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Non Paper

HANDOVER MEMORANDUM: SOME LESSONS LEARNED

The European Commission services encourage the new Bulgarian Government to continue the efforts of their predecessors to make optimal use of the EUR 6.9 billion funds available under the Structural and Cohesion Funds to foster regional and social development and stimulate economic growth in Bulgaria. The Bulgarian national authorities and the European Commission have a common goal to assure the European institutions and taxpayers proper and regular spending, as well as effective and efficient use of EU funds. The Commission services would like to deliver some practical advice to reach those objectives.

TAKE UP OF FUNDS AND DE-COMMITMENT RISKS

Implementation in Bulgaria is still slow and unbalanced: interim payments from EU budget have reached 31% by June 2013, 6.5 years after the start of the programming period. Although there has been progress in the take-up of funds in the past years, we should not lose momentum in order to avoid the risk of losing parts of the remaining EUR 3.79 billion funds in the 2.5 years that are left in the programming period 2007-2013. In fact, already by the end of 2013 this risk is quite realistic for all programmes except Transport:

OP Regional Development:	EUR	120 million
OP Environment:	EUR	103 million
OP Competitiveness:	EUR	46 million
<u>OP Technical assistance:</u>	<u>EUR</u>	<u>7 million</u>
Total at risk by end of 2013:	EUR	276 million

The Commission services are pleased that Managing Authorities of the Operational Programmes are investigating all options to increase absorption, such as reprogramming and selecting back-up projects. But decision-making processes to increase absorption of EU funds concern more departments, agencies and ministries than just the Managing Authorities. All should contribute to facilitating implementation of EU funds. Other causes of implementation problems are related to the capacity of final beneficiaries, such as municipalities responsible for the tendering and implementation of projects. In the case of SME support measures the global financial crisis is partly to blame for problems acquiring national co-financing contributions. Appeals against public tender results delay the implementation of projects. However, some projects, e.g. Sofia Technology Park are getting slowed down by bureaucracy, red tape and complex administrative procedures. Simplification and streamlining of decision-making procedures could make a world of difference when it comes to increasing the speed of implementation and payments.

CONTINUITY AND CAPACITY OF EUROPEAN FUNDS MANAGEMENT

With every change of government, continuity in EU funds management is crucial for the implementation and programming of the EU funds. Previous changes of government have coincided, however, with a drastic reorganisation of the administration's higher and middle management. As a consequence, the preparation and implementation of programmes and projects slowed down dramatically. Preservation of expertise is essential for timely preparation of the new programming period and for limiting the risk of loss of funds in the current one. Although improvements for reasons of efficiency are to be encouraged, in principle what works should not be changed.

Efforts of previous governments to reduce the too high staff turnover within the Managing Authorities and to strengthen their administrative capacity have rendered results. One of the main achievements has been the establishment of functioning management and control systems for EU funds in Bulgaria, illustrated by the fact that there has been no need to interrupt payments of Structural Funds assistance to Bulgaria in the last two years. The EUR 200 million in technical assistance available within the Operational Programmes has been used in part for reimbursement of staff costs, when specifically related to the Funds implementation. The establishment of a well-functioning management and control system is an achievement in itself, with competent Certifying and Audit Authorities in place.

For all staff involved in the management of EU funds it is important to maintain the efforts to provide competitive salaries. Although the Commission appreciates the introduction of a bonus system for staff involved in management of Structural Funds, it recommends that it is based on real performance. Bulgaria should put in place a synchronised, fair and transparent approach to salaries payments through the European funds technical assistance. Thus the professionalism and stability of the European Funds authorities (Central Coordination Unit, Managing Authorities, Intermediate Bodies, Audit Authority and Certifying Authority) can be assured and gaps with the rest of the Bulgarian public administration avoided. Based on the experience from the 2007-2013, the Commission sees the need for additional efforts aimed at providing competitive salaries to project beneficiaries (municipalities and state authorities).

Throughout the implementation period, training and assistance should (continue to) be provided to all staff involved in the implementation and management of EU funds, including notably municipalities and major beneficiaries such as the Road Infrastructure Agency, the National Railway Infrastructure Company, the National Company for Special Infrastructure Projects, etc. The mobile teams of the Ministry of Environment and Water offering assistance to municipalities are a good practice.

New Ministry for Investment Projects

The new Government decided to create a new ministry for investment Projects. It is unclear to the Commission services what its exact mandate will be and what consequences it will have for EU funds management structures. While raising administrative efficiency should be encouraged, all too often reorganisations of management and control systems of European funds have led to confusion, thus loss of efficiency and eventually the stagnation of implementation. Here we need clarity and no overlaps.

A STRONG AND EFFICIENT CO-ORDINATING AUTHORITY

Faced with the challenge to implement an amount of EUR 5 488 million in ERDF and Cohesion Fund investments within a limited time, the need for a strong and efficient co-ordination of EU funds is beyond question. The programming and implementation efforts of Bulgaria until now have proven that a strong coordinating authority is indispensable. The appointment of members of Government full-time responsible for EU funds management such as deputy Prime Minister Plugchieva in 2008-2009 and Mr Donchev in 2010-2013 has been beneficial for making progress and taking ownership and concerted action on a range of specific and horizontal issues touching the implementation of EU funds' issues that transcend individual ministries. The challenge to both absorb the still unclaimed budget in the next two and a half years, as well as prepare the next 7 years of the programming period 2014-2020 will require a lot of attention and personnel resources.

SECTOR REFORMS AND EX ANTE CONDITIONALITIES 2014-2020

A lack of reform in several sectors - water, transport, healthcare, RandI, energy efficiency, Roma integration – is hindering efficiency and effectiveness to the Bulgarian public in general and the implementation of Structural funds in particular. This situation creates possible dilemmas for Commission services in determining whether sufficient progress has been or will be made in meeting relevant ex ante conditionalities (when agreed) connected to ESI Funds' investments in the programming period 2014-2020:

- Health sector reform – the Bulgarian authorities need to accelerate reforms needed for more public service efficiency and ensure their successful and timely completion. Urgent actions are needed and a clear strategic focus of investments must be agreed, as opposed to producing a long list of municipal and state-owned hospitals and medical centres to receive funds for renovations and equipment purchases.
- Research and Innovation (R&I) - Low quality and ineffectiveness of the administrative capacity of the R&I sector has been persistent in development strategies, funding allocation and programme implementation, justifying ex ante conditionalities on R&I sector reform and smart specialization, namely a national or regional research and innovation strategy for smart specialisation that is in place, concentrating resources on a limited set of priorities, with measures to stimulate private R&I investment and containing a monitoring and review system. Otherwise R&I in Bulgaria strategy will remain weak and ESIF investments without any significant effects.
- Water sector – Bulgaria lags far behind in its implementation of the EU urban waste water directive. A water reform package that was decided three years ago has not been implemented, contributing to an extremely low absorption of the OP Environment water priority axis (only 8% of EUR 1.46 billion).
- Road sector – The beginning of the 2007-2013 period was marked by extreme project delays and made significant re-programming of the OP Transport necessary. Spending of EU funds has meanwhile improved, but no serious reform of the Road Agency has started so far. Road planning needs to become more realistic and focused, including maintenance capabilities. Placing the Road infrastructure Agency under the authority of the Ministry of Transport, IT and Communication, as is the case with the National Railway Infrastructure Company, would improve administrative efficiency.
- Rail sector – reforms in the rail sector progress very slowly. A reform package – including a substantial reduction of staff – was negotiated with the World Bank but it was finally rejected by the Ministry of Finance. While understanding the difficult position of the Government, the Commission services support the reform and maintain that a restructuring is a necessary pre-condition for substantial Cohesion policy allocations.
- Energy efficiency – It is not clear which sectors the Bulgarian Government wants to focus on (SMEs, companies, residential buildings, district heating?) The subject incl. legal obstacles should be analysed and strategies decided in a National Energy Efficiency Plan. The Commission services recommend considering the use of studies completed by international financial institutions on the subject, notably EBRD and/or World Bank.

PROGRAMMING 2014-2020

Position Paper of the Commission services

On 24 October 2012 the Commission services sent a Position Paper on the development of Partnership Agreement and programmes in Bulgaria for the period 2014-2020 to the Bulgarian Government. The paper sets out the key country specific challenges and presents the Commission Services' preliminary views on the main funding priorities in Bulgaria for growth enhancing public expenditure. It calls, amongst other things, for establishing a strong link to productivity and competitiveness enhancing reforms, leveraging private resources, boosting potential high growth sectors and concentration of financial resources on priority areas to maximise the results to be obtained, rather than spreading funding too thinly. It also calls specifically for strengthening the capacity of public administration and the judiciary.

Partnership Agreement (PA)

On 6 February there was a first meeting between the Bulgarian authorities and the Commission services on the Partnership Agreement 2014-2020. The care-taker Government then sent a full draft PA arrived to the Commission on 15 April. On 25 April the Commission services decided that the document, although a big improvement on earlier drafts, could not be accepted as sufficiently mature. Nonetheless, other Commission services were consulted and their remarks were sent to the Bulgarian authorities. Commission services have been very pleased with the cooperative and professional attitude of the responsible departments in the Bulgarian administration. It has been informally agreed that the next full draft of the Partnership Agreement will be sent early September at the latest to allow the new Government to familiarise itself with the files and take the important policy and strategy decisions necessary to complete the document. So far, some of the most important general negotiation issues would seem to centre around:

- Lack of sector reform - water, transport, healthcare, R&I, higher education, energy efficiency, Roma integration and unfulfilled ex-ante conditionalities in these areas.
- Certain Bulgarian programming priorities differ significantly from EU priorities e.g. local roads and transport in general, tourism, use of grants vs. loans, etc.
- Demarcation - between urban and rural areas e.g. on broadband coverage and complementarity between ERDF and EAFRD.
- Concentration of resources - There is a tendency to spread financial assistance over too many topics and geographical areas.
- Coordination - Competences in certain areas are the responsibility of more than one institution, be they ministries, state agencies or municipalities e.g. in the energy sector or e-government policy.

New OP 'Science and Education'

The Ministry of Education has expressed interest in becoming a Managing Authority in the coming programming period of a separate (multi-fund) Operational Programme. Although first drafts of a programme strategy seem to respect the principles of concentration of funds and promoting excellence, there are concerns both within the Commission services and the Bulgarian administration about the needed administrative capacity of this Ministry to manage funds effectively and efficiently. It is likely that the Ministry will lose budget under the 2007-2013 OP Human Resources Development. Other risks are overlap and poor coordination with the next OP Competitiveness (ERDF, under Ministry of Economy) and OP Human Resources Development (ESF, under the Ministry of Labour and Social Policy) and between the education, research and business communities. Although Commission services applaud more investment into research and innovation, the delivery system has to be efficient. An alternative structure could be to

appoint the Ministry of Education as an Intermediate Body responsible for a Priority Axis in one or more Operational programmes, this would be our advice.

STATE OF PLAY AND RECOMMENDATIONS LINKED TO INDIVIDUAL ERDF AND COHESION FUND PROGRAMMES

OP Regional Development (CCI 2007.BG.161.PO.001)

2007-2013 absorption and overall implementation

Despite a recent considerable acceleration in payments, a high risk remains that the programme will not meet the N+3 target for the end of 2013 with over EUR 270 million still to be claimed by the end of the year. Delays in public procurement slow down the physical implementation of on-going projects. Certain areas of intervention with long delays require urgent action: municipal and state schools and hospitals; innovative cultural events; floods prevention; tourist attractions and marketing; social housing for marginalised communities; state cultural and social infrastructure; as well as broadband. Key investment initiatives such as integrated urban transport; energy efficiency in residential buildings; deinstitutionalisation of children; and the implementation of the financial engineering instrument JESSICA need to be closely monitored. The Commission services have accepted the inclusion of the major project for the construction of Sofia's North Speed Tangent into the programme as a measure to reduce the 2013 de-commitment risk. This should, however, not lead to forced cancellation of already approved projects; by allowing the conclusion of contracts beyond the available OP budget ('overbooking'), loss of funds at the end of the programming can be avoided as project savings can then be spent on those back-up projects.

Continuity of staff and stability in OP management

In view of the important challenges related to the finalisation of the 2007-2013 period and the need to ensure successful programming of the 2014-2020 investments, it is crucial to ensure continuity of programme management and preserving institutional memory by retaining experienced key staff members. This would also allow applying all lessons learned since the start of Structural Funds implementation in Bulgaria.

Energy efficiency

The Commission services appreciate the increase of the level of grants under the scheme for energy efficiency in residential buildings, the wide communication campaign and the offer of additional incentives for lower income households. Nonetheless, to properly prepare for 2014-2020 the legislation governing house owners' relations needs to be properly enforced. It is also important to ensure stronger institutional and operational coordination of all energy efficiency initiatives for public buildings, residential buildings and enterprises, etc. Next programming period EU funded financing tools should incorporate the results of the on-going review of the Bulgarian energy sector and applicable tariff setting mechanisms.

Health

Further to the 2007-2013 delays in the implementation of both municipal and state health investments a clear strategic framework for the development of the sector by 2020 should allow for the necessary cost-effectiveness and sustainability of EU funded investments, fostering a transformational change in Bulgaria's health system and reinforcing a shift from a hospital-centred model to a system focused on outpatient and primary care. The Commission services therefore welcome the decision to involve the World Bank in the preparation of the new national health strategy.

De-institutionalisation of child institutions

The Commission strongly supports the Bulgarian deinstitutionalisation exercise to dismantle large scale children's institutions and will continue to closely follow policy developments and the integrated use of ERDF and ESF investments to that end. The first set of small group homes are under construction. The Commission services welcome the extension of this exercise to other social groups in the next programming period.

Roma inclusion

The situation of Roma has moved to the centre of political attention in Europe. The pilot ERDF and ESF exercise financing social housing for marginalised communities in Bulgaria has the potential to serve as a good practice example in the EU. Unfortunately the city of Bourgas recently decided to withdraw its project following strong public resistance. Additional efforts are required to mobilize similar on-going projects or such that have been left in the reserve list (Varna, Peshtera and Tundja) in order to prepare the ground for large-scale actions in 2014-2020 and implement the National Roma Integration Strategy (part of the European Semester exercise and an important ex-ante conditionality).

2014-2020 preparations OP "Regions in Growth"

This is the first operational programme of all Member States to have been presented to the Commission services.

The Commission services welcome the thorough preparation, sound analysis and integrated approach to sustainable urban actions, the early project identification and preparation, as well as on-going capacity building measures for beneficiaries. However, there are a number of areas where the positions of the Commission and the national authorities seem to diverge significantly and this would require more in-depth discussions between the two sides, namely the number of cities eligible for urban development ERDF assistance, the demarcation with the rural development programme and the strategic focus and scope of the interventions related to health and regional roads. To be in line with the Europe 2020 Strategy the biggest cities with the highest potential for generating growth and jobs should be prioritised. Considering the need for higher concentration of resources and increased impact of EU co-financed investments, the number of 67 eligible cities is much too high, diminishing the impact of EU funds.

OP Competitiveness (CCI 2007.BG.161.PO.003)

2007-2013 absorption and overall implementation

This OP has a total EU budget of EUR 987.9 million. Financial absorption of this Operational Programme seems satisfactory (44%) but it is due mainly to the introduction of financial instruments made under "JEREMIE" which absorbs EUR 294 million for small and medium-sized enterprise support schemes. The rest of the measures show a very slow implementation, no more than 14% of the total budget. In these terms this OP has currently, an estimated risk of loss of funds for the end of 2013 due to the rule said "N+2/3" (automatic decommitment) of EUR 46 mln.

One factor to blame is the financial crisis; most of the measures of the OP are oriented towards the private sector, which is in financial difficulty and hesitant to invest. Other causes can be found in the slow evaluation of project proposals and the complexity of the administrative procedures. Administrative capacity of the Managing Authority was strengthened (more skilled and trained staff, IT systems, etc.) but the improvements are coming relatively late and must be stabilised.

Flagship projects

The OP counts two important projects of EUR 48 million each:

Sofia Technology park ("Sofia Tech")

After a promising rapid start up, the project seems now bogged down by bureaucracy. There is a need of determination, energy and ambition from all the players involved in order to realise this unique project which, if made properly, should increase substantially the capacity and visibility of the innovation potential of Bulgaria.

Gas Interconnector Sofia-Nis (Serbia)

This is an important project from both the financial and the political side. Some progress is registered mainly in preparatory works funded by OP Regional Development and also by the OP Competitiveness. Frequent meetings between the Bulgarians-Serbian authorities provide a basis for better cooperation. Still the project is advancing slowly and has slim chances to be finalised before end of 2015.

Energy Efficiency scheme for SMEs

This scheme has been realised with the involvement of the EBRD. Its implementation was delayed among others by the time needed to select the "Project Assistant" and the "Project Auditor". Now that they are in place and the founding procedure has been established, there are no excuses after 3 years of consultations for further delays. Given the important budget of the scheme (140m €) and the relative simplicity of the works to be done on the ground by the participating enterprises, the implementation must be accelerated to the maximum in order to reduce the risk of loss of EU funds.

2014-2020 preparations

A first draft of the OP Competitiveness 2014-2020 was not considered mature enough for informal internal distribution to, or screening by Commission services. Nonetheless, first observations are that there are too many priority areas, lacking sound justification for their selection. The Commission services recommend the World Bank study on Smart Specialisation Strategies (3S) for Bulgaria, which provides a clear and realistic approach, proposing to focus on innovation, energy efficiency and export-oriented sectors. The options to support SMEs and start-ups through financial engineering instruments in combination with grants should be expanded, tools for which are currently prepared by the European Investment Fund.

OP Transport (CCI 2007.BG.161.PO.004)

2007-2013 absorption and overall implementation

The OP Transport 2007-2013 is the only programme that does not have an acute N+2/N+3 de-commitment risk in 2013, although this situation can be attributed for a large part to the nature of the programme, consisting of many Major Projects that 'ring-fence' part of the budget and to the successful Sofia metro extension projects. Although the best performing programme, there are a number of issues, part from the fact that roughly EUR 940 million, equalling 58% of the ERDF and Cohesion Fund budget needs to have been spent in the next two and a half years. For example, the last hope for having any project realised under Axis 4 'Danube navigation' has disappeared. The remaining funds will be transferred to Axis 3 'Intermodal transport and facilities' and be invested in railway station renovations. Axis 1 'TEN-T rail is overbooked, largely due to the incorporation of the Sofia metro extension project II,' and the National Railway Infrastructure Company is in urgent need of budget for both current construction projects and projects that are to prepare the construction of TEN-T rail sections in 2014-2020.

TEN-T rail projects desperately need funds

TEN-T rail corridors are an EU priority and should therefore also be a national one. The Bulgarian authorities urgently need to allocate EUR 56 million by July 2013 for the preparation of TEN-T railway projects for the next programming period. An additional EUR 81 million euro have to be allocated for the implementation of the railway projects during this programming period. In the absence of a solution on this issue forces the Commission services to maintain an interruption on the operational programme since November 2012. The services will approve the OP modification, and will process any newly submitted major transport projects only after the matter is definitely solved. The options cover the missing financing are either to transfer funds from the road priority axis or to use an EIB loan. The Commission services will not accept any proposal to secure the necessary financing at the expense of phasing the on-going railway construction projects.

Road Infrastructure Agency with the Ministry of Transport, IT and Communication

During the present programming period the Road Infrastructure Agency has been a beneficiary of about EUR 1 billion under the operational programmes for Transport and Regional development. Being only a beneficiary in the Structural Fund system makes its status, rather disproportionately, equivalent to the status of a municipality which as a beneficiary under OP Regional Development manages substantially lower amounts. Moreover, the present administrative set up, where the Road Infrastructure Agency acts under the authority of the Minister of Regional Development, hampers the Ministry of Transport to implement in practice its overall functions as a Managing Authority for the operational programme Transport. This should be changed.

2014-2020 preparations

A first draft of the OP Transport 2014-2020 was deemed not mature enough for informal internal distribution to or screening by Commission services. With regard to transport, the Bulgarian authorities need to determine potential Connecting Europe Facility projects to launch them by 2016 when the national allocations under the CEF budget will expire.

Preparation of a comprehensive and integrated transport strategy

The new Common Provisions Regulation requires Bulgaria to elaborate a comprehensive national transport strategy that reflects the principles of the European Transport Policy as led down in the White Paper 2011 including an inventory of available financial means and administrative capacity and an action plan showing the various steps and the timing to meet Bulgaria's transport goals. The strategy should be in place by 2016 at the latest and represents an ex ante conditionality for the next programming period.

In order to develop the strategy the Commission services recommend the setting up of a high-level task force chaired by the Deputy Prime Minister supported by other inter-ministerial working groups including the Ministries of Finance and Regional Development. The strategy should cover roads, railways, inland waterways, ports and intermodal connections and include efficient infrastructure maintenance policies. In parallel to the general transport strategy a realistic and efficient policy for the railway sector is required, making it a competitive and attractive mode of transport. The future of state railway operator BDZ forms an important element of such a strategy; any future ERDF or Cohesion Fund support for BDZ depends on it being an efficient and financially healthy organisation.

It is clear that the scope of such a comprehensive national transport strategy goes beyond mere EU financed infrastructure measures. Therefore its development should not be the responsibility of the Managing Authority for transport but of the Ministry as such.

2007-2013 absorption and overall implementation

An amount of EUR 314 million Cohesion Fund and ERDF remains to be claimed until the end of 2013, of which EUR 103 million can be said to be at risk of having to be de-committed. The measures introduced with the modification of the operational programme in February for flood prevention, forest fire fighting and improvement of the air quality, still have had little impact on payments.

The low level of implementation and absorption of funds of 11% is mainly due to poorly prepared projects, lack of administrative capacity of the beneficiaries in preparing and managing tenders and the delayed water sector reform. The Commission services welcome the support provided by the Ministry of Environment and Water to municipalities through "mobile expert teams" giving advice and training and hope this kind of support will be continued and expanded. It also encourages Bulgaria to take advantage of JASPERS and International Financial Institutions expertise, such as World Bank assistance for the preparation of water supply and sanitation strategy.

Major projects

Bulgaria has submitted four major projects related to water and waste water treatment in Plovdiv, Dobrich, Asenovgrad and Pleven. The Commission services consider VAT as ineligible expenditure and have asked their removal from the project applications. The state aid and, in the case of Asenovgrad, environmental issues remain unresolved. The approval procedure has been interrupted pending the reply from Bulgaria.

Water sector investments

The gap with the water infrastructure acquis (drinking water and urban waste water directives) is still considerable, making the deadlines for meeting the EU environmental acquis unfeasible, which could have legal implications. One of the major problems that hinder the progress relates to the governance of the sector. The Commission services have been advocating faster finalisation of the water sector reform by:

- Establishing fully functioning Water Associations as the bodies responsible for managing the assets and setting the priority investments for their region; and
- Developing and adopting regional Master Plans for water infrastructure.

Despite recent progress, efforts need to be stepped up to modify the Water Act and elaborate the necessary secondary legislation, to create a solid legal framework for the implementation of cost effective and regional integrated projects. Other measures to be taken are:

- Clarification of infrastructure asset ownership;
- Standardisation of operational agreements between infrastructure owners and operators, raising the administrative capacity of the "SEWRC", the Water Associations and Water Companies;
- Putting in place an appropriate tariff setting mechanism covering water services costs;
- Design of future projects addressing the needs of the service area of the operator, allowing economies of scale and thus achieve cost-efficiency.

Solid waste sector investments

Lack of administrative capacity has affected implementation of investments in this sector. Other factors of delay have been long tendering procedures due to appeals, public opinion complaints and environmental impact assessment issues.

The Commission services welcome the progress made with the Sofia Waste project (for which the European Commission approved the second phase of the investment end of 2012) and the commissioning of the Botevgrad Regional Waste Management System. However, the implementation of the EU directives in this sector is seriously lagging behind. More effort is needed if the targets set in the Environment programme for established and completed integrated waste management systems and for closure of landfills not compliant with article 14 of the landfills Directive 1999/31/EC are to be reached.

2014-2020 preparations

The Commission services welcome the preparations for the 2014-2020 programme. The envisaged strategy for the future investments that are to close the gap with the acquis needs to be supported, however, by more detailed description and analysis of the current situation in all the targeted sectors, and the implemented actions and lessons learned so far.

OP Technical Assistance (CCI 2007.BG.161.PO.002)

2007-2013 absorption and overall implementation

This OP has an ERDF budget of EUR 48.3 million, 28% of which has meanwhile been spent. This OP has currently a risk of loss of funds for the end of 2013 of EUR 7 million.

This programme serves the horizontal needs of the line ministries as well as the National Strategic Reference Framework. It can finance evaluations, studies and even preparations for the next programming period 2014-2020.

The co-ordination with the line ministries responsible for the other Operational Programmes has improved with regular meetings and discussion of possible actions and policy synergies and thus avoiding overlapping activities.

There is a need for more effective and simplified administrative procedures for the use of Technical Assistance funds.
