	1	Based on the needs of the authorities
CAs (Municipalities)	2. Workshop	Time schedule	Number of trainings	Audience
Large municipalities: More than 50.000 inhabitants (26) and Regions (28)	1 ½ day	September 2018 – June 2019	6 to 7	Based on the needs of the authorities

Report on Public Procurement Training Needs and Priorities

Medium-sized municipalities: Between 10.000 and 50.000 inhabitants (114)	1 ½ day	September 2018 – June 2019	4	Based on the needs of the authorities
Small-sized municipalities: Less than 10.000 inhabitants (125)	1 ½ day	September 2018 – June 2019	4	Based on the needs of the authorities
CAs (ministries and agencies)	2. Workshop	Time schedule	Number of trainings	Priority audience
Ministries and agencies	1 ½ day	January - December 2019	11 to 13	Based on the needs of the authorities

Appendix II: RESULTS FROM THE EVALUATION OF THE WORKSHOP AND TRAINERS

Questions		Points				
		Excellent	Good	Average	Poor	Very Poor
DAY 1						
Regulatory framework	1. Content of the module	63.0%	31.0%	6.0%		
	2. Usefulness of the module	53.0%	35.0%	6.0%	6.0%	
	3. Training material (presentations)	59.0%	29.0%	6.0%	6.0%	
Financial corrections	1. Content of the module	65.0%	29.0%	6.0%		
	2. Usefulness of the module	52.9%	35.3%	11.8%		
	3. Training material (presentations)	58.8%	29.4%	11.8%		
Peer intervention (Lithuania and Portugal)	1. Content of the module	52.9%	47.1%			
	2. Usefulness of the module	58.8%	35.3%	5.9%		
	3. Training material (presentations)	58.8%	29.4%	11.8%		
Training of Trainers	1. Content of the module	70.6%	29.4%			
	2. Usefulness of the module	76.5%	23.5%			
	3. Training material (presentations)	64.7%	23.5%	11.8%		
DAY 2						
Ex-post controls	1. Content of the module	64.7%	35.3%			
	2. Usefulness of the module	70.6%	23.5%	5.9%		
	3. Training material (presentations)	70.6%	23.5%	5.9%		
Ex-ante controls	1. Content of the module	70.6%	29.4%			
	2. Usefulness of the module	82.4%	11.8%	5.9%		
	3. Training material (presentations)	70.6%	23.5%	5.9%		
Peer intervention (Lithuania and Portugal)	1. Content of the module	68.8%	31.3%	0.0%		
	2. Usefulness of the module	81.3%	12.5%	6.3%		
	3. Training material (presentations)	81.3%	18.8%			

Report on Public Procurement Training Needs and Priorities

Motivation	1. Content of the module	76.5%	23.5%			
	2. Usefulness of the module	70.6%	29.4%			
	3. Training material (presentations)	70.6%	29.4%			
E-procurement	1. Content of the module	76.5%	23.5%			
	2. Usefulness of the module	76.5%	23.5%			
	3. Training material (presentations)	76.5%	23.5%			
DAY 3						
Planning and Market analysis (1)	1. Content of the module	93.8%	6.3%			
	2. Usefulness of the module	87.5%	12.5%			
	3. Training material (presentations)	87.5%	12.5%			
Planning and Market analysis (2)	1. Content of the module	87.5%	12.5%			
	2. Usefulness of the module	87.5%	12.5%			
	3. Training material (presentations)	87.5%	12.5%			
Peer intervention (Austria and Italy)	1. Content of the module	93.8%	6.3%			
	2. Usefulness of the module	81.3%	18.8%			
	3. Training material (presentations)	81.3%	18.8%			
Technical specification	1. Content of the module	87.5%	6.3%	6.3%		
	2. Usefulness of the module	93.8%		6.3%		
	3. Training material (presentations)	87.5%	6.3%	6.3%		
Peer intervention (Austria and Italy)	1. Content of the module	81.3%	18.8%			
	2. Usefulness of the module	87.5%	6.3%	6.3%		
	3. Training material (presentations)	81.3%	12.5%	6.3%		
DAY 4						
Qualification and awarding criteria	1. Content of the module	75.0%	25.0%			
	2. Usefulness of the module	81.3%	12.5%	6.3%		
	3. Training material (presentations)	81.3%	12.5%	6.3%		
Peer intervention (Austria and Italy)	1. Content of the module	75.0%	25.0%			
	2. Usefulness of the module	75.0%	12.5%	12.5%		

Report on Public Procurement Training Needs and Priorities

	3. Training material (presentations)	75.0%	18.8%	6.3%		
Awarding the contract	1. Content of the module	68.8%	25.0%	6.3%		
	2. Usefulness of the module	75.0%	12.5%	12.5%		
	3. Training material (presentations)	75.0%	18.8%	6.3%		
Peer intervention (Austria and Italy)	1. Content of the module	75.0%	18.8%	6.3%		
	2. Usefulness of the module	75.0%	18.8%	6.3%		
	3. Training material (presentations)	75.0%	18.8%	6.3%		
DAY 5						
Structure	1. Content of the module	93.8%	6.3%			
	2. Usefulness of the module	93.8%		6.3%		
	3. Training material (presentations)	87.5%	6.3%	6.3%		
Conflict of interest	1. Content of the module	81.3%	18.8%			
	2. Usefulness of the module	81.3%	12.5%	6.3%		
	3. Training material (presentations)	75.0%	18.8%	6.3%		
ESPD	1. Content of the module	87.5%	12.5%			
	2. Usefulness of the module	81.3%	12.5%	6.3%		
	3. Training material (presentations)	75.0%	18.8%	6.3%		
Contract Management	1. Content of the module	70.6%	29.4%			
	2. Usefulness of the module	70.6%	23.5%	5.9%		
	3. Training material (presentations)	70.6%	23.5%	5.9%		
GENERAL						
1. Facilities		50.0%	37.5%	12.5%		
2. Equipment		50.0%	37.5%	12.5%		
3. Translation		56.3%	25.0%	12.5%	6.3%	
4. Refreshments (coffee)		66.7%	13.3%	20.0%		
5. Trainer: Pilvi Takala		82.4%	17.6%			
6. Trainer: Tapio Lahtinen		81.3%	6.3%	12.5%		

AGENDA FOR A WORKSHOP: TRAINING OF TRAINERS FOR PUBLIC PROCUREMENT IN BULGARIA

Sofia (12 - 16 September 2016)

Objectives

The objectives of the training workshop are the following:

- To increase the capacity of targeted audiences
- To support the development of administrative capacity, training and dissemination of information
- To ensure the effective application of public procurement rules through appropriate mechanisms
- To better ensure that public procurement procedures related to ESIF co-financed projects are i) legal and regular, and ii) bring the highest quality of services and works (value for money).

Format and Target Audience

This workshop will take place in Sofia from Monday 12 September to Friday 16 September 2016. The workshop will deliver a customised training programme for managers and procurement officials at the national and local levels involved in ESIF related programmes. The set-up will involve a workshop aimed at training trainers for each of the three target groups:

- (iv) managing authorities, the Certifying Authority and Audit Authority of ESIF, and in particular staff members responsible for the first- and second-level control checks on public procurement expenditure;
- (v) the PPA; and
- (vi) municipalities and other bodies applying public procurement as ESIF beneficiaries (to be identified in consultation with the Advisory Committee).

The workshop will be conducted in both English and Bulgarian depending on the language knowledge of presenters. All documents will be in both English and Bulgarian. Translation will be provided during the workshop organised by the IPA.

**OECD
Workshop agenda
September 12-16, 2016**

12 September 2016

09:00 – 09:15 Introductions (OECD and IPA)

<i>Content and purpose</i>	Discuss the overall objective and purpose of the workshop Discuss the vision for the public procurement training strategy.
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

09:15 – 11:00 General Guide of Public Procurement: Guidance to new regulatory framework (Bulgarian Consultant)

<i>Content and purpose</i>	Introduction to a new guide (manual) that sets up procurement procedures and builds on the new legislation. The manual will support public officials' involvement in the procurement process, reinforcing integrity and effectiveness of procurement procedures. The manual provides: <ul style="list-style-type: none"> • Guidance on the new legislation, • Structure of Bulgarian PP legislation • Principles, thresholds and procedures
<i>Audience</i>	All target groups.
<i>Venue</i>	Tbd

11:00 – 11:15 Coffee Break

11:15 – 13:00 Common mistakes leading to financial corrections and how to avoid them (Audit of EU Funds Executive Agency)

<i>Content and purpose</i>	Share experience of financial corrections – based on the irregularities identified. The training involves explaining the causes of past mistakes that tend to lead to financial corrections. The purpose is for contracting authorities to learn from past mistakes and get a basic understanding of how to apply the right principles.
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

13:00 – 14:00 Lunch

14:00-15:00 Peer intervention Key points for avoiding financial corrections (Portugal and Lithuania)

15:00 – 17:00 Training of Trainers

<i>Content and purpose</i>	For trainers to get a basic knowledge of skills and competencies needed to communicated and do training successfully. Exams at the end of this section
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

END OF DAY 1

13 September 2016

09:00 – 11:00 Ways to strengthen Ex-post control

<i>Content and purpose</i>	How to carry out ex post assessment? What to identify? How to identify it? How to ensure agencies learn from ex – post control? Key issues in an ex post checklist Case studies
<i>Audience</i>	PPA and MA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

11:00 – 11:15 Coffee Break

11:15– 12:30 Strengthen Ex-ante controls

<i>Content and purpose</i>	Ways to Strengthen ex-ante controls of tender documentation How to carry out risk mapping to identify potential risks.
<i>Audience</i>	PPA and MA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

12:30 – 13:30 Lunch

13:30-14:30 Peer intervention- Controls (Portugal and Lithuania)

14:30 – 15:45 Motivation: How to provide methodological guidance

<i>Content and purpose</i>	Discuss how procurement processes can be presented, i.e. online, in a paper form, phone hotlines, through seminars, training, etc. How to better disseminate procurement information and access How best to communicate the guidance The importance of making the guidance, checklists etc.; accessible, practical and appealing
<i>Audience</i>	PPA and MA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

15:45 – 16:00 Coffee Break

16:00-17:00 E-procurement: Tools and process

<i>Content and purpose</i>	What is e-procurement? How does the Directive support and encourage e-procurement eProcurement tools Practical examples of e-procurement *What are the risks and challenges *Benefits and examples of savings and improvements
<i>Audience</i>	PPA and MA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

END OF DAY 2

14 September 2016

09:00– 10:30 Procurement Planning and Market analysis (1)

<i>Content and purpose</i>	How to plan a public procurement project Discuss market analysis of the supply market for the procurement Discuss how market analysis enables procurement to understand how the supply market works, the direction in which the market is going, the competitiveness and the key suppliers within the market. How procurement officials should use the results of their analysis. How it can help the buyer to improve and shape the strategy and tendering process and align their behaviour in order achieve better value for money, reduced prices or an improved service.
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

10:30 – 10:45 Coffee Break

10:45– 12:15 Procurement Planning and Market analysis (2)

<i>Content and purpose</i>	How to plan a public procurement project Discuss market analysis of the supply market for the procurement Discuss how market analysis enables procurement to understand how the supply market works, the direction in which the market is going, the competitiveness and the key suppliers within the market. How procurement officials should use the results of their analysis. How it can help the buyer to improve and shape the strategy and tendering process and align their behaviour in order achieve better value for money, reduced prices or an improved service.
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

12:15 – 13:15 Lunch

13:15-14:15 Peer intervention - Procurement Planning and Market Analysis (Austria and Italy)

14:15– 16:00 Technical specification

<i>Content and purpose</i>	Introduction and overview of the technical specifications under the EU Directives and the approach of the European Court of Justice How best to design the technical specifications What to consider in regards to technical matters The risk to the process Who should be involved in the debate about the requirements with users, procurement officers and others in the contracting authority. Incorporating social and environmental issues into technical specifications. Case studies
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

16:00 – 16:15 Coffee Break

16:15-17:00 Peer intervention - Technical specification (Austria and Italy)

END OF DAY 3

15 September 2016

09:00- 11:00 Qualification and awarding criteria

<i>Content and purpose</i>	Methods for developing qualification criteria and awarding criteria – how not to mix them up; scoring of bids Equal treatment and non-discrimination, transparency Applying the lowest-price criterion Methods used to identify the most economically advantageous tender (MEAT) Ways to apply the Life Cycle Cost and Total Cost of Ownership method
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

11:00 – 11:15 Coffee Break

11:15-12:15 Peer intervention – Qualification and awarding criteria (Austria and Italy)

12:15 – 13:15 Lunch

13:15– 14:45 Awarding the contract

<i>Content and purpose</i>	Opening of tenders Corrections and rejections Evaluation of the tenders Informing about the decision, contract award notice
<i>Audience</i>	All target groups.
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

14:45 – 15:00 Coffee Break

15:00-16:00 Peer intervention – Awarding the contract (Austria and Italy)

END OF DAY 4

16 September 2016

09:00 – 10:30 The importance of structure, leadership and tools

<i>Content and purpose</i>	Leadership and vision Procurement categories and strategy Centralised purchasing and frameworks How to setup the perfect procurement team Project management Future goals of public procurement
<i>Audience</i>	CA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

10:30 – 10:45 Coffee Break

10:45 – 12:30 How to identify conflicts of interest

<i>Content and purpose</i>	What are conflicts of interest? Discuss why it is important to recognise conflicts. Provide examples of conflict of interest where they commonly arise. Consequences of not recognising the risk of conflicts Taking a proportionate approach to managing conflicts How to manage conflicts of interest
<i>Audience</i>	CA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

12:30 – 13:30 Lunch

13:30 – 15:00 ESPD and publishing notices, tendering process

<i>Content and purpose</i>	Qualification criteria and ESPD Publication of notices Questions and answers during the tendering process
<i>Audience</i>	CA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

15:00 – 15:15 Coffee Break

15:15– 17:00 Contract Management

<i>Content and purpose</i>	A definition of contract management The process of contract management The issues and consequences around contract variations The sources of contract variations Processes for handling variations Appropriate action to ensure that payment can be authorised and made in line with the contract
<i>Audience</i>	CA
<i>Venue</i>	National Institute of Justice, ulitsa "Ekzarh Yosif" 14, 1000 Sofia, Bulgaria

END OF DAY 5

PUBLIC PROCUREMENT TRAINING FOR BULGARIA: NEEDS AND PRIORITIES

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