

Novinite.com: Bulgaria lost irrevocably EUR 520 M of EU PHARE Program funds

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Bulgaria lost irrevocably EUR 520 M of EU PHARE Program funds on Tuesday as the European Commission refused to restore the accreditation of two of Bulgaria's PHARE executive agencies over fraud concerns.

In the first place, Bulgaria loses EUR 220 M of pre-accession aid which have not even been contracted for any projects at all.

The remaining PHARE Program sum of EUR 300 M, for which contracts have already been signed, is lost as well since this funding was frozen by the Commission in the summer, and its Tuesday's decision means failure to "unfreeze" it.

Therefore, the Bulgarian state budget itself would now have to commit the money for the approved projects.

The accreditations of the Central Finance and Contracts Unit of Bulgaria's Finance Ministry and of the Executive Agency of the Ministry of Regional Development and Public Works were revoked by the European Commission in July over fraud allegations.

They were supposed to be restored by the end of November, 2008, because the contracting deadline for the last EUR 220 M is November 30.

With the Commission's refusal to restore the accreditations, however, Bulgaria unconditionally loses these funds, and has to provide EUR 300 M for the already contracted projects.

Tuesday's statement of the European Commission recognizes that Bulgaria had taken some positive measures with respect to the management and control of EU funds absorption.

However, it also notes that most of these steps contained promises for the future, and had not yielded results yet, Novinite.com reported.