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ANNEX

INTERREG-IPA Cross-border
Cooperation Programme
Bulgaria – Serbia
CCI 2014TC16I5CB007

Recommended model for cross-border cooperation programmes under the IPA instrument

CCI	2014TC16I5CB007
Title	INTERREG-IPA Cross-border Cooperation Programme Bulgaria – Serbia
Version	4.0
First year	2014
Last year	2020
Eligible from	01.01.2014
Eligible until	31.12.2023
EC decision number	
EC decision date	
MS amending decision number	No 9
MS amending decision date	16 March 2017
MS amending decision entry into force date	17 March 2017
NUTS level III regions (or equivalent regions in the non-MS) covered by the cross-border cooperation programme	Republic of Bulgaria - 6 NUTS III level districts: Vidin, Montana, Vratsa, Sofia, Pernik, Kyustendil Republic of Serbia – 7 NUTS III districts: Borski, Zaječarski, Pirotski, Nišavski, Toplički, Jablanički, Pčinjski

SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO ECONOMIC, SOCIAL AND TERRITORIAL DEVELOPMENT, WITH THE VIEW OF SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND FOR ITS CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)

[Reference: Article 2, Regulation No 231/2014 of the European Parliament and of the Council of 11 March 2014, establishing an Instrument for Pre-accession Assistance (IPA II) and Article 34 of Commission Implementing Regulation (EU) No 447./2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) 231/2014 of 11 March 2014 of the European Parliament and of the Council establishing an Instrument for Pre-Accession assistance (IPA II)]

1.1 Strategy for the cooperation programme's contribution to the selected thematic priorities and, for the Member States, the relevant Partnership Agreement and, for IPA beneficiary(ies), Country Strategic Paper(s)

1.1.1. Description of the cooperation programme's strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)

STRATEGIC POLICY CONTEXT

The INTERREG-IPA CBC Programme Bulgaria-Serbia is designed in the framework of the European strategy for a smart, inclusive and sustainable growth and the relevant national strategic documents. The main policy framework at European, macro-regional and national level reflected in the Programme are as follow:

♦ **The Europe 2020: A European Strategy for Smart, Sustainable, and Inclusive Growth**

The Europe 2020 strategy is shared among the European institutions, the member states and the social partners in order to be taken the necessary action to help reach the Europe 2020 targets. The strategy puts forward three mutually reinforcing priorities:

- **Smart growth:** developing an economy based on knowledge and innovation.
- **Sustainable growth:** promoting a more resource efficient, greener and more competitive economy and
- **Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion.

It sets focus on five overarching headline targets that have to be reached by 2020.

♦ **The European Territorial Cooperation strategy and the role of the Cross Border Cooperation**

The European Territorial Agenda 2020 identifies some key challenges and potentials for territorial development. These include increased exposure to globalisation, demographic changes, social and economic exclusion, climate change, and loss of biodiversity, all relevant to the Programme area. It describes the European Territorial Cooperation (ETC) and CBC Programmes, as *".... a key factor in global competition... facilitating better utilisation of development potentials and the protection*

of natural environment". Three categories provide a starting point for the typology of results of cooperation programmes, which reveals some crucial aspects of the ETC approach, namely:

- **Integration related results**, i.e. the establishment and implementation of joint territorial governance mechanisms for common assets;
- **Investment related results**, i.e. delivering socio-economic benefits similar to mainstream programmes either by direct investments or by preparing such investments; and
- **Performance related results**, i.e. inducing improvements on organisational and individual performance.

Complementary, the Commission working document "*Elements for a Common Strategic Framework 2014 to 2020*" describes a number of other characteristics of CBC:

- Support the **joint management** and promotion of the shared major geographic features;
- Achieving a **critical mass** for success, especially in the field of innovation and ICT;
- Achieving **economies of scale** for more efficient investments in services and infrastructure.

The present Programme is fully compliant with the above cooperation programmes' characteristics, while also adding the integration into macro area framework (e.g. the Danube Macro Region), that generates substantial challenges and opportunities of coordination and synergies.

♦ **The European Strategy for the Danube Region**

The INTERREG-IPA CBC Programme Bulgaria-Serbia contributes to and interacts with, the macro-regional strategy that the EU has devised for the countries and regions that share common needs and objectives in the Danube Region. The EU Strategy for the Danube Region (EUSDR) adopted in December 2010 includes four pillars:

- (1) **Connecting** the Danube Region,
- (2) **Protecting** the environment in the Danube Region,
- (3) **Building** prosperity in the Danube Region and
- (4) **Strengthening** the Danube Region.

It is accompanied by an Action Plan breaking down **11 Priority Areas** into actions and project examples.

♦ **EU strategic Framework: Bulgaria Partnership Agreement**

The last draft of the Bulgarian Partnership Agreement submitted to the EC in April 2014, highlights the central role of the CBC programmes participated by Bulgaria, for the contribution to the EU development strategy.

♦ **EU Country Strategy Paper (2014-2020) for Republic of Serbia**

The country strategy paper is defining the priorities for action for Serbia towards meeting the strategic objective of accession. Hence, IPA support will be directed to enhance the overall business environment, as well as to education, employment and social policies in order to reform the education and training system and make it more responsible to labour market needs. Further support will also be granted to strengthen administrative capacity for environmental protection,

climate change adaptation and risk mitigation.

Republic of Serbia is also actively contributing to the Danube macro-regional strategy, while assigning a special role to the INTERREG-IPA CBC Programme Bulgaria-Serbia for direct inputs to its Action Plan implementation, and the creation of an integrated framework for the achievement of the EUSDR objectives.

THE PROGRAMME AREA

The eligible border area of INTERREG-IPA CBC Programme Bulgaria-Serbia covers a **territory of 43 933 sq. km**, or around 22% of the both countries' territories (Bulgaria and Serbia). It borders with Romania to the North and with the former Yugoslav Republic of Macedonia to the South. The border length between the two countries is 341 km.

The Programme area **settlement structure** is characterized by sparse population, small size of settlements and limited number of bigger cities. The total number of settlements is 2754, distributed in 105 municipalities.

The Programme area includes 13 administrative units: **6 districts in Bulgaria**, which correspond to NUTS level III (EUROSTAT), and the equivalent NUTS III **7 districts in Serbia**. The core area remains the same as in the period 2007 – 2013, with the addition of 2 districts: on the Bulgarian side – the Vratsa district, and on the Serbian side – the Toplički district.

The possibility for inclusion of additional NUTS 3 regions to the eligible area of the INTERREG-IPA CBC Programme Bulgaria- Serbia was subject of discussion during the 1st Joint Working Group (JWG) meeting, held on 7th November 2013 in Sofia (Bulgaria). The decision of including the two new regions in the eligible Programme territory was taken by the JWG on 14th December 2013 according to the Article 6 of the JWG Rules of Procedures.

TERRITORIAL ANALYSIS OF THE BORDER REGION

In order to depict the heterogeneity of the programming area adequately, a territorial and statistical study has been conducted to describe the status quo and the challenges of the eligible programme area.

Demographic trends

The population development is one of the indicators used for assessment of region's attractiveness and its long-term economic potential. In fact, the demographic situation of the border area is characterized by a continuous tendency of decreasing birth rates and **aging population**, which coupled with significant outer migration, leads to a general **trend of depopulation**. The total population of the programme area (as of 2012) is 2 144 054 inhabitants or 14.7% of the total population of both countries with average population density of 49 inhabitants per sq. km.

Labour market

The transition to market-led economy, accompanied by industrial and agricultural reforms, have significantly affected the border region and resulted in **increased unemployment rates** with severe skill depreciation of lay-offs from the closed down large industrial enterprises. Based on the officialy statistic data, the unemployment rate in Serbia is 23.9% for 2012, while the border region with Bulgaria has the highest unemployment rate in the whole country (42.5%). **35% of the**

unemployed in the Serbian border region are young people in the age group between 18-24 years. In Bulgaria, the unemployment rate in the border region is 12.03% (2012), which is almost equal to the average 12.3% for the country. However, also here the highest unemployment rate is registered among young people – **almost 28.8% of all the officially registered unemployed are in the age groups between 18-24 and 25-34.**

The **long-term unemployment**, coupled with low economic activity rates in the region, lead to an increased risk of poverty. Some 24.6% of Serbian citizens are exposed to the risk of becoming poor - those aged up to 18 being most at risk. At the same time, Bulgaria has recorded the highest share of persons being at risk of poverty or social exclusion in EU - almost 49.3% of the population (the EU average for 2012 was 24.8%). The figures at national level for both Bulgaria and Serbia are proportionally equal to those in the border region.

Overall, the border area is characterized by **low level of employment** of the population, **low wages** and mobility of labour force, and **risk of poverty**. In order to overcome these problems additional integrated measures at national level are needed.

Challenges and opportunities

- Enlarging and diversifying the offer of training and career guidance services for workforce resources (including on-the-job training /vocational training/ entrepreneurship education programs);
- Providing access to high quality social services (education, health, social care);
- Promoting social inclusion of disadvantaged minorities;
- Creating local mechanisms for identifying/monitoring and evaluating of vulnerable social groups and disadvantaged urban/rural areas.

Youth, education and skills

The educational development in the eligible border region is bound within the established network of institutions at all educational levels. As of 2012, the existing educational basis of the border area includes 17 universities/faculties, 9 colleges, 172 vocational gymnasiums, training schools and special schools, and 1288 general (primary) schools. The education facilities structure in the CBC area is relatively good but with visible territorial disparities in the secondary and upper educational institutions, which are mostly located in the administrative centres of the region. E.g. the main university's centre in the CBC area is town of Niš (Serbia) with 11 universities/faculties. On the Bulgarian side, few faculties are located in Botevgrad, Montana, Vidin and one university is located in town of Pernik. The Sofia city (situated outside the eligible programme area) is the main counterpart of Niš as R&D centre. As regards graduation structure, only 11.6% of the students are completed tertiary education grade (university/faculty), while some 31.5% have secondary grade diplomas (as of 2012).

Another stable trend in the region is the **youth migration** from smaller towns (villages) to bigger cities **due to lack of opportunities for prosperity** in smaller settlements. Despite the insufficient relevant statistic data of the youth migration in the border area, it could be summarized that a very small number of youth returns to their birthplaces after completion of their higher education (high school, university). In this respect, initiatives for partnerships between school and economic units have to be further supported in order to achieve a better integration of the youths on the labour

market.

Challenges and opportunities

- Better “translation” of competitive skills and future labour market needs into curricula and teaching processes;
- Developing entrepreneurial attitude in the society already from the early school years via adding entrepreneurial or business approaches to curricula;
- Promoting cooperation between universities/research institutes and entrepreneurs in order to identify activities with high value added which provide best chances to foster local competitiveness.

Economic development

The border region is clearly underdeveloped with very **low trends of economic development**. The GDP is low as compared to the rest of the European countries. In Serbia in 2012 it was MEUR 29 932 (EUROSTAT - GDP), while in Bulgaria it was MEUR 39 (EUROSTAT - GDP). A more stable recent tendency in the behaviour is observed in the case of Bulgaria, mainly due to its accession to the EU and the corresponding EU-funded programmes. In the border region, GDP per capita is about EUR 3 422, with EUR 3 981 at the Bulgarian side of the border, and EUR 2 994 on the Serbian side. The significant income disparity is evident; however its impact may be controlled through active targeted economic and social cohesion activities.

The **industry** on both sides of the border is mainly represented by mining, being a leading sector in the past and still keeping its most important part in the regional industrial production. Other industrial sectors represented in the regional GDP are the energy generation, metallurgy and machine engineering, chemicals, textiles, etc. In Bulgaria and partly in Serbia industrial production had a substantial drop during the time of transition to market economy with restructuring and privatization of major enterprises, and it has not yet recovered. **Agriculture** holds a substantial share in GDP for all border districts (average for the Programme’s area 16.2%). Due to the fertile land and favourable climate conditions a great variety of agricultural crops are grown in the region. Stockbreeding covers all types of animals, involving also a wide use of mountain pastures. The region’s geographical location and rich natural resources form an excellent base for development of the **service sector**.

The investments in R&D in the region are still very low. Their predominant concentration is in the countries’ capitals (Sofia and Belgrade). The **innovative capacity** of local firms operating in the CBC area is still underdeveloped. Bulgarian firms spent 0.3% of GDP on R&D, compared to 1.23% for all EU firms; they ranked 71st out of 139 countries in productivity; and were 95th in business sophistication and innovation. Serbia is ranked at the meagre 144th place. The reasons for this substantial gap between the EU average and Bulgaria-Serbia region (both national and cross-border) innovative capacities is the lower efficiency of the R&D systems due to limited institutional capacity, lack of commercialization expertise, low level of public-private collaboration in R&D and lack of incentives.

Challenges and opportunities

- Identifying common interests (on the basis of clusters of different economic sectors) and further develop and market those clusters to achieve new market niches;

- Promoting traditional productions, leading to regional specialization (branding, trademarks, certification) thus utilising proximity to markets;
- Exploitation of potential target sectors for new business development such as ICT, “low-carbon” solutions, “silver economy”, as well as supporting the “green” economy;
- Promoting economic activities for young people.

Tourism, natural and cultural heritage

Despite the severe economic problems, the tourism is one of the economic sectors with a potential for future development in the border area, offering new opportunities and challenges. The outstanding natural and cultural features of the region have importance not only as tourism attractions but also as a topic in educational and scientific interest.

Natural heritage. The border region between Bulgaria and Serbia is characterised with diverse landscape (hills and mountains, but also wide plains), the rich forests (over 30% share of the total regional territory), numerous geomorphologic phenomenon (caves, natural bridges, gorges and canyons), dendrology monuments, thermal springs, as well the outlet to the Danube river, and favour continental-temperate climate, which all are prerequisites for development of various forms of tourism throughout the year. The programme area is also rich in natural parks, protected areas and natural reserves, many of which have been included or proposed for inclusion in the NATURA 2000 areas.

Part of the largest national park of Bulgaria - The Rila National Park as well as Vitosha Nature Park and “Vrachanski Balkan” Nature Park are located in the border region. A smaller nature park “Belogradchishki Skali” is designated in 2004 as a result of local initiative. The area of Chuprene in Bulgaria is a natural reserve which is included in the UNESCO and UNO list of protected areas. Other protected sites are the Seven Lakes of Rila, and the Stob Pyramids. The main Natura 2000 sites on the territory of Bulgaria are: West Balkan, West Stara Planina Mountain and Fore Balkan, The Rila Mountain and Rila monastery, Vrachanski Balkan’ Nature Park, Timok and Ogosta rivers, Plana and Vitosha Mountains, Osogovska and Zemenska Mountains.

Though the Natura 2000 framework in Serbia is still under development, there have been already areas identified to be included for further alignment with 2009/147/EC Birds Directive and 92/43/EEC Habitats Directive under the umbrella of Emerald Ecological Network. Major Nature Reserves and Protected Areas are: Dolina Peinje, Stara Planina encompassing Zajecar, Dimitorvgrad, Pirot and Knjazevac, Sicevacka Klisura around Niš, Vlasina (Ramsar site), Djerdap National Park, Sicevacka and in process of designation are Kucaj, Jerma and Suva planina. Other environmentally sensitive spots are located along the border with Bulgaria in municipalities of in Majdanpek and Kladovo and in Toplički district and municipalities of Bor, Zagubica and Svrijig. The entire protected area is approx. 400 thousand ha in area.

The natural beauties combined with the rich historical and cultural heritage of the region are unique regional assets which should be built on, invested in and further developed to improve the region’s attractiveness as a tourist destination.

Cultural heritage. The rich and unique culture between Bulgaria and Serbia - both tangible (various archaeological sites, monasteries, museums and galleries) and intangible heritage (e.g. traditions, festivals, etc.) is another asset of the programme area, which is a prerequisite for an

attractive tourism product and could furthermore be easily utilized as a driving engine for regional development and prosperity. Culture is among the most important factors in the CBC framework, since it gives a clear view of common features and provides a common identity for the region. Professional cultural institutes are very well developed both in Bulgaria and in Serbia. Traditional cultural organizations such as libraries, museums, galleries, community and cultural centres, etc., have a long-lasting presence and are well recognized by local communities.

The tourism developments in various forms (eco, cultural, winter, spa) has a strong potential for the region which now is lagging behind compared to other areas in Bulgaria and Serbia.

However, there is still a substantial discrepancy between the tourist potentials and opportunities and the undeveloped tourism in the border area. The total number of nights in the border region in the period 2009-2013 represents only 8% of the total ones realized by both partnering countries. Identical are the figures for the visitors to the programme area, out of which some 4% are the foreigners. As regards the tourists the Bulgarian side is showing substantial disproportions with Sofia district holding 55% of the bed-night realized for the period 2009-2013, followed by Kyustendil district with 17%. Tourist visits on the Bulgarian side show the highest rate of 49% for Sofia district and lowest one of 4 % for Pernik district, while the rest 4 districts are attracting between 10% and 16% of the visitors. The major tourist destinations at the Serbian side are situated in Zaječarski district, which has realized 37% of the nights for the period 2009-2013, followed by Nišavski district (21%) and Toplički district (11%). As regards the visitors to the Serbian side, 3 districts are holding almost equal popularity – Nišavski (27%), Zaječarski (26%) and Borski (21%), while Pirotski district is holding the lowest share of tourist visits (3%).

Despite the significant natural, cultural and historical heritage assets of the border area, the need of investments in tourist destinations development still exists. Many of the potential tourist attractions are not developed in a way to exploit their potential and associated tourism infrastructure is incomplete, outdated, worn or missing. Investments in training of staff working in tourism are also in deficit. The unavailability of qualified personnel in the tourism often implies that the quality of tourist services is not constant.

As a conclusion, the favourable natural characteristics of the programme area combined with the rich historical and cultural heritage are unique regional assets and one of the key factors for the sustainable development of the border area, and the improvement of the its attractiveness as a tourist destination. It provides variety of opportunities for diversification of the currently available tourist products and services for **sustainable development of tourism**.

Challenges and opportunities

- Promoting the development of niche tourism activities (e.g. eco-, ethno- gourmet tourism) thus valorising the favourable conditions for diversified tourism in the border area;
- Improving access to sites of touristic interest thus stimulating the utilisation of natural and cultural heritage;
- Exploiting the cultural heritage as a potential generator of new products and employment possibilities;
- Improving the image of the border area as touristic designation through creating common CBC touristic brand.

Environment and resource efficiency

The Programme area is characterized by wide geographical and environmental diversity. Most of the border-region is mountainous. The borderline has few road connections between both sides due to the fact that almost the whole length coincides with the ridgeline of the Western Balkan Mountains. A big area of the border region could be categorized as economically underdeveloped rural area having clean and preserved natural environment and large biodiversity. Numerous plains and valleys form a strong natural potential for the development of agriculture, forestry and tourism. A variety of unique natural landmarks, natural parks and protected sites, are located in the area. A further credit to the natural wealth of the region bring also its healthy thermal springs, which form a factor with significant added value to the potential for tourism development in the region.

In relation to the environment and energy efficiency of the programmes area, as well as the sustainable use of natural resources the following key elements can be highlighted:

Air and climate

The CBC area is featured with favourable climate conditions. In particular, the climate is temperate-continental with very hot summers and cold winters. Due to the ongoing climate change, future increase of natural and man-made disasters has to be assumed for the programme area. The Central and Southern part of the area face significant risks from droughts, fires and landslides in the mountainous regions, while the Northern part of the area face risks from floods in the plains.

As regards air quality condition, it should be considered as an important indicator for the successful development of the region, for human health and the natural resources protection. With reference to the adopted in December 2013 by the Commission Clean Air Policy Package for the period up to 2030, the main goal of the Ambient Air Purity Act of Bulgaria (reinforced by the Environment Protection Act) is to protect the people's and their generation's health, the animals and the plants, their communities and habitats, the natural and cultural values from harmful effects. In Serbia, the Law on Air Protection regulates air quality management and establishment of environmental protection measures, their organization and control of their implementation, as well as control of air quality improvement.

In general, the level of pollution in the CBC region is relatively low. Since the beginning of the 90's of the last century, the environmental situation in the border region improved mainly due to the decline of the industrial enterprises which seriously damaged the environment. The region is featured by only few regional black spots with heavy industrial pollution, mainly related to coal mining and heavy industries still existing. The industrial complexes in Negotin and Bor (Serbia), Sofia and Pernik (Bulgaria) impose serious air pollution problems.

Biodiversity, fauna and flora

A distinctive feature of the Bulgarian-Serbian border region is its wide biological diversity. The most important source of flora and fauna are region's forests which cover a third of the programme area playing a vital environmental role as a source of oxygen, water, timber and non- species and a place for tourism, sports and recreation as well.

The implementation of the NATURA 2000 network in Bulgaria will bring significant positive effects to the biodiversity protection. On the other side, effective management and restoration of sites in the Natura 2000 network requires significant investments. The present Programme is in full compliance with the priorities measure laid down in the Bulgarian priority action framework (PAF)

for the financial period 2014-2020.

Water

The programme area is in a better position in terms of availability of water supply resources and infrastructure compared to many of other areas and localities in both countries. The water supply system is much better developed at the Bulgarian side of the border and provides connection for the 98.8% of population, while at the Serbian side about 77 % of the population has access to the public drinking water supply. However, the obsolescent equipment, mostly asbestos pipes, leads not only to health and hygienic problems but also to ineffective operation (water losses, frequent need of repairs, etc.). Considering the activities planned (e.g. within mainstream programmes) the situation should improve during next years.

Regarding the sewerage system, only the main settlements (bigger municipalities) have sewerage systems in the CBC region. The majority of waste waters produced in the region flow directly to the rivers causing damages and significant environmental problems. As this issue is strongly connected with improving of the water quality, the significant improvement can be expected during next years. For the water pollution, the municipalities in the eligible region are relatively active in applying for and obtaining financing for construction and reconstruction of the sewerage and water supply network. Although the measures taken, the region still is lagging behind the national average indicators on environment – i.e. population with access to WWTP, waste collection, population connected to sewerage networks, etc. Some WWT facilities are currently under construction, expecting significantly to improve the environmental situation at the Bulgarian CBC region.

Apart from the commitment of Bulgaria and Serbia to comply with EU water and environmental legislation, both countries are effectively involved in trans-boundary cooperation within the frame of international conventions, particularly within the Danube river basin. As signatories to the Danube River Protection Convention, the countries have agreed to co-operate on fundamental water management issues.

In this respect, the programme could provide an opportunity for measures tackling water pollution (including Danube pollution and indirectly Black Sea pollution).

Soil

The soil is a constituent part of the environment, together with the atmosphere and the hydrosphere, and it represents the most precious natural resource without which human, animal and plant life would be impossible. However, the influences on soil caused by human activities continuously increase. This leads to unsustainable level of soil erosion, as well as its chemical contamination and biological degradation.

On Bulgarian territory only local spots of polluted soils are in industrial areas and along the main transport infrastructure. Disrupted territories are at the places of raw material extraction (coal, rocks, and inert materials). According to the National Report on the state and condition of the environment (2014 edition) soils in the country are in good ecological status in the period 2005-2012 as regards the availability of nutrients / organic matter, as well as contamination with heavy metals, metalloids and persistent organic pollutants. At the Serbian side of the border the increase in erosion is one of the major causes of land degradation and its consequent degraded quality. The greatest number of registered sources of localised soil pollution is related to municipal waste

disposal sites, storage sites, industrial and commercial sites.

Natural hazards and manmade environmental risks

The whole programme area faces the same challenges – how to keep the economy globally competitive, how to protect nature, how to manage multiplying natural hazards and manmade risks, how to create suitable living conditions for the citizens. Although participating regions have favourable climate and geographic position, extreme weather, including storms, thunderstorms, droughts and heavy rainfall implies a growing threat from natural hazards like landslides, mudflows and floods, as well as substantial forest fires in the summer periods.

Forests in the region preserve the majority of the area's protected plants and endangered animal species, where the fires become a specific risk for the natural heritage of the region. The statistic data shows that in CBC area in Bulgaria a fire engulfed about 32000 ha of forests (only for 2012). On the territory of Serbia, 328 forest fires on the surface of 11,462.73 hectares have been recorded for 2012. According to the Department for Emergency Situations Ministry of Interior, the total damage was around 50 million EUR. The largest part of the fire engulfed areas (around 60%) was reported in the south-eastern part of the CBC area.

The floods are the other menace to the CBC area: the geographical characteristics of the region in its Northern part pre-set conditions for serious floods in the outlet to Danube River. The floods in 2013-2014 on the territories of Bulgaria and Serbia ones again spotlight the need for establishing joint initiatives towards prevention and mitigation the consequences of natural and man-made disasters in the CBC area.

Although the above issues have already been tackled by the CBC in the past programming period, the open challenges still remain. The consequences of global climate will additionally aggravate these natural and manmade disasters in future and the risks extend beyond national borders. In that connection that regional cooperation is more than required on disaster prevention, and within the present programme, the local institutions and administrations will have the possibility to tackle together the most pressing challenges.

The green infrastructure as natural flood risk management approach is preferable to grey infrastructure (e.g. dams and dykes) for flood prevention and protection as it is a better environmental option. Green infrastructure for natural water retention, (e.g. restoration of flood plains and wetlands, afforestation, re-meandering), as an effective and cost-efficient solution to contribute to the reduction of the adverse consequences of flooding, will provide additional benefits in terms of water quality, carbon storage and biodiversity. In this respect the requirements of the Water Framework Directive (WFD) and the Floods Directive have to be respected. As regards Serbia, a complementarity with regard to Serbia's participation in the ECRAN network and its Working group 2 – Water, which is focused on providing assistance in the development of transboundary River Basin Management Plans has to be ensured.

Challenges and opportunities

- Decreasing environmental vulnerability to natural hazards (reforestation, land improving etc), including establishing joint risk management structures (drawing/ updating maps for regions / areas with high fire risk / risk management plans);
- Increasing the accessibility of combined emergency (rescue) services in rural areas;

- Better integrated planning of urban environments leading to improved urban environments and reduction of CO2 emissions;
- Raising awareness for commune environmental resources at the level of cross border area.
- Balancing the conservation and preservation aspects of natural resources in creating sustainable tourist attractions used to improve the quality of visiting environment.

Transport and accessibility

The programme area is strategically located in view of current and future international transport traffic flows, but it is presently not in a position to fully benefit from this asset. The existing **transport infrastructure** is not adequate to the contemporary technical requirements and needs substantial rehabilitation and reconstruction. It is distributed unevenly throughout the region's territory and is not sufficiently developed to meet the intensifying traffic needs. Furthermore, the connections between the two parts of the regions are incomplete and limited (no motorway connection, only one railway line); there are five border crossing checkpoints, but only one of them (at Kalotina–Gradina) is suited for international traffic.

All these factors not only hamper the accessibility of the region thus increasing its relative isolation, but also impede the development of relations between the two sides of the border. A new positive trend for improving regional accessibility is the agreement for opening of three new border crossing checkpoints between the two countries: Salash–Novo Korito (already under construction, including the access roads), Bankya–Petachinci and Treklyano–Bosilegrad.

Three corridors from the TEN-T network cross the border region, namely: No.4 – Greek border-Sofia-Vidin/Lom (with a Danube Bridge II at Vidin-Kalafat), No.8 – Gjueshevo (former Yugoslav Republic of Macedonian border)–Sofia–Plovdiv–Burgas and No.10 with a section that crosses the Bulgarian–Serbian border region. Despite some positive tendencies since 2007 in transport infrastructure development the transport system in the region is still in a rather poor condition.

For enhancement of regional mobility actions addressing the development of transport networks in the Bulgarian part of the CBC area are envisaged under OP “Regions in Growth” 2014-2020 and OP “Transport” 2014-2020. Due to its limited budget the strategy of the this Programme does not include thematic priority (c) promoting sustainable transport and improving public infrastructures, therefore no concrete actions related to support of the development of transport infrastructures as well as key network infrastructure (gas/energy infrastructures in the context of the European Energy Security Strategy) are envisaged. However small scale infrastructure and access investments (leading to tourist sites) will provide added value to the overall transport system of the region. The improvement of the transport infrastructure in the region as a whole will be ensured by the abovementioned Bulgarian mainstream operational programmes, as well as by IPA sectorial programmes of the Republic of Serbia.

Even though the Programme budget is not substantial for the construction of border crossings and related facilities, it could envisage concrete actions and measures that could have complementary effect with the objectives of the Bulgarian mainstream operational programmes and IPA sectorial programmes of Serbia, related to easing border crossing and therefore improving tourist accessibility in the CBC area. Any development and upgrading of transport infrastructure shall be embedded in Sustainable Urban and Regional Mobility Plans which are linked to Air Quality Plans under Directive 2008/50/EC. In this respect cooperation and coherence at vertical and horizontal

levels of administration needs to be assured in order to prevent contradicting initiatives, e.g. any regional transport infrastructure initiatives have to support or at least not to interfere with local or regional Air Quality Plans.

The **railway network** of the region is very much identical to the road one in terms of its general layout – almost each main road link has as a parallel railway line. Along corridor No.4 this is the railroad Vidin–Sofia–Thessaloniki (Plovdiv–Istanbul), along corridor No.8 – Gjeshevo–Sofia–Burgas, and along corridor No.10 – Belgrade–Niš–Sofia. The only railway connection between the two countries (Sofia–Niš–Belgrade) is single-tracked; at present almost fully electrified but has several black points where the speed has to be seriously slowed down (parts of the Niš–Preševo and the Niš–Dimitrovgrad lines are designed for speeds of only 80 – 100 km/ h). In order to meet the intensifying traffic needs, both countries have operated a joint railway crosschecking control at Dimitrovgrad since December 2006. Most of the railway lines inside the border area are quite old and need a complete overhaul. The situation is similar for the track equipment, the signals and the control system. The reconstruction of the rail infrastructure in the Bulgarian part of the CBC region is already in progress.

There are two main **airports** serving the border region - international airport in Sofia-city (the capital of Bulgaria) and the international airport in Niš (Serbia). Though the city of Sofia is out of the eligible area, this still is the only airport on the Bulgarian side of the border region. The airport in Niš is a small but developing international airport (the second biggest in Serbia). It was designed for both cargo and passenger transport. In order to boost the development of the airport, the local-self-government subsidised the plane tickets and that attracted several low cost companies.

The **waterborne transport** provides opportunities for the development of environmental friendly and low cost transport services which makes it a viable alternative to road transport. Having an outlet to one of the most important European waterways – the Pan European Corridor No.7 – Danube River the region gains a significant advantage. Two of the Bulgarian ports with international importance are located in the border area – Lom and Vidin. Another important port in the region is the Serbian port – Kladovo. Their main problems are the outdated facilities, lack of investments to improve and develop the ports infrastructure. As key barrier for the uptake of the (tourism) potential of the Danube could be mentioned the lack of public water transportation and a transport waterway connection between the two countries.

Water-borne passenger transport (ferries) form a part of the public transport systems of the waterside cities and islands, allowing direct transit between Bulgarian and Serbian settlements along the Danube river, as the investments in this field cost much lower than bridges or tunnels, albeit at a lower speed. The objective of the water-borne passenger transport is to make use of the rivers by introducing a public water transportation service and being the fastest connection between destinations on either side of the river.

The main ports in the CBC area are important for goods transportation and for tourist visitors, who travel, explore and sightsee. For being able to correspond to the needs of the tourist flow, the existing port infrastructure needs further development and renovation. The establishment and development of port reception facilities and the supply of specialized vessels is thus increasing the efficiency of inland waterway transport.

The **public transport** is mainly concentrated in the municipal centres. The transport connections are limited and do not correspond to the population needs. Most of the routes of the intercity transport are indirect in order to cover more settlements. The most developed public transportation

in the border region is that of the City of Niš.

Challenges and opportunities

- Easing border crossing on public roads through renovation of roads in bad condition which lead towards border crossing points;
- Opening and developing new border crossing points;
- Development of public transport - establishment of a system based on real time traffic information; establishment of a cross-border route and timetable planning system; optimising of a demand-oriented bus services;
- Achieving better integrated, multimodal transport systems.

The **main conclusions of the situation analysis** show that the border region between Bulgaria and Serbia possesses certain economic potential. Its **strategic position** plays the role of a bridge between the Central and Eastern Europe and the Balkans. The border region has an important natural potential for its development and some intentions are already made in this direction. **Tourism** (eco-tourism in particular) is a good perspective for the future. Investment in small scale infrastructure for improving accessibility will enhance the tourist visits and thus will contribute not only to the development of the transport system, but also to the better synergy for the CBC tourist products by cross-border transport links. However, these potentials are not enough explored and **the region is still one of the poorest parts of Europe**. On the other side, the socio-economic situation of the border region has **serious demographic problems**, due to ageing of the population. Most of the people of the border region survive with difficulties. The majority of the young people migrate and the villages become less and less attractive.

The existing CBC programmes maintained by national and European funds, as well as the **active cooperation of young generation** on both sides of the border, is the basis for a mutual exchange of good practices for economic and social development of the area. This could create opportunities for economic development in the near future.

The new INTERREG-IPA CBC Programme Bulgaria-Serbia with its complementarity character to the national initiatives and other mainstream programmes, is elaborated on the base of the identified potentials and barriers, taking into account the challenges and needs of the border region (enriched by the stakeholders view) and taking into consideration the financial limits of the programme.

POTENTIALS AND BARRIERS THE BORDER AREA IS FACING

The identified **potentials** and **barriers** are mainly dealing with issues such as competitiveness, alternative forms of economic activities (i.e. tourism), coherence of the education with the needs of the regional labour market and investments in youth entrepreneurship, as well as improving the region's preparedness with reference to natural and man-made hazards and disasters prevention. The following paragraphs describe the identified potentials and barriers, and explain them in more detail:

- ♦ **Existing Potential [EP1]: Define a common, international market for cross border products and services**

Within the eligible programme area, growth in business-related services can be identified, which is

accompanied by a tradition for CBC. Additionally, the area has a specific geopolitical position, which gained positive influence of proximity to TENs and European markets. These strengths, identified within the area, are positively influenced by the issue of the enhancement of competitiveness regulations which trigger especially the development of SMEs.

Through the enhancement of competitiveness it is assumed, that bordering districts can also benefit from overall EU and global development. Especially co-operative economic activities may promote networking between local and regional SMEs at horizontal (for example clusters) and vertical level (for example supply chains).

- ♦ **Existing Potential [EP2]: Sustainable tourism and utilization of cultural, historical and natural heritage**

Tourism was identified as a main opportunity to balance regional disparities and job creation. The EP2 combines internal strengths such as the richness and diversity of landscape as well as the natural, cultural and historical heritage with opportunities such as the promotion of niche tourism development (e.g. eco-, ethno- gourmet- tourism) thus valorising the favourable conditions for diversified tourism in the border area. Additionally, the Programme area tourism development could substantially benefit the existing European brand that the Danube already is.

The construction of the TEN-networks improves the accessibility of former marginalised areas catching-up. Furthermore, the improvement of accessibility and the already existing specific benefits of the geographically attractive locations of the region would increase the attractiveness of the area. For instance, the possibilities for the border region to offer products that are naturally connected to Pan-European products – e.g. cycling routes (Eurovelo 6/the Danube Bike Path and Eurovelo 13/the Iron Curtain Trail), cultural routes (the Roman Emperors Route), hiking routes, etc.

Additionally, a well-protected environment (equipped with specific environmental infrastructure) and the containment of increasing land, preserve the richness and diversity of the landscape, which is one main location as well as economic factor of the touristic use of the region. An environment, which is protected as well as fostered and used in a sustainable way, is generally more attractive for touristic use.

- ♦ **Possible Potential [PP1]: Co-operative initiatives and cluster development reducing employment deficits in peripheral regions**

This possible potential represents a combination of certain opportunities and weaknesses the border area demonstrates. Such a combination may create a possible and achievable potential for the future development of the CBC area.

The eligible programme area is marked by bad accessibility to service and employment in districts which are dominated by small villages and sparse population. In addition, the activity rate is low and the number of (youth) unemployment is increasing; so is the risk of poverty. Additionally, the access to finance is out of line with current needs, especially for small loans (micro credit), which are of high importance, especially for small and medium enterprises.

These internal weaknesses can be combined with the opportunity of policy provision for co-operative economic activities such as the development of clusters and networks as well as the opportunity/issue of tourism as a tool to balance regional disparities and job creation. Furthermore

the increase in green employment and eco-innovations may be opportunities, which could reveal possible potentials of development.

Moreover improved connections – on various levels – can be positively linked with the current situation of unemployment rate and poverty, increasing accessibility, coming along with new employment opportunities. Besides, the maturity of the European knowledge society and the exchange of knowledge and cultural values may influence positively the increasing number of youth unemployment on the one hand and the risk of poverty on the other hand.

Through improved accessibility, the adoption of alternative forms of employment green employment, eco-innovation and additional foreign investment within the border area, positive stimuli may increase employment and help improving the access to services; this avoids the risk of poverty and an increase in social diversity and polarisation. Especially for rural areas and small villages with the disadvantage of bad access to service and employment, CBC can initiate positive regional development; these issues – also in combination with tourism – can display possible development potentials, overcoming unemployment and low activity rates by reason of increasing regional attractiveness and raising opportunities.

Marginalised regions – both in terms of accessibility and employment opportunities – may benefit from alternative employment forms and a more flexible labour market approach in addition to the improvement of cross-border connections and co-operations. The development of clusters and networks, represents an important opportunity, which may be one important point, representing the unique position of marginalised, peripheral areas and one possible process of change.

♦ **Possible Potential [PP2]: Involvement of youth in development and progress**

Main weaknesses identified within the eligible Programme area are the out-migration of young and educated people, high level of early-school leavers due to poor perspectives of the region, high level of youth unemployment and low level of participation of youth in decision making, entrepreneurship etc.

Additionally, brain drain of young and creative people as well as increasing market competition, the pressure on economic productivity and disadvantages of peripheral areas (shrinking regions, depopulation etc.) represent major threats for the further development of the area. Underlying phenomena of demographic change such as the ageing society, shrinking population, brain drain occurrences and strong economic disparities – already existing in some peripheral border regions – are being intensified and positive development gets aggravated.

Therefore, it is imperative to engage youth to actively participate in all relevant levels of decision-making processes because it affects their lives today and has implications for their futures. In addition to their intellectual contribution and their ability to mobilize support, they bring unique perspectives that need to be taken into account. Numerous actions and recommendations within the international community have been proposed to ensure that youth are provided a secure and healthy future, including an environment of quality, improved standards of living and access to education and employment. These issues are of extreme urgency for the border area between Bulgaria and Serbia in view of declining demographic trends (aging of population and migration flows).

♦ **Possible potential [PP3]: Development of joint cross-border destination(s)**

The CBC area between Bulgaria and Serbia is characterised by a broad heritage of dense and diverse histories, cultures and ethnicities. In line with international conventions in the field of culture (with special reference to the UNESCO Conventions), culture can promote values of inclusiveness, openness, and acceptance of the others based on mutual respect. It can reinforce socio-economic development by strengthening of regional cooperation and intercultural dialogue while ensuring sustainability and joint action.

The areas of developing tourism, tourism infrastructure and improving tourism services, historical heritage and intercultural dialogue are typically inter-related topics. They benefit particularly from the integrated approach such is the development of joint CBC destination(s), meaning common products, synchronized policy for developing the elements of the tourism product, joint management and marketing, etc. Tourist destinations are usually formed on the base of common resources, regional identity, products, management, etc., therefore it would be reasonable to expect (and support) the establishment of more than one destination (e.g. among the Danube, in the Balkan area, etc.)

The results of the territorial (situation) analysis indicate that tourism is a growing sector in the border region but the tourism growth is not associated anyhow with the CBC region as a popular tourism destination. On the one hand, the area have own problems and challenges in developing tourism that certainly affect negatively the development of overall tourism in the region. On the other hand, there is a potential that is currently not utilised and sometimes underestimated including niche tourism prospects and realities. Such potential is significantly correlated with the urgent needs to overcome challenges that the border region is facing.

- ♦ **Existing Barrier [EB1]: Increasing lagging behind of peripheral, badly accessible regions**

The EB1 points out the combination of several weaknesses and threats. Main weaknesses identified within the eligible border area are the partly low level of R&D as well as the insufficient technology transfer and lack in the access to R&D-results especially for SMEs. Furthermore, the insufficient access to services and employment especially in peripheral areas and in regions dominated by small villages being accompanied by high numbers of (youth) unemployment.

Supplementary, the accessibility is low – especially outside of agglomerations – and strong economic disparities in GDP can be identified (core-periphery pattern). These weaknesses can be linked with a number of threats, such as the lack of competitiveness, increasing embeddedness into global capital flows, which may threaten local market potentials, as well as the lack of investments in local infrastructure. These threats do not support the already existing deficits concerning R&D, accessibility, transportation and employment, but represent a major barrier for further development.

- ♦ **Existing Barrier [EB2]: Managing environmental risks**

The EB2 combines mainly three weaknesses: low level of disaster management systems and emergency preparedness; underdeveloped solid waste treatment infrastructure and waste-water facilities; and insufficient management systems of hazardous waste. Threats identified which may be combined with these weaknesses in a negative way are the insufficient financial sources from state budgets for financing environmental infrastructure and the related inefficient prevention and management of climate related risks in the border region.

- ♦ **Existing Barrier [EB3]: Raising social polarisation due to demographic change and lack of investment in peripheral areas**

Demographic change and the phenomenon of an **ageing society** as well as the disadvantage of peripheral areas (agglomeration advantages of cities tend to represent disadvantages for rural/peripheral regions) harden the already existing contrasts between urban and rural areas. Increasing disparities and the risk of poverty are tightened by shrinking regions. The intensified marginalisation tendencies do not attract investments or innovation within the public administration system or important transportation links (to increase accessibility of these marginalised regions).

The increasing number of (youth) unemployment leads to rising brain drain occurrences within peripheral districts; well-educated employees without job opportunities prefer urban agglomerations and their advantages – which on the other hand illustrate disadvantages for rural or peripheral areas. This tendency supports demographic change in a negative way – the ageing of the society in general and the migration of young well-educated employees outlines simultaneously the loss of regional know-how and experience.

- ♦ **Possible Barrier [PB1]: Brain drain occurrences due to disadvantages of shrinking areas**

The PB1 is based on the strength of skilful workforce, with industrial and agricultural tradition and good adult education system. These regional strengths of the eligible programme area can be negatively influenced by suburbanisation processes and the ageing society – issues such as the increasing number of depopulated areas and the increasing contrasts between urban and rural areas were identified as relevant linkages of a possible regional barrier.

Furthermore, the increasing level of education, lifelong learning as well as female education participation and the consequence of a qualified workforce can cushion the negative effects of an ageing population. These identified connections may illustrate a constant danger of demographic processes. Regions, in which a high level of experience – mainly in industrial and agricultural sectors – exists, may be endangered by demographic processes such as shrinking population and brain drain occurrences. The regionally and locally existing knowledge of employees will be at risk. If a region, which is partly based on the experience and know-how of its employees, is scarred by an ageing society and declining opportunities, the trend of shrinking population figures and emigration may be an important and challenging issue.

- ♦ **Possible Barrier [PB2]: Loss of border region attractiveness by reason of environmental quality decline, demographical change and lack of investment**

The PB2 combines some region's strengths with possible threats. The tradition of CBC on institutional, political and administrative level and within projects can be negatively influenced by a lack of investments in regional infrastructures which increases the core-periphery disparities as well as the phenomenon of ageing, brain drain occurrences and disadvantages of rural areas due to agglomeration advantages of cities.

The issue of the richness and diversity of landscape and natural and cultural heritage as important location factors are endangered by on-going desertification and increasing aridity as well as by negative effects of climate change and unsustainable use of environmental resources. Furthermore these strengths can – linked with aridity as well as with natural disasters – represent a possible

barrier.

Regions which are oriented towards their touristic potentials and the richness and diversity of landscape and nature (as is the Bulgaria-Serbia border area) are endangered by natural disasters, climate change and its effects such as increasing aridity. This affects the entire natural and cultural heritage, which represents an important location factor for tourism usage.

PROGRAMME STRATEGY

Based on the situation and SWOT analyses summarised in the previous chapter, the border between Bulgaria and Serbia still should be considered a noticeably segmented space from the economic point of view, where the substantial development axes does not cross or connect, while it seems to have quite a potential in social and cultural similarities.

The level of development of the CBC region between Bulgaria and Serbia, the specificity and depth of the problems, as well as extremely serious gaps in human capital, infrastructure provision and economic activity makes it impossible to define an adequate and realistic development strategy to be implemented using standard tools for regional/sectoral interventions. The highly **fragmented economy** together with **depopulation trend** represent the main challenges to be faced by the border area when, at the perspective of Serbian accession in the EU, a major cross border dynamism is utmost required. Hence, **the vision** of the new INTERREG-IPA CBC Programme Bulgaria-Serbia **is to act as a tool for integrated support in the region** thus seeking to achieve positive effect in the development of the border territories of both countries.

To create a positive socio-economic environment, necessary to the development of the border area, **two main challenges** have to be faced. They are to be considered as pillars of this Programme, since it result from the deepened analysis of the whole border area and stand before the precise definition of the strategy and actions through which the CBC is going to be implemented.

The first challenge is referred to **invest in the effective valorisation and the efficient management of the territory**, which is related to:

- Promoting the development of niche tourism activities (e.g. eco-, ethno- gourmet- tourism) thus valorising the favourable conditions for diversified tourism in the border area;
- Improving access to sites of touristic interest thus stimulating the utilisation of natural, cultural and historical heritage;
- Exploiting various forms of tourism as a potential generator of new products and employment possibilities;
- Improving the image of the border area as touristic designation through creating common CBC touristic brand;
- Promoting traditional productions, leading to CBC area specialization (branding, trademarks, certification) thus utilising proximity to markets;
- Promoting joint territorial management by the regional authorities;
- Balancing the conserving and developing aspects of natural resources in creating sustainable tourist attractions used to improve the quality of visiting environment and also to contribute to the quality of living environment.

The second challenge is to **increase cross border networks, interactions and connections both at the social, economic and environmental spheres**. This is related to:

- Developing entrepreneurial attitude in the society already from the early school years via adding entrepreneurial or business approaches to curricula;
- Initiating partnerships between school and economic units in order to achieve a better integration on the labour market of the graduates from vocational and technical schools;
- Promoting cooperation between universities / research institutes and entrepreneurs in order to identify activities with high value added which provide best chances to foster local competitiveness;
- Identifying common interests (on the basis of clusters of different economic sectors) and further develop and market those clusters to achieve new markets;
- Engaging citizens and local communities in local decision-making and service delivery thus developing a sense of ownership;
- Improving exchange of know-how, best practice and information between the relevant administrations from both sides of the border, as well as development of joint integrated territorial cooperation plans both on regional and macro-regional level;
- Promoting initiatives for decreasing environmental vulnerability to natural hazards (reforestation, land improving etc.), including establishing joint risk management structures;
- Increasing the accessibility of combined emergency (rescue) services in rural areas;
- Raising awareness for commune environmental resources at the level of CBC area).

The above represent decisive factors to make the area more attractive for investments, to stimulate internal demand and to enhance general development in the border area.

- Hence, the overall aim of the INTERREG-IPA CBC Programme Bulgaria-Serbia is: **to stimulate the balanced and sustainable development of the Bulgaria-Serbia border region integrated in the European space – achieved through smart economic growth, environmental change adaptation and learning culture enhancement.**

Such overall objective is the basis for elaborating the Programme's strategic framework, which refers to three thematic priorities, namely:

- **Thematic priority (d):** Encouraging tourism and cultural and natural heritage;
- **Thematic priority (e):** Investing in youth, education and skills;
- **Thematic priority (b):** Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management.

The selected thematic priorities are structured into **three priority axes**, reflecting the needs and challenges as identified in the territorial (situation) analysis of the Programme area:

- ♦ **PA-1: Sustainable Tourism**

Specific Objectives related to PA-1:

- **Tourist Attractiveness:** Supporting the development of competitive tourist

attractions achieved through cooperation, thus contributing to the diversification of tourist product(s) in the CBC region;

- **Cross-Border Touristic Product:** Capturing economic benefits from development of natural and cultural heritage in the border area through creating common CBC touristic destination(s);
- **People-To-People Networking:** Capitalising the effect of cultural, historical and natural heritage tourism on border communities through common actions.

This priority axis contributes to the **smart** and **sustainable** pillars of the **EU 2020 Strategy** since it aims at encouraging entrepreneurship and networking, incl. through implementation of innovative approaches in the area of tourism, and at the same time at developing and protecting nature and culture heritage.

The **EU strategy for the Danube region** accents on the development of stronger synergic connections between the authorities on all levels aiming the optimization of the impact of activities and financing. The PA-1 is fully corresponding to its **Pillar "A": *Connecting the Danube Region*** and the **Priority Area 3 "To promote culture and tourism, people to people contacts"**.

The PA-1 is in line with the **Partnership Agreement of the Republic of Bulgaria**, which defines the natural and cultural heritage protection, as well as investments in "green" growth, economy, and tourism as one of the main objectives for territorial and CBC.

According to the **Strategy for Development of Tourism in Serbia for the period 2006-2015**, the main goal is to provide conditions for creation of quality tourist product/-s, thus ensuring development of positive international image of the country, but also ensuring long term protection of natural and cultural resources. Additionally, the **EU Country Strategy Paper (2014-2020)** emphasises that in order to achieve inclusive growth in line with the Europe 2020 priorities, Serbia will need to improve economic governance through substantial structural and labour market reforms.

♦ **PA-2: Youths**

Specific Objectives related to PA-2:

- **Skills & Entrepreneurship:** Supporting the development of attractive environment for advancement of young people in the border region achieved through cooperation;
- **People-To-People Networking:** Promoting cooperation initiatives for and with young people, thus enhancing mobility of young people across borders.

This priority axis directly aims at achieving the objectives of the **EU 2020** and in particular the following priority: „**Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion**“, focusing on education and skills.

The **EU strategy for the Danube region** accents on the investments in young people and making best use of border's area human capital. The PA-2, therefore, corresponds to its **Pillar "C": *Building Prosperity in the Danube Region***; and the **Priority Area 9: "To invest in people and skills"**.

It contributes also to achieving the **Partnership Agreement of the Republic of Bulgaria** objectives for territorial cooperation aimed at supporting joint actions in the field of education,

skills and life-long learning initiatives for young people in order to promote the linkage between education and labour market; exchange of good practices to reduce the level of early-school leavers; implementation of new methods and forms of education and training; setting up of networks between business entities, institutions and schools, exchange of training and educational practices and internships, incl. development and implementation of joint training programmes.

This priority axis is in line with the **EU Country Strategy Paper (2014-2020)** where stated that the Serbian education and training system is to be reformed as to better match the needs of the labour market. In addition, this priority follows the **National Priorities for International Assistance in the Republic of Serbia 2014-17**, with projections until 2020, especially the Priority 1 aimed at enhancing the effectiveness, targeting and coverage of ALMPs, further developing in-place local mechanisms to stimulate activation and employment in underserved areas, promoting youth employment and entrepreneurship (especially the NEET group) and increasing on-the-job safety.

♦ **PA-3: Environment**

Specific Objectives related to PA-3:

- **Joint Risk Management:** Preventing and mitigating the consequences of natural and man-made cross-border disasters;
- **Nature Protection:** Promoting and enhancing the utilization of common natural resources, as well as stimulating nature protection in the programme area, through joint initiatives across the border.

This priority axis contributes to the **EU 2020 Strategy**, in particular to “**sustainable growth**” priority: promoting a more resource efficient, greener and more competitive economy with eligible activities related to environment protection, risk prevention and management.

The CBC dimension is extremely relevant, for the integrated and interdependent environmental systems both for the border region as a whole, but also with reference to the Danube Basin as formulated in the **EUDRS**. The PA-3 corresponds to the **Pillar “B”**: *Protecting the Environment in the Region*, and the **Priority Area 5**: *“To manage environmental risks”* as well **Priority Area 6**: *“To preserve biodiversity, landscapes and the quality of air and soils.*

It is also in line with the **Partnership Agreement of the Republic of Bulgaria**, which states as one of the main priorities for territorial, incl. CBC, environmental and nature heritage protection. In addition, it contributes to the achievement of the following priority area for cooperation: development of joint strategies, coordinated investments, actions and systems for efficient resources management, adaptation to climate change and prevention and risk management.

This priority axis is in line with the **EU Country Strategy Paper (2014-2020)** stating the Serbian administrative capacity for environmental protection, climate change adaptation and mitigation needs to be improved, thus reaching further alignment of Serbian legislation with the EU environmental and climate change *acquis*.

Functionally, the **IPA CBC Programme’s intervention strategy** is an instrument aimed at providing targeted support to the development of the CBC territory, based on the identified existing resources, comparative advantages and problems, while seeking to ensure the necessary conditions and prerequisites for sustainable development. By also including competitiveness and R&I

elements (indicative actions) as cross-cutting issues in all the three Priority Axes of the Programme, this will further improve the quality and quantity of development co-operation in the eligible border area. At this specific extent, the IPA CBC aims to turn borders from being a barrier to defend different and opponent interests into a dynamic contact point to develop common measures to achieve same aims.

1.1.2. Justification for the choice of thematic priorities, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

Table 1: Justification for the selection of thematic priorities

Selected thematic priority	Justification for selection
<p>Thematic priority (d): Encouraging tourism and cultural and natural heritage</p>	<p>The Thematic Priority is chosen to encourage the existing potential of the region since the natural and cultural heritage is a significant comparative advantage of the area and an important development asset stretching across the border.</p> <p>The choice of TP is based on identified needs and potential of the eligible border area, namely:</p> <ul style="list-style-type: none"> [+] Good quality, attractive natural environment offering favourable conditions for diversified form of tourism; [+] Availability of historical, ethno and cultural sites; [-] Limited access and lack of infrastructure at a number of natural, cultural and historic tourism sites; [-] Lack of common touristic identity and image; [-] Low integration of cultural heritage in the border area tourist products' development; [+] Possibilities for development of cross-border products; [+] Established past cooperation and high interest for future cooperation in tourism sector.
<p>Thematic priority (e): Investing in youth, education and skills</p>	<p>This priority is selected to encourage the possible potential of the region, namely: youth to become more actively involved in making decisions. When young people have the opportunity to identify the problems that affect their lives and, most importantly, find and implement the solutions, it builds their self-confidence and encourages them to value the positive impact they can have on the lives of others.</p>

	<p>The choice of TP is based on identified needs and potential of the eligible border area, namely:</p> <ul style="list-style-type: none"> [-] High level of early-school leavers due to poor perspectives of the youth; [-] Educational /Training system not corresponding to labour market demands; [-] High level of youth unemployment; [+] Opportunities for development of mechanisms for career counselling and guidance for young people; [+] Availability of youth support institutions such as youth centres in a number of municipalities; [-] Low level of participation of youth in civil society.
<p>Thematic priority (b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management</p>	<p>The third priority is selected to overcome the existing barriers in the field of managing environmental risks. Its relevance is predetermined since the protection of the environment and the elimination/mitigation of existing environmental hotspots and hazards, and the adaptation for new risks, is considered an absolute prerequisite for any development strategy. Environmental protection and risk management are by definition cross-border initiatives.</p> <p>The choice of TP is based on identified needs and potential of the eligible border area, namely:</p> <ul style="list-style-type: none"> [+] Partnership of public, private and civil sector in implementing of environmental protection initiatives; [-] Low level of disaster management systems and emergency preparedness; [-] Inefficient fire fight management and fire prevention measures across the border; [-] Insufficient CBC in management of natural resources; [+] Potential for efficient and sustainable use of natural resources (e.g. toward sustainable tourism).

1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic priority in accordance with the thematic concentration requirements (taking into account the ex-ante evaluation).

The main objective behind the financial allocation to Programme thematic objectives (priorities) is to effectively achieve the Programme results with resources available.

The Programme is financed by the European Regional Development Fund (ERDF) and the Instrument for Pre-Accession Assistance (IPA). The total EU support to the Programme is EUR 28 986 914 (of which maximum 10% shall be allocated to the Technical Assistance).

Main arguments behind the financial commitment for each priority include expected results to be achieved, planned types of actions under each priority, as well as types of investments to be made (if any). Additionally, when defining the allocations towards thematic priorities, two aspects were taken into consideration based on the lessons learned from previous Bulgaria-Serbia IPA CBC Programme (2007-2013), namely:

- The estimated relative importance of the thematic priority/priority axis based on the identified needs and the estimated long-term impact on the border region socio-economic situation, and
- The estimated absorption capacity of the potential project holders to develop feasible projects including the magnitude of needs of resources of typical projects.

PA-1: Sustainable Tourism

Approximately 35 % of the Programme funds is planned to be given to thematic priority (d): *“Encouraging tourism and cultural and natural heritage”* because of the significance of the region’s natural and cultural heritage as among its most valuable assets. Capitalisation of these assets could contribute to the economic development of the area by promoting environment-friendly tourism. Importance of the priority axis is undoubtedly high also in terms of creating employment opportunities in the border region.

Establishing the basic conditions for an increased exploitation of the cultural and natural assets may involve substantial costs. Especially tourist infrastructure development – even if only small-scale investments are foreseen to be financed – may demand relatively high level of funds. Furthermore CBC is an evident precondition for effective approaches to preservation and management in particular when it comes to large-scale bio-corridors such as the Western Stara Planina or the wetlands along the border Danube River.

Moreover, the financial allocation to this priority is aligned with the high interest shown by the relevant partners in the consultation process. All partner regions expressed their interest in this priority, the potential interest expressed in consultation meetings during programming has been significant. This is the field where cooperation between stakeholders on different sides of the border has already been successful and where there is also scope to further exploit on this cooperation. Active cooperation led to advanced capabilities to develop and manage projects, improving the absorption in this intervention field.

In order to maintain a proper balance of funding between potential actions to be funded under this thematic priority, an indicative allocation of 23% of the programme’s resources has been set to be allocated to the soft-type of interventions aimed at developing tourist destinations and innovative touristic products, as well as further strengthening the networking activities of local border communities.

PA-2: Youths

Approximately 25 % of the Programme funding is proposed to be allocated towards thematic priority (e): *“Investing in youth, education and skills”*. Although clear needs have been identified to investing in education, training, including vocational training, the relative costs of these type of projects are lower than the cost of investments in touristic and/or environmental risk prevention infrastructures and existing absorption capacity – with special regard to really meaningful projects – seems to be also moderate, justifying a relatively low allocation to this priority axis.

PA-3: Environment

30% of the Programme’s budget will be allocated to thematic priority (b): *“Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management”*. The priority is viewed to have the potential to cover quite a broad range of solutions in the field of sustainable environmental management, depending on the local specificities of the environment, risk prevention and disaster management, as well as the community and other interests. For this reason, sufficient resources are needed to meet the demand.

Table 2: Overview of the investment strategy of the cooperation programme

Priority axis	Union support (in EUR)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities	Result indicators corresponding to the thematic priority
PA-1 “Sustainable Tourism”	10 145 420	35%	(d): Encouraging tourism and cultural and natural heritage	<p>RI 1.1.1 Increased visitors to the cross-border region</p> <p>RI 1.2.1 Increased level of joint and integrated approaches to sustainable tourism development in the border area</p> <p>RI 1.3.1 Increased level of community involvement and awareness about sustainable use of cross-border tourist resources</p>
PA-2 “Youths”	7 246 729	25%	(e): Investing in youth, education and skills	<p>RI 2.1.1 Level of young people’s satisfaction as regards opportunities for professional and social realization in the border area (<i>composite indicator</i>)</p> <p>RI 2.2.1 Increased level of youth involvement in networks across the border</p>
PA-3 “Environment”	8 696 074	30%	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management	<p>RI 3.1.1 Increased level of preparedness to manage risks of transnational dimension</p> <p>RI 3.2.1 Increased capacity for nature protection and sustainable use of common natural resources in the border region</p>
PA-4 “Technical Assistance	2 898 691	10%		

SECTION 2. PRIORITY AXES

(Reference: points (b) and (c) of Article 8(2) of Regulation (EU) No 1299/2013)

Section 2.1. Description of the priority axes (other than technical assistance)

(Reference: point (b) of Article 8(2) of Regulation (EU) No 1299/2013)

2.1.1 Priority axis 1

<i>ID of the priority axis</i>	1
<i>Title of the priority axis</i>	SUSTAINABLE TOURISM

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	

2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	Union funds (ERDF and IPA)
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.1.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	1.1
<i>Specific objective</i>	<p>TOURIST ATTRACTIVENESS:</p> <p>Supporting the development of competitive tourist attractions achieved through cooperation, thus contributing to the diversification of tourist product(s) in the cross-border region</p>
<i>The results that the partner States seek to achieve with Union support</i>	<p>R 1.1.1 - Increased tourist attractiveness of the cross-border area through better utilisation of natural, cultural and historical heritage and related infrastructure</p> <p>The development of sustainable cross-border tourism being a tool for socio-economic growth is seen as an important factor for increasing the competitiveness of the Programme's area. A prerequisite for such sustainability is the creation of competitive tourist attractions through balanced utilisation of region's cultural, historical and natural resource potentials and increasing the effectiveness of cross-border tourist product(s). Furthermore, sustainability of the tourism sector is closely linked with initiatives improving accessibility, transport and communications at the regional and local level.</p> <p>Therefore, the Programme will focus on overcoming existing challenges in the eligible area, namely through:</p> <ul style="list-style-type: none"> - Supporting conservation of natural, cultural and historical heritage, linked where appropriate to tourism, including the restoration of heritage buildings and the maintenance of traditional landscapes; - Improving the accessibility to touristic sites in the region, in line with the overall concept for sustainable tourism development; - Improving the integration between different types of transport service and ease of use by tourists; - Ensuring wide access to public sector tourist information (including open data e-Tourism).

<i>ID</i>	1.2
<i>Specific objective</i>	<ul style="list-style-type: none"> • CROSS-BORDER TOURISTIC PRODUCT: Capturing economic benefits from development of natural and cultural heritage in the border area through creating common cross-border touristic destination(s)
<i>The results that the partner States seek to achieve with Union support</i>	<ul style="list-style-type: none"> • R 1.2.1 –Enhanced capacity for sustainable development of cross-border touristic destination(s) <p>In the present global competitive environment, tourism development should be based on knowledge, innovation and promotion.</p> <ul style="list-style-type: none"> - In response to that, careful destination planning and management is required to: Influence the scale, nature and location of development, thus ensuring the tourist initiatives are not only integrated with existing economic activities but also with natural and cultural heritage. - Check that proposed new development is in line with market trends and future demand as well as with the requirements regarding preservation of natural and cultural heritage; - Give priority to types of products and services that reflect the special character of the cross-border destination(s), minimise environmental impact and deliver value to the community (economic and employment); - Maximise the proportion of income that is retained locally and other benefits to local communities, through strengthening local supply chains and promoting use of local products and services. <p>Through the actions to be supported, the Programme will facilitate the development of local tourism environment thus establishing a portfolio of the joint touristic destination(s) in the cross-border area. Some of the major challenges to be faced are the:</p> <ul style="list-style-type: none"> - Development of joint tourism territorial management plans; - Adoption of visitor management plans to ensure that tourism does not damage natural and cultural resources; - Development of monitoring programmes to measure trends and impacts, and facilitate adaptive management of natural, cultural and historical heritage in the region. <p>It is important that Programme’s work to promote sustainability</p>

	is based on sound evidence regarding the interface between tourism and sustainability, and visitor and business demand for sustainability. Any new development should be in line also with the requirements regarding preservation of natural and cultural heritage.
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<i>ID</i>	1.3
<i>Specific objective</i>	PEOPLE-TO-PEOPLE NETWORKING: Capitalising the effect of cultural, historical and natural heritage tourism on border communities through common actions
<i>The results that the partner States seek to achieve with Union support</i>	<p>R 1.3.1 - Extended cross-border networks operating in the field of sustainable tourism</p> <p>The main precondition for sustainable tourism development in the Programme's area is the engagement of a wide range of stakeholders within and at the level of the border region, so as to take advantage of numerous possibilities provided by dynamic CBC in this field.</p> <p>The development of a sense of ownership and responsibility regarding sustainable tourism in host communities is a key issue for tourist managers and planners in the border region. Neither of these elements is easily achieved in the short term without a strong focus on awareness building, engagement of community and ultimately, empowerment of the individuals so they can recognise and understand the direct and indirect benefits of a sustainable approach to tourism and how to become involved. The key is a participatory approach which empowers the local community and the tourism industry so they can develop an appreciation and knowledge regarding local and individual issues associated with developing tourism.</p> <p>There is a need for a continuous engagement of local community stakeholders, through a series of networking actions, in order to develop responsibility in sustainable tourism development. Besides local, there are a number of other agencies that influence the local decision making, e.g. national government authorities and educational institutions, tour operators (outgoing and incoming), transportation and other tourism-related companies serving the destination, the media, the tourist market and the tourists themselves. Therefore, building wide awareness regarding sustainable tourism practice in the border area requires</p>

	a strategic approach if long term attitudinal change and engagement is to be achieved.
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2.1.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 34(2) of IPA II Implementing Regulation)

<i>ID</i>	N/A
<i>Contribution to the specific objective of the priority axis</i>	
<i>The results that the partner States seek to achieve with Union support</i>	

2.1.5. Actions to be supported under the thematic priority (by thematic priority)

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	(d): Encouraging tourism and cultural and natural heritage
<p>The indicative actions¹ to be supported under <u>specific objective 1.1</u> are:</p> <ul style="list-style-type: none"> - Preservation of natural and cultural heritage (e.g. restoration and maintenance of sites of historical and cultural importance; conservation and protection of both tangible and non-tangible natural, historical and cultural heritage, etc.). - Development of small-scale support infrastructure to touristic attractions (e.g. rehabilitation of access roads; upgrade of public utilities related to natural, cultural and historic tourism sites; small touristic border crossings and related facilities; ICT facilities development/upgrade, etc.). - Development of additional small scale technical infrastructure, encouraging the visits to the tourist attractions (playgrounds; recreational and sports facilities; landscaping; signing and lighting; other support facilities serving tourist attraction and visitors). - Development of joint transport access schemes and adventure routes (e.g. cross-border public transport to touristic sites; tourist paths and health paths, climbing, horse riding and 	

¹ List is not complete, further specific actions to be identified under each Call for Proposals

biking routes, etc.).

- **Development of tourist attraction accessible to persons with disabilities** (e.g. encouraging the modification of access points, washrooms, stairs, transportation vehicles, rough paths, etc.).
- **Development of information access facilities** (e.g. info-centres and/or kiosks to guide potential visitors; joint GIS platforms; joint platforms for online reservations, payment, etc.).

Target groups:

- Residents of the cross-border area
- Visitors and guests of tourist attractions and cross-border destinations
- People with disabilities (improving of the accessibility will contribute to their social inclusion)
- Touristic organisations and associations
- Administrations of protected areas

Potential Beneficiaries:

- All levels of regional/local authorities
- Regional and sector development agencies
- Central and regional offices and structures of relevant government institutions/administrations
- Public cultural institutes (museum, library, community centres, etc.)
- Non-government organizations and tourist associations

The indicative actions to be supported under specific objective 1.2 are:

- **Development of joint cross-border touristic destinations** (e.g. development strategies and action plans based on innovative service concepts and products; carrying out joint researches on tourism demand for new tourist destinations; adoption of joint visitor management plans to ensure that tourism does not damage natural and cultural resources; risk management plans for cultural and natural heritage sites exposed to climate change; elaborating joint monitoring programmes to measure trends and impacts, and facilitate adaptive management of natural, cultural and historical heritage in the region, etc.).
- **Development of sustainable cross-border touristic products and services** (e.g. research activities to identify tourist products with potential for cross-border branding; development of new and innovative tourist products and services; development of local brand/s based on natural, historical and cultural heritage of the border region; establishment of networks/clusters/entities for management of joint tourist products; creating knowledge networks for tourism innovations in the border area, etc.).
- **Joint marketing and promotion of cross-border tourist destinations and products** (e.g. joint market perception analysis with the aim to assess the customer understanding of the

border region as a consistent tourism destination; application of best practices in tourism promotion; preparation and dissemination of information and advertising materials; studies of the impact of the implemented marketing and advertising activities; organisation of tourism exhibitions and fairs; visualisation of local tourist products/ brand/s/ destinations, incl. 3D visualisation; mobile applications, social networks, tailor-made internet platforms, and other innovative tools; creating multi-lingual on-line tourist platforms, etc.).

When developing of tourist packages activities such as "safari" and "off-road" runs (with the observation of rare and endangered species) are not eligible because they lead to significant damage to environment and biodiversity.

Target groups:

- Touristic operators
- Tourist associations
- SMEs in the eligible border area operating in the field of tourism and hospitality sector
- Young entrepreneurs
- Cultural institutes (museum, library, art gallery, community centres, etc.)
- Residents of the cross-border area and the visitors (tourists)

Potential Beneficiaries:

- All levels of regional/local authorities
- Regional touristic associations
- NGOs
- Business support structures - chamber of commerce, business association, business cluster
- Education / Training Centres
- Regional and sector development agencies
- Central and regional offices and structures of relevant government institutions/ administrations

The indicative actions to be supported under specific objective 1.3 are:

- **Support for public awareness activities and information services** (e.g. awareness raising campaigns on the values of cross-border cultural, historical and natural heritage, incl. joint events among youth; dissemination of relevant information to the touristic providers in the border region; organizing travel forums to promote effective two-way communication; participation and involvement of local touristic enterprises in recognizing and solve common problems; organisation of different events such as conferences, forums, seminars, platforms and networking meetings in order to improve the recognition and trust among existing partners and to assure the political commitment at all levels, etc.).
- **Capacity building activities addressed to local community and business** (e.g. training and consultancy support services for tourist enterprises/establishments to improve skills and performance; organising online forums for exchange of good practices in sustainable

tourism management; support the cooperation of public and private institutions in fields of competence, etc.).

- **Organization of joint events to promote cross-border natural and cultural heritage** (e.g. promotion and cultivation of the common traditions of the borderland areas; support to activities in the fields of multiculturalism, cultural exchange and the establishment of connections on field of creative industry in order to increase cultural diversity; organisation of festivals, exhibitions, performances, etc.).

Target groups:

- Residents of the cross-border area
- Tourist enterprises/establishments in the border region
- Touristic organisations and associations
- Youth organisations

Potential Beneficiaries:

- All levels of regional/local authorities
- Regional touristic associations
- Civil society structure (association/foundation/NGOs)
- Business support structures
- Education / Training Centres
- Cultural institutes (museum, library, art gallery, community centres, etc.)
- Local Action Groups (LAGs) established and supported under measure "Leader" within the Rural Development Programme 2014-2020 for Bulgaria and within IPARD for Serbia.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(d): Encouraging tourism and cultural and natural heritage
<p>The selection of operations is to be made at level of ‘specific objectives’, e.g. potential applicants should apply with project application focusing on only one specific objective (SO) under Priority Axis 1.</p> <p>The following guiding principles will be observed when selecting project applications:</p> <ul style="list-style-type: none"> - Strategic coherence - coherence and contribution of each project application to the relevant Programme’s specific objective, while addressing in a coherent way the achievement of the Programme’s specific results envisaged. Furthermore, the cross-border added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context. 	

- **Operational quality** - design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved.
- **Compliance to horizontal principles** - coherence and contribution of each project application to the Programme's horizontal principles and the demonstration of their integration and advancement within the project proposal intervention logic.

This PA will be implemented through Calls for proposals and/or strategic projects. The detailed selection criteria will be adopted by the Joint Monitoring Committee (see Section 5.4).

A clear demarcation between and complementarity of INTERREG-IPA CBC Programme Bulgaria-Serbia with other programmes is to be also ensured. This concerns the articulation with: 1) other ETC strands, (in particular INTERREG V-A Romania-Bulgaria, INTERREG-IPA CBC Programme Bulgaria – former Yugoslav Republic of Macedonia and INTERREG-IPA CBC Programme Romania – Serbia); 2) other EU programmes or funds (for Bulgaria: ESIF OP Regions in Growth 2014-2020, OP Rural development 2014-2020; for Serbia: OP Regional Development 2014-2020, IPARD 2014-2020) and 3) other programmes/projects with national/regional funding of each of the partnering countries. In this respect functional collaboration across above mentioned programmes should be made possible and largely maintained during each stage of Programme Cycle Management (PCM). A coordination mechanism will be set up in order to detect and avoid possible overlapping and duplication as well as to foster synergies between complementary programmes being implemented in 2014-2020 (see Section 5.4).

2.1.5.3. *Planned use of financial instruments* (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(d): Encouraging tourism and cultural and natural heritage
<i>Planned use of financial instruments</i>	Not applicable

2.1.5.4 *Planned use of major projects* (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(d): Encouraging tourism and cultural and natural heritage
<i>Planned use of major projects</i>	Not applicable

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ²	Source of data	Frequency of reporting
RI 1.1.1	Increased visitors to the cross-border region	Percentage	642 269	2014	1% (quantitative target)	National Statistics (Bulgaria&Serbia)	2018 2023
RI 1.2.1	Increased level of joint and integrated approaches to sustainable tourism development in the border area	Ordinal scale	2.12	2014	2.50	Survey	2018 2023
RI 1.3.1	Increased level of community involvement and awareness about sustainable use of cross-border tourist resources	Ordinal scale	3.02	2014	3.50	Survey	2018 2023

² Target values may be qualitative or quantitative.

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
OI 1.1.1	Total number of reconstructed / restored cultural and historical touristic objects in the eligible border area	Number	15	AIRs	Annually
OI 1.1.2	Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	15	AIRs	Annually
OI 1.1.3	Total number of created/reconstructed facilities for disabled people in the supported touristic sites	Number	5	AIRs	Annually
OI 1.1.4	Total number of information access facilities created/upgraded	Number	5	AIRs	Annually
OI 1.2.1	Number of sustainable tourism strategies/action plans of common tourist destinations	Number	3	AIRs	Annually
OI 1.2.2	Total number of newly established touristic products / services	Number	5	AIRs	Annually
OI 1.2.3	Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area	Number	8	AIRs	Annually
OI 1.3.1	Public awareness initiatives promoting sustainable use of natural and cultural heritage and resources	Number	20	AIRs	Annually
OI 1.3.2	Capacity building initiatives for capitalisation of the common touristic product/services	Number	20	AIRs	Annually
OI 1.3.3	Total number of joint events aimed at promotion and cultivation of the common traditions of the borderland areas	Number	15	AIRs	Annually

2.1.7 Performance framework (Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

Priority Axis	Indicator type (Key implementation step, financial, output, or, where appropriate, result indicator)	ID	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
1	Output indicator	OI 1.1.2	Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	4	15	AIR	Only some projects will be finalised by 2018 respectively targets will be partially achieved-26%
	Key implementation step	KIS 1.1.2	Number of projects contracted related to small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	8	9	MIS AIR	The 8 contracted projects will ensure achievement of above 80% of the target value
	Output indicator	OI 1.2.3	Tools developed and/or implemented for marketing and promoting tourist	Number	4	8	AIR	

		products in the eligible border area					
Financial indicator	FI 1	Eligible certified expenditure of the priority axis 1 “Sustainable Tourism”	EUR	734 770	10 145 420	MIS	n+3 target = 2015 (IPA)
Summary of information on the establishment of the performance framework for priority axis 1 “Sustainable tourism”							
<p>The selected output indicators relate to main operations under priority axis 1, namely measures for small scale technical infrastructure, encouraging the visits to the tourist attractions, and tools for marketing and promoting tourist products in the eligible border area, that are expected to represent the majority of resources allocated to this priority axis.</p> <p>The performance framework milestones for the year 2018 and indicators’ targets for 2023 established for priority axis 1 are directly linked to the achievement of its specific objectives (SO): SO 1.1 “TOURIST ATTRACTIVENESS: Supporting the development of competitive tourist attractions achieved through cooperation, thus contributing to the diversification of tourist product(s) in the cross-border region” and 1.2 “CROSS-BORDER TOURISTIC PRODUCT: Capturing economic benefits from development of natural and cultural heritage in the border area through creating common cross-border touristic destination(s)”. The estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.</p> <p>A Key implementation step is envisaged when no or only few outputs related to fully implemented operations are expected by the end of 2018, e.g. it is assumed that in case an expected achievement in 2018 below 50% of the 2023 target value a KIS is provided.</p> <p>Taking into consideration that one project addresses more than one small scale technical infrastructure encouraging the visits to the tourist attractions, the 2018 milestone envisaging 8 contracted projects will ensure achievement of above 80% of the 2023 target value and with the next call/s the OI target will be fully met.</p> <p>The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to priority axis 1 until 2015 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.</p>							

2.1.8. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA1	094 - Protection, development and promotion of public cultural and heritage assets	7 811 973
PA1	075 - Development and promotion of tourism services in or for SMEs	1 521 813
PA1	095 - Development and promotion of public cultural and heritage services	811 634

Table 7: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
PA1	01 - Non-repayable grant	10 145 420

Table 8: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
PA1	01 - Large Urban areas (densely populated >50 000 population)	2590000
PA1	02 - Small Urban areas (intermediate density >5 000 population)	3680000
PA1	03 - Rural areas (thinly populated)	3875420

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority axis	Code	Amount (EUR)
PA1	07 - Not applicable	10 145 420

2.1.9. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	1
<p>Capacity building initiatives:</p> <ul style="list-style-type: none"> - For project generation, assisting potential beneficiaries for the identification of needs among target groups, coordination of administrative procedures. <p>Promotion initiatives:</p> <ul style="list-style-type: none"> - To activate participation among potential beneficiaries groups; - To inform target groups on outputs of the programme. <p>Surveys and evaluation activities:</p> <p>Surveys among target groups to evaluate the achievement of PA's results indicators.</p>	

2.1.1 Priority axis 2

<i>ID</i>	2
<i>Title</i>	YOUTHS

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	

2.1.2 Fund and calculation basis for Union support

<i>Fund</i>	Union funds (ERDF and IPA)
<i>Calculation Basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.1.3. The specific objectives of the priority axis and the expected results

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Specific objective (repeated for each specific objective)

<i>ID</i>	2.1
<i>Specific objective</i>	SKILLS & ENTREPRENEURSHIP: Supporting the development of attractive environment for advancement of young people in the border region achieved through cooperation
<i>Results that the partner States seek to achieve with Union support</i>	<p>R 2.1.1 Improved environment for youth development</p> <p>By combining efforts to improve facilities, culture and support services addressing the employability skills of young people, being the most dynamic part of the human capital, the Programme will contribute to development of the knowledge triangle (e.g. interaction between research, education and innovation) in the target region. The development of skills and entrepreneurship culture among young people in combination with applying innovative and research approaches would support the partnering countries' efforts for diminishing brain drain occurrences due to disadvantages of border areas, namely through:</p> <ul style="list-style-type: none"> - Improvement of skills, extra-curricular activities, as well as activities aimed at creating opportunities for leisure and sport for young people. Extra-curricular activities are efficient site upon which contemporary educational goals can be realised, and a site upon which training strategies that facilitate learning are successfully implemented. Efforts should therefore be aimed at raising efficiency through: (1) upgrading the physical environment in schools and training centres, providing modern equipment and furnishings (all intended to create an attractive learning environment), and (2) enabling full-time schooling through improving the training infrastructure, sports and recreational facilities, as well as providing rooms for extra-curricular activities. On the other hand, creating an attractive school environment and providing opportunities for extra-curricular activities will increase the motivation of young people to continue their education after secondary school and will thus contribute to increasing the share of college and university graduates. - Promoting an entrepreneurial culture among young people. Promoting an entrepreneurial culture is one of

	<p>the most essential and neglected components of entrepreneurship development in the border region. Changing cultural practices and beliefs around entrepreneurship is a long-term process. It will be ambitious to say that the Programme will overcome all the above constrains; it will rather concentrate on facilitating the overall environment for youth development in the border region, while facilitating the process of entrepreneurial training through wider utilisation of cross-border networking opportunities.</p> <ul style="list-style-type: none"> - Improving business counselling and youth support services. The more assistance a young person obtains during the start-up of the working carrier the better are the chances for finding a job and even creating a successful and sustainable business. Therefore, the Programme will concentrate on enhancing the provision of youth support services: i.e. business skills training, guidance and counselling services; one-stop shops; physical or electronic online portals to assist with registrations, financing applications etc.; on-the-job training and workshops; mentor support and business coaching. <p>Hence, through achieving its specific objective 2.1, the Programme will support the raising of adaptability of the labour force by enhancing the employability skills of the students and graduates, and strengthen the cross-border knowledge networks in exploiting the opportunities of the border region.</p>
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<i>ID</i>	2.2
<i>Specific objective</i>	PEOPLE-TO-PEOPLE NETWORKING: Promoting cooperation initiatives for and with young people, thus enhancing mobility of young people across borders
<i>The results that the partner States seek to achieve with Union support</i>	<p>R 2.2.1 Enhanced networking between young people in the border region</p> <p>The searched change with reference to achieving Programme's specific objective 2.2 is focused on encouraging youth to become more actively involved in making decisions.</p> <p>When young people have the opportunity to identify the problems that affect their lives and, most importantly, find and</p>

implement solutions, it builds their self-confidence and encourages them to value the positive impact they can have on the lives of others. Through increasingly meaningful and active participation in decision-making they can develop their own identity, a sense of belonging and usefulness. This encourages them to respond to educational opportunities and enter more fully into life at school.

Therefore, the Programme will give ground for **youth networking actions**, as to help bring about the structural changes necessary to create an environment that makes young people feel welcomed and empowered to actively participate in decision-making processes, namely through:

- **Advocacy.** The Programme will support advocacy campaigns to review existing social policies and/or put in place appropriate policies to ensure the creation of structures and opportunities for children and young people's meaningful participation.
- **Good Governance.** The Programme will promote good governance in public institutions and civil society organizations, and will therefore support systematic training in participatory skills for all professionals working with, and for, children and young people should be made available.
- **Education & Information.** The Programme will mobilize the public to lobby for the establishment of child-friendly formal and non-formal education systems that enable the effective development and participation of young people. It will promote the principle of involving young people in the design and management of effective, safe and protective learning and training environments.
- **Opportunities for Volunteers.** The Programme will stimulate all sectors of society, including governments and businesses, to create opportunities for voluntary service for young people to contribute, with their enthusiasm, idealism, experience and skills, to community development.
- **The Media.** The Programme will also encourage and promote communication mechanisms among young people in the border region that will enable the sharing of experiences and ideas, as well as the creation of peer

	<p>support and information networks.</p> <p>Through piloting some youth innovative methods of cross-border networking, the Programme will contribute to the sustainable development, competitiveness and human capital development in the border region.</p>
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2.1.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 34(2) of IPA II Implementing Regulation)

<i>ID</i>	N/A
<i>Contribution to the specific objective of the priority axis</i>	
<i>The results that the partner States seek to achieve with Union support</i>	

2.1.5. Actions to be supported and their expected contribution to the programme implementation

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	(e): Investing in youth, education and skills
<p>The indicative actions to be supported under <u>specific objective 2.1</u> are:</p> <ul style="list-style-type: none"> - Development of youth-related small-scale infrastructure, and training and information facilities (e.g. construction/ reconstruction/ rehabilitation/ refurbishment of youth, education-related and recreational infrastructure and facilities – for instance: lecture facilities, libraries, laboratories, sport facilities, campuses; investments to ensure physical accessibility to youth and education-related and recreational infrastructure and facilities; investments in ICT- facilities’ development and upgrade, etc.). - Development of small-scale “entrepreneurship” infrastructure (e.g. business incubators, shared workspace, start-up factories and “start-up garage”, equipment provision/sharing, etc.). - Support to youth entrepreneurship schemes and initiatives (e.g. initiatives to encourage learning in support of young people's innovation, creativity and 	

entrepreneurship; students' mini-companies, school-entrepreneur/ business activities and events; simulation games [e.g. computer-based]; business skills training, guidance and counselling services [one-stop-shops and youth enterprise centres, on-the-job training and workshops, mentor support and business coaching, online portals and web sites, etc.]; support to joint market initiatives and networking, incl. promotion and marketing campaigns for youth entrepreneurs, encouraging the development of joint initiatives for research and innovations, etc.).

Target groups:

- Pupils of primary and secondary schools
- Young people (up to age of 29)
- Youth organisations
- Marginalised minority communities
- Children and youth with special needs
- Employment services

Potential Beneficiaries:

- All levels of regional/local authorities
- Education institutions and training service providers
- Vocational training institutions
- Universities, knowledge / research institutes
- Civil society structure (association/foundation)/ NGOs
- Business support structures
- Cultural institutes, local community centres

The indicative actions to be supported under specific objective 2.2 are:

- **Support to youth networking initiatives** (e.g. promotion of young people's participation in representative democracy and civil society; ~~cross-border~~ initiatives aimed at combating youth poverty and social exclusion; community initiatives to support and recognize the value of youth volunteering; supporting youth capacity and opportunities to be creative and youth access to culture; cross-border initiatives for promotion of health and well-being of young people, etc.).

Target groups:

- Pupils of primary and secondary schools
- Young people (up to age of 29)
- Marginalised communities
- Children and youth with special needs

Potential Beneficiaries:

- All levels of regional/local authorities
- Youth organisations / NGOs
- Local and national education institutions, and training service providers
- Universities, knowledge / research institutes
- Civil society structure (association/foundation)
- Business support structures
- Cultural institutes, local community centres

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(e): Investing in youth, education and skills
<p>The selection of operations is to be made at level of ‘specific objectives’, e.g. potential applicants should apply with project application focusing on only one specific objective (SO) under Priority Axis 2.</p> <p>The following guiding principles will be observed when selecting project applications:</p> <ul style="list-style-type: none"> - Strategic coherence - coherence and contribution of each project application to the relevant Programme’s specific objective, while addressing in a coherent way the achievement of the Programme’s specific results envisaged. Furthermore, the cross-border added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context. - Operational quality - design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved. - Compliance to horizontal principles - coherence and contribution of each project application to the Programme’s horizontal principles and the demonstration of their integration and advancement within the project proposal intervention logic. <p>This PA will be implemented through Calls for proposals. The detailed selection criteria will be adopted by the Joint Monitoring Committee (see Section 5.4).</p> <p>A clear demarcation between and complementarity of INTERREG-IPA CBC Programme Bulgaria-Serbia with other programmes is to be also ensured. This concerns the articulation with: 1) other EU programmes or funds (for Bulgaria: ESIF OP Human Resources Development 2014-2020, OP Science and Education for Smart Growth; for Serbia: OP HR Development 2014-2020) and 2) other programmes/projects with national/regional funding of each of the partnering countries. In this respect functional collaboration across above mentioned programmes should be made possible and largely maintained during each stage of</p>	

Programme Cycle Management (PCM). A coordination mechanism will be set up in order to detect and avoid possible overlapping and duplication as well as to foster synergies between complementary programmes being implemented in 2014-2020 (see Section 5.4).

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(e): Investing in youth, education and skills
<i>Planned use of financial instruments</i>	Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(e): Investing in youth, education and skills
<i>Planned use of major projects</i>	Not applicable

2.1.6. Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (*programme specific*)

Table 3: Programme-specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ³	Source of data	Frequency of reporting
RI 2.1.1	Level of young people's satisfaction as regards opportunities for professional and social realization in the border area	Ordinal scale	2.42	2014	3.00	Survey	2018 2023
RI 2.2.1	Increased level of youth involvement in networks across the border	Ordinal scale	2.45	2014	3.00	Survey	2018 2023

³ Target values may be qualitative or quantitative.

2.1.6.2 Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
OI 2.1.1	Total number of supported youth-related small-scale infrastructure, training and information facilities	Number	15	AIRs	Annually
OI 2.1.2	Total number of young people involved in the supported youth entrepreneurship schemes and initiatives	Number	300	AIRs	Annually
OI 2.2.1	Total number of youth networking initiatives supported by the Programme	Number	15	AIRs	Annually

2.1.7 Performance framework (Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

Priority Axis	Indicator type (Key implementation step, financial, output, or, where appropriate, result indicator)	ID	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
2	Output indicator	OI 2.1.1	Total number of supported youth-related small-scale infrastructure, training and information facilities	Number	2	15	AIR	Some projects will be completed by 2018 and respectively outputs will be achieved partially (13%)

	Key implementation step	KIS 2.1.1	Number of projects contracted related to youth-related small-scale infrastructure, training and information facilities	Number	9	9	MIS AIR	The 9 contracted projects will ensure achievement of 100% of the OI final target
	Financial indicator	FI 2	Eligible certified expenditure of the priority axis 2 “Youths”	EUR	524 836	7 246 729	MIS	n+3 target = 2015 (IPA)

Summary of information on the establishment of the performance framework for priority axis 2 “Youths”

The selected output indicator relates to main operations under priority axis 2, namely measures for youth-related small-scale infrastructure, training and information facilities that are expected to represent the majority of resources allocated to this priority axis.

Performance framework milestones are directly linked to the achievement of priority 2 specific objective 2.1 “SKILLS & ENTREPRENEURSHIP: Supporting the development of attractive environment for advancement of young people in the border region achieved through cooperation”. The estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.

A Key implementation step is envisaged when no or only few outputs related to fully implemented operations are expected by the end of 2018, e.g. it is assumed that in case an expected achievement in 2018 below 50% of the 2023 target value a KIS is provided.

KIS 2.1.1 has been chosen to complement OI 2.1.1 since the practice shows that the duration of majority of project contributing to that OI is 24 months and their activities will not be completed and respectively outputs are expected to be achieved partially (13%) by the end of 2018. Taking into consideration that one project addresses more than one investment in youth-related small-scale infrastructure, training and information facilities, the 2018 milestone envisaging 9 contracted projects will ensure achievement of 100% of the OI final target.

The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to priority axis 2 until 2015 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.

2.1.8. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA2	055 - Other social infrastructure contributing to regional and local development	3 623 364
PA2	118 - Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	2 174 019
PA2	109 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	1 449 346

Table 7: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
PA2	01 - Non-repayable grant	7 246 729

Table 8: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
PA2	01 - Large Urban areas (densely populated >50 000 population)	1 200 000
PA2	02 - Small Urban areas (intermediate density >5 000 population)	4 900 000
PA2	03 - Rural areas (thinly populated)	1 146 729

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority axis	Code	Amount (EUR)
PA2	07 - Not applicable	7 246 729

2.1.9. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	2
<p>Capacity building initiatives:</p> <ul style="list-style-type: none"> - For project generation, assisting potential beneficiaries for the identification of needs among target groups, coordination of administrative procedures. <p>Promotion initiatives:</p> <ul style="list-style-type: none"> - To activate participation among potential beneficiaries groups; - To inform target groups on outputs of the programme. <p>Surveys and evaluation activities:</p> <ul style="list-style-type: none"> - Surveys among target groups to evaluate the achievement of PA's results indicators. 	

2.1.1. Priority axis 3

<i>ID of the priority axis</i>	3
<i>Title of the priority axis</i>	ENVIRONMENT

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	

2.1.2. Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	Union funds (ERDF and IPA)
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.1.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	3.1
<i>Specific objective</i>	JOINT RISK MANAGEMENT: Preventing and mitigating the consequences of natural and man-made cross-border disasters
<i>The results that the partner States seek to achieve with Union</i>	R 3.1.1 Enhanced joint interventions, ensuring preparedness of public authorities, civil organisations and targeted volunteers for better management of the natural and man-

support

made disasters

Disaster prevention and management, as well as adaptation to climate change, is largely a local/regional topic as it is the local/regional authorities that are first confronted with the potential impacts of disasters and have to implement prevention measures. At the same time, cross-border and cross-sectoral impacts must also be kept in consideration, as forest fires, floods and other natural and man-made disasters do not recognize state borders and other artificial boundaries imposed by humans. In border areas discrepancy of interests and approaches, heterogeneous equipment and tactics, as well as diversities in legislative can decrease the ability to effectively deal with emergency situations.

In addition, natural disasters and impacts of climate change can significantly affect the socio-economic development and competitiveness of the Bulgaria-Serbia cross-border region. Investments in prevention and adaptation to climate change preserve existing assets and have a high economic return (i.e. the costs of action are lower than those of inaction).

The Programme's specific objective 3.1 is targeted at eliminating differences and barriers that reduce the effectiveness of joint cross-border activities, and the major change expected after its successful implementation is the enhanced capacity of local administrations and public bodies being competent for early cross-border identification and assessment of emergency situation, and joint disaster management actions. These include, but are not limited to:

- Enhanced **coordination mechanisms** at both sides of the Bulgaria-Serbia border for risk prevention and disaster response management.
- Operating **joint protocols and communication channels** for an alert network of relevant institutions between bordering regions, which will reduce response time and to enhance and coordinate actions.
- Developed **advanced monitoring and surveillance system** for the whole cross-border area.
- Investments related to rehabilitation/ upgrade of disaster resilience "**green**" **infrastructures and equipment**.
- **Improved capacity** of local institutions to play active and efficient role in interventions for environmental emergencies, due to natural or man-made disasters.

<i>ID</i>	3.2
<i>Specific objective</i>	NATURE PROTECTION: Promoting and enhancing the utilization of common natural resources, as well as stimulating nature protection in the programme area, through joint initiatives across the border
<i>The results that the partner States seek to achieve with Union support</i>	<p>R 3.2.1 Enhanced capacity of regional and local stakeholders for nature resources management in the programme area through joint initiatives across borders</p> <p>The eligible Programme's area enjoys the benefits of having a vast, varied and mostly unspoilt natural environment. The region has a rich mixture of natural heritage in the form of flora and fauna, rivers, and forests the potential of which is not fully exploited yet. On the other side, sustainable development implies economic growth together with the protection of environmental quality, each reinforcing the other. The essence of this form of development is a stable relationship between human activities and the natural world.</p> <p>Hence, the protection of the environment is crucial to the sustainable and economic success of the eligible border area. There is a need to support activities aimed at ensuring that the management and development of the region's resources are carried out in an environmentally sustainable way.</p> <p>Environmental protection and the preservation of natural resources in cross-border context are clearly fields, which are to be dealt with in an integrated way. Joint and co-ordinated actions in the border region contribute to the creation of synergic effects in environmental protection and resource management.</p>

2.1.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 34(2) of IPA II Implementing Regulation)

<i>ID</i>	
<i>Contribution to the specific objective of the priority axis</i>	
<i>The results that the partner States seek to achieve with Union support</i>	

2.1.5. Actions to be supported under the thematic priority (by thematic priority)

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management
<p>The indicative actions to be supported under <u>specific objective 3.1</u> are:</p> <ul style="list-style-type: none">- Establishing joint early warning and disaster management systems (e.g. surveys of actually applied procedures, policies and measures for disaster protection, prevention and previsions; establishing spatial data base for disaster risk assessment, containing terrestrial, meteorological and sociological features; preparing joint risk assessment and mapping strategies; preparing joint plans and procedures for emergency situation liquidation and disaster force accumulation responding to the incidents and emergency situations; developing joint protocols and communication channels for risk prevention and management of natural and man-made disasters.- Investments in equipment related to disaster resilience (e.g. up-to-date ICT solutions in pre-fire, fire and post-fire activities; supply of specialized fire-fighting equipment; supply of specialized equipment for floods prevention, and for search and rescue interventions; supply of system for air surveillance of the surface and real time transmission of data, etc.);- Support of small-scale interventions/investments (e.g. green infrastructure for natural water retention: restoration of flood plains and wetlands, afforestation, re-meandering; sanitation of river banks; building flood defence like dikes and canals; forestation of non-permanent vulnerable land; cuttings for emergency situations, etc.). The natural flood risk management approach (green infrastructure) will be taken into consideration as preferable to grey infrastructure projects (e.g. dams and dykes) for flood prevention and protection as it is a better environmental option (or as complementary to minimize grey infrastructure and its impacts), as an effective and cost-efficient solution to contribute to the reduction of the adverse consequences of flooding. Green infrastructure will provide additional benefits in terms of water quality, carbon storage and biodiversity.- Capacity building related to disaster resilience (e.g. conducting joint theoretical-tactical exercises and field trainings for emergency situations management; trainings in the use of ICT technologies for risk management; exchange of experience and good practice (study visits, round-tables, conferences); joint trainings and raising awareness of public service actors and population (volunteers) for disaster resilience; measures related to risk communication and to awareness-raising of population, accompanied with specific educational actions, information-sharing, drills and training for local	

population; cooperation activities within river basin districts promoting natural flood risk management approach, etc.).

In case of activities carried out near or within protected areas and historical monuments, beneficiaries are required to monitor and report on the manner of compliance regimes and restrictions recorded in management plans and ordinances for the specific areas and localities.

Target groups:

- Affected population of the CBC region
- All levels of regional/local authorities
- Administrations of protected areas
- Young people (up to age of 29)

Potential Beneficiaries:

- Relevant local and regional structures dealing with emergency situations
- Central and regional offices and structures of relevant government institutions/administrations
- Regional and sector development agencies

The indicative actions to be supported under specific objective 3.2 are:

- **Joint cooperation initiatives targeting the effective management of Natura 2000 sites and other protected areas** (e.g. development and implementation of joint management plans/coordinated concrete conservation activities for protected areas based on innovative concepts; exchange of experience and capacity building for protected areas/Natura 2000 sites administrations; community involvement, visitor management and tourism development measures; coordinated management planning, implementation and evaluation; public awareness about Natura 2000 sites and protected areas, with the help of e.g. the National Ecological and Rural Networks or the European Network for Rural Development; etc.)
- **Joint initiatives towards the protection and enhancement of biodiversity, nature protection and green infrastructure** (e.g. joint initiatives targeting the effective management of environmental resources; restoration activities targeting the achievement of favourable conservation status of the species and natural habitats, subject of conservation in the established in the area protected areas; education and awareness raising, as well as capacity building measures in the field of ecosystems protection and restoration, which should target predominantly the young people in the CBC region; introduction of Low Carbon practices shared for adaptation climate change, etc.)
- **Preservation and improvement of the quality of soils, air and water** (e.g. developing new governance tools and the "learning region" concepts towards multifunctional use of land and soil and inter-linkages to the regional development; cooperation initiatives and developing policy networks in the field of horizontal and vertical integration of air quality creation of "carbon proofing" tools for integrated spatial development policies, sustainable urban mobility plans, strategies and processes for setting up local/regional

low carbon model areas and regions including special needs areas such as nature protection regions; awareness-raising about the needs of reducing and recycling waste; raising awareness about soil protection; actions for improvement of the quality of air, cooperation initiatives and networking tackling water pollution including Danube pollution and indirectly Black Sea pollution, etc.).

- **Capacity building and promotion initiatives** (e.g. provision of training to local and regional authorities in the field of environment related matters, such as waste or protected areas management; establishment of help-desks with mobile expert groups helping regions and cities resolving environmental problems; creating networks for exchange of good practices; creating knowledge networks for innovations in the field of sustainable use of common natural resources; awareness raising on all levels (individual persons, organizations, businesses, public administration, schools) on issues related to environmental and nature protection, including marginalized communities and other vulnerable groups).

Target groups:

- Groups of population of the CBC region
- Civil society structure in the CBC region
- Economic operators in the CBC region

Potential Beneficiaries:

- Central and regional offices and structures of relevant government institutions/administrations in the sphere of their competence
- Regional and sector development agencies
- Administrations of protected areas
- All levels of regional/local authorities
- Research and academic institutes
- Environmental NGOs
- Local Action Groups (LAGs) established and supported under measure "Leader" within the Rural Development Programme 2014-2020 for Bulgaria and within IPARD for Serbia.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management
The selection of operations is to be made at level of 'specific objectives' (SO).	

The following **guiding principles** will be observed when selecting project applications:

- **Strategic coherence** - coherence and contribution of each application to the relevant Programme's SO, while addressing in a coherent way the achievement of the Programme's specific results. The CBC added value of the operation, its regional relevance and the partnership principles will also be assessed.
- **Operational quality** - compliance of the application in relation to clarity and coherence of the SO, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved.
- **Compliance to horizontal principles** - coherence and contribution of each application to the Programme's horizontal principles and demonstration of their integration within the project proposal intervention logic.

With regards to the respective actions addressing flood and fire protection, a strategic approach will be developed in order to ensure that all environmental assessments and in particular "Appropriate assessment" pursuant to art 6.3 of the Habitats Directive are carried out as early as possible and their conclusions are taken into consideration. With regard to the investment measures the nature based solutions will be selected as more preferable ones. Measures to restore the natural processes and characteristics of river habitats in the Natura 2000 sites will be considered as advantageous.

Any project that modifies the hydromorphological characteristics of a water body, has to carry out as early as possible in the planning process an analysis as required by Art. 4.7 of the Water Framework Directive. This would entail the analysis of alternatives (better environmental options), the set-up of the necessary mitigation measures, and a justification of the importance of the project for overriding public interest.

Regarding introduction of Low Carbon practices, any use of biomass should be accompanied by strict emission standards and abatement measures reducing emissions, especially of PM.

This PA will be implemented through Calls for proposals and/or strategic projects. The detailed selection criteria will be adopted by the JMC (see Section 5.4).

A clear demarcation and/or complementarity of the present Programme with other programmes is to be also ensured. This concerns the articulation with: 1) other ETC strands, (in particular INTERREG V-A Romania-Bulgaria, INTERREG-IPA CBC programme Bulgaria – former Yugoslav Republic of Macedonia and INTERREG-IPA CBC programme Romania – Serbia IPA); 2) other EU programmes or funds (for Bulgaria: OP Environment 2014-2020, OP Rural development 2014-2020; for Serbia: OP Environment 2014-2020, IPARD 2014-2020) and 3) other programmes/projects with national/regional funding of each of the partnering countries. In this respect functional collaboration across above mentioned programmes should be made possible and largely maintained during each stage of Programme Cycle Management (PCM). A coordination mechanism will be set up in order to detect and avoid possible overlapping and duplication as well as to foster synergies between complementary programmes being implemented in 2014-2020 (see Section 5.4).

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management
<i>Planned use of financial instruments</i>	Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management
<i>Planned use of major projects</i>	Not applicable

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ⁴	Source of data	Frequency of reporting
RI 3.1.1	Increased level of preparedness to manage risks of transnational dimension	Ordinal scale	1.90	2014	2.50	Survey	2018 2023
RI 3.2.1	Increased capacity for nature protection and sustainable use of common natural resources in the border region	Ordinal scale	2.13	2014	2.50	Survey	2018 2023

⁴ Target values may be qualitative or quantitative.

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
OI 3.1.1	Total number of joint activities aimed at establishing joint early warning and disaster management systems	Number	6	AIRs	Annually
OI 3.1.2	Purchased specialised equipment related to disaster management	Number	10	AIRs	Annually
OI 3.1.3	Total number of supported small-scale interventions/investments in green infrastructure for natural water retention.	Number	5	AIRs	Annually
OI 3.1.4	Total number of people participated in risk prevention and management training activities	Number	600	AIRs	Annually
OI 3.1.5	Population benefiting from flood protection measures	Persons	580 000	AIRs	Annually
OI 3.1.6	Population benefiting from forest fire protection measure	Persons	520 000	AIRs	Annually
OI 3.2.1	Protected areas/Natura 2000 sites in the border region with EU conform management plans	Number	5	AIRs	Annually
OI 3.2.2	Total number of joint interventions, addressing the preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water.	Number	12	AIRs	Annually
OI 3.2.3	Education and awareness raising joint initiatives, in the field of preservation and protection of natural heritage, biodiversity and landscape	Number	15	AIRs	Annually
OI 3.2.4	Capacity building initiatives, trainings, exchange of experience and know-how in the field of sustainable use of natural resources	Number	15	AIRs	Annually

2.1.7 Performance framework (Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 4: Performance framework of the priority axis

Priority axis	Indicator type (Key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
3	Output indicator	OI 3.1.1	Total number of joint activities aimed at establishing joint early warning and disaster management systems	Number	2	6	AIR	All activities will not be completed by 2018 respectively outputs will be achieved partially -30%
3	Key implementation step	KIS 3.1.1	Number of projects contracted addressing joint early warning and disaster management systems	Number	5	6	MIS AIR	The 5 contracted projects will ensure achievement of above 80% of the target value
3	Financial indicator	FI 3	Eligible certified expenditure of the priority axis 3 "Environment"	EUR	629 803	8 696 074	MIS	n+3 target = 2015 (IPA)

Summary of information on the establishment of the performance framework for priority axis 3 "Environment"

The selected output indicators relate to main operations under priority axis 3, namely joint interventions for establishing joint early warning and disaster management systems and preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water, that are expected to represent the majority of resources allocated to this priority axis.

The performance framework milestones for the year 2018 and indicators' targets for 2023 established for priority axis 3 are directly linked to the achievement of the specific objectives 3.1 "JOINT RISK MANAGEMENT: Preventing and mitigating the consequences of natural and man-made cross-border disasters" and 3.2 "NATURE PROTECTION: Promoting and enhancing the utilization of common natural resources, as well as stimulating nature protection in the programme area, through joint

initiatives across the border". The estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.

A Key implementation step is envisaged when no or only few outputs related to fully implemented operations are expected by the end of 2018, e.g. it is assumed that in case an expected achievement in 2018 below 50% of the 2023 target value a KIS is provided.

KIS 3.1.1 has been chosen to complement OI 3.1.1 since the practice shows that the duration of majority of project contributing to that OI is 24 months and their activities will not be completed and respectively outputs are expected to be achieved partially (around 30%) by the end of 2018. The 2018 milestone envisaging 5 contracted projects will ensure achievement of above 80% of the 2023 target value and with the next call/s the OI final target will be fully met.

The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to priority axis 3 until 2015 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.

2.1.8. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Priority axis	Code	Amount (EUR)
PA3	087 - Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	6 523 750
PA3	085 - Protection and enhancement of biodiversity, nature protection and green infrastructure	2 172 324

Priority axis	Code	Amount (EUR)
PA3	01 - Non-repayable grant	8 696 074

Priority axis	Code	Amount (EUR)
PA3	01 - Large Urban areas (densely populated >50 000 population)	3 950 000
PA3	02 - Small Urban areas (intermediate density >5 000 population)	2 850 000
PA3	03 - Rural areas (thinly populated)	1 896 074

Priority axis	Code	Amount (EUR)
PA3	07 - Not applicable	8 696 074

2.1.9. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	3
<p>Capacity building initiatives:</p> <ul style="list-style-type: none">- For project generation, assisting potential beneficiaries for the identification of needs among target groups, coordination of administrative procedures. <p>Promotion initiatives:</p> <ul style="list-style-type: none">- To activate participation among potential beneficiaries groups;- To inform target groups on outputs of the programme. <p>Surveys and evaluation activities:</p> <ul style="list-style-type: none">- Surveys among target groups to evaluate the achievement of PA's results indicators.	

Section 2.2 Description of the priority axes for technical assistance

(Reference: point (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.2.1. Priority axis 4

<i>ID of the priority axis</i>	4
<i>Title of the priority axis</i>	TECHNICAL ASSISTANCE

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	

2.2.2. Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	Union funds (ERDF and IPA)
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.2.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	4.1
<i>Specific objective</i>	PROGRAMME'S ADMINISTRATION
<i>The results that the partner States seek to achieve with</i>	To maximise the effectiveness and efficiency of the management and implementation of the IPA CBC Programme

<i>Union support</i> ⁵	Bulgaria-Serbia (2014-2020)
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2.2.4. Actions to be supported under the thematic priority (by thematic priority)

<i>Priority axis</i>	4
<p>The PA-4 will support on one hand actions that enhance the capacity of applicants and beneficiaries to apply for and to use the Programme's funds, and on the other hand, actions to support the Programme's management and implementation.</p> <p>The technical assistance costs will mainly be composed of preparatory, management, monitoring, evaluation, and information and control activities.</p> <p>In accordance with Article 35 of COMMISSION IMPLEMENTING REGULATION (EU) No 447/2014 of 2 May 2014, the limit for Technical Assistance is set at 10% of the total amount allocated to the CBC programme.</p> <p>Moreover, TA-funds will be used to support the programme management (implementation, monitoring, evaluation, communication, auditing, control, etc.) and to improve the administrative capacity of programme bodies and stakeholders. Therefore, Technical Assistance funds will finance the programme bodies: the MA, the NA, the JS, external assessors and the First Level Control system.</p> <p>Indicative actions supported under this Priority Axis 4 are listed below:</p> <p>Management and implementation</p> <ul style="list-style-type: none"> - Supporting the Programme bodies for the implementation of the Programme; supporting the Monitoring Committee activities; functioning of the JS, etc. (meetings organisation, travel expenditures, publicity and communication costs, remuneration costs, etc.) - Elaboration of studies, reports and surveys on strategic matters concerning the programme implementation. These documents will contribute to the proper estimation of the Programme progress and sustainability. - Performing quality assessments of applications for projects. - Organisation of seminars, trainings and information events on national and cross border level (details will be set out in the communication strategy) to support projects' development and implementation. <p>Monitoring, control and audit</p> <ul style="list-style-type: none"> - Implementing proper procedures for the quality and risk assessment, monitoring and control of operations carried out under the Programme, as well as actions contributing to the reduction of administrative burden for beneficiaries. - Ensuring proper functioning of the First level control system (remuneration of first level 	

⁵ Required where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

of controllers; travel and accommodation's costs for site visits, etc.)

- Developing and maintenance of the Monitoring system for programme management, monitoring, audit and control.
- Coordinating and organising of programme level audit activities, including the (external) audits on the programme management and control system and the operations and supporting the Group of Auditors;
- Monitoring the sustainability of the results achieved by operations financed under Bulgaria-Serbia Programme 2007-2013

Communication and information

- Development and maintenance of the programme website.
- Implementing widespread information activities about the programme and the projects, as well as supporting activities related to communication and publicity.
- Support for identifying and strengthening the co-ordination networks and contacts among representatives of other relevant EU co- funded programmes by MA, NA, and JS (EUSDR, neighbouring ETC programmes, national programmes, etc.)

Evaluation

- Evaluation of the programme implementation in achieving its objectives. For this purpose, an evaluation plan may be drafted according to the provision of the regulations and making use of external experts may be necessary.

2.2.5. Programme specific indicators⁶

2.2.5.1. Programme specific result indicators

(Reference: point (b)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 10: Programme-specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ⁷	Source of data	Frequency of reporting

2.2.5.2. Programme specific output indicators expected to contribute to results

(Reference: point (c) (iv) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 11: Programme specific output indicators

ID	Indicator	Measurement unit	Target value (2023) (optional)	Source of data
OI 4.1.1	No of performed evaluations of the programme	Number	2	Evaluation plan, evaluation reports, observations, etc.
OI 4.1.2	Updated MIS system	Number	1	Generated reports
OI 4.1.3	No of Monitoring Committee meetings	Number	14	Invitations submitted to the MC, minutes of the meetings, etc.
OI 4.1.4	No of publicity events for beneficiaries	Number	4	Minutes of the meetings, lists of participants, pictures, etc.
OI 4.1.5	Number of employees (full time) whose salaries are co-financed by technical assistance	Number	8	Labour contracts, Administrative orders, etc.

⁶ Required where objectively justified by the given the content of the actions and where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

⁷ Target values may be qualitative or quantitative.

Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 12-14: Categories of intervention

Table 12: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA4	121 - Preparation, implementation, monitoring and inspection	2 174 018
PA4	122 - Evaluation and studies	361 487
PA4	123 - Information and communication	363 186

Table 13: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
PA4	01 - Non-repayable grant	2 898 691

Table 14: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
PA4	07 – Not applicable	2 898 691

Section 2.3 Overview table of indicators per priority axis and thematic priority

Table 15: Table of common and programme specific output and result indicators

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
PA-1	(d): Encouraging tourism and cultural and natural heritage	<p>1.1 TOURIST ATTRACTIVENESS: Supporting the development of competitive tourist attractions achieved through cooperation, thus contributing to the diversification of tourist product(s) in the cross-border region</p>	<p>RI 1.1.1 Increased visitors to the cross-border region</p>	<p>OI 1.1.1 Total number of reconstructed / restored cultural and historical touristic objects in the eligible border area OI 1.1.2 Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions OI 1.1.3 Total number of created/reconstructed facilities for disabled people in the supported touristic sites OI 1.1.4 Total number of information access facilities created/upgraded</p>
		<p>1.2 CROSS-BORDER TOURISTIC PRODUCT: Capturing economic benefits from development of natural and cultural heritage in the border area through creating common cross-border touristic destination(s)</p>	<p>RI 1.2.1 Increased level of joint and integrated approaches to sustainable tourism development in the border area</p>	<p>OI 1.2.1 Number of sustainable tourism strategies/action plans of common tourist destinations OI 1.2.2 Total number of newly established touristic products / services OI 1.2.3 Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area</p>
		<p>1.3 PEOPLE-TO-PEOPLE NETWORKING: Capitalising the effect of cultural, historical and natural heritage tourism on border communities through common actions</p>	<p>RI 1.3.1 Increased level of community involvement and awareness about sustainable use of cross-border tourist resources</p>	<p>OI 1.3.1 Public awareness initiatives promoting sustainable use of natural and cultural heritage and resources OI 1.3.2 Capacity building initiatives for capitalisation of the common touristic product/services OI 1.3.3 Total number of joint events aimed at promotion and cultivation of the common traditions of the borderland areas</p>

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
PA-2	(e): Investing in youth, education and skills	2.1 SKILLS & ENTREPRENEURSHIP: Supporting the development of attractive environment for advancement of young people in the border region achieved through cooperation	RI 2.1.1 Level of young people's satisfaction as regards opportunities for professional and social realization in the border area (<i>composite indicator</i>)	OI 2.1.1 Total number of supported youth-related small-scale infrastructure, training and information facilities OI 2.1.2 Total number of young people involved in the supported youth entrepreneurship schemes and initiatives
		2.2 PEOPLE-TO-PEOPLE NETWORKING: Promote cooperation initiatives for and with young people, thus enhancing mobility of young people across borders	RI 2.2.1 Increased level of youth involvement in networks across the border	OI 2.2.1 Total number of youth networking initiatives supported by the Programme
PA-3	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management	3.1 JOINT RISK MANAGEMENT: To prevent and mitigate the consequences of natural and man-made cross-border disasters	RI 3.1.1 Increased level of preparedness to manage risks of transnational dimension	OI 3.1.1 Total number of joint activities aimed at establishing joint early warning and disaster management systems OI 3.1.2 Purchased specialised equipment related to disaster management OI 3.1.3 Total number of supported small-scale interventions / investments in green infrastructure for natural water retention. OI 3.1.4 Total number of people participated in risk prevention and management training activities
		3.2 NATURE PROTECTION:	RI 3.2.1	OI 3.1.5 Population benefiting from flood protection measures OI 3.1.6 Population benefiting from forest fire protection measure OI 3.2.1 Protected areas/Natura 2000 sites in the border region with EU

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
		Promoting and enhancing the utilization of common natural resources, as well as stimulating nature protection in the programme area, through joint initiatives across the border	Increased capacity for nature protection and sustainable use of common natural resources in the border region	<p>conform management plans</p> <p>OI 3.2.2 Total number of joint interventions, addressing the preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water</p> <p>OI 3.2.3 Education and awareness raising joint initiatives, in the field of preservation and protection of natural heritage, biodiversity and landscape</p> <p>OI 3.2.4 Capacity building initiatives, trainings, exchange of experience and know-how in the field of sustainable use of natural resources</p>
PA4	N/A	<p>4.1 PROGRAMME'S ADMINISTRATION</p> <p>To maximise the effectiveness and efficiency of the management and implementation of the IPA CBC Programme Bulgaria-Serbia (2014-2020)</p>	N/A	<p>OI 4.1.1 No of performed evaluations of the programme</p> <p>OI 4.1.2 Updated MIS system</p> <p>OI 4.1.3 No of Monitoring Committee meetings</p> <p>OI 4.1.4 No of publicity events for beneficiaries</p> <p>OI 4.1.5 Number of employees (full time) whose salaries are co-financed by technical assistance</p>

SECTION 3 FINANCING PLAN

(Reference: point (d) of Article 8(2) of Regulation (EU) No 1299/2013)

3.1 Financial appropriation from the IPA (in EUR)

(Reference: point (d)(i) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 16

Fund	2014	2015	2016	2017	2018	2019	2020	Total
IPA)	-	2 099 344	2 997 996	6 885 114	5 556 286	5 667 412	5 780 762	28 986 914

3.2.1 Total financial appropriation from the IPA and national co-financing (in EUR)

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

1. The financial table sets out the financial plan of the cooperation programme by priority axis.
2. The EIB⁸ contribution is presented at the level of the priority axis.

Table 17: Financing plan

⁸ European Investment Bank

Priority axis	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart *		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e) (2)	For information	
				National Public funding (c)	National private funding (d) (1)			Contributions from third countries	EIB contributions
PA-1		10 145 420	1 790 370	895 185	895 185	11 935 790	84,9999874 %	0.00	0.00
PA-2		7 246 729	1 278 836	639 418	639 418	8 525 565	84,9999853 %	0.00	0.00
PA-3		8 696 074	1 534 602	767 301	767 301	10 230 676	84,9999941 %	0.00	0.00
PA-4		2 898 691	511 534	511 534	-	3 410 225	85,0000000 %	0.00	0.00
TOTAL		28 986 914	5 115 342	2 813 438	2 301 904	34 102 256	84,9999902 %	0.00	0.00

* The indicative breakdown of the national counterpart is indicatively split to equal contribution (50/50) by the participation countries. The real co-financing will be amounted on the base of the projects participation.

- For Republic of Bulgaria, the entire amount for all priority axes is covered by National Public funding.
- For Republic of Serbia, the amount for the PA4 is ensured by National Public funding. The amounts for the rest of the priority axes are covered by Serbian project partners through own contribution.

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

3.2.2 Breakdown by priority axis and thematic priority

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 18

Priority axis	Thematic priority	Union support	National counterpart	Total funding
PA-1	(d): Encouraging tourism and cultural and natural heritage	10 145 420	1 790 370	11 935 790
PA-2	(e): Investing in youth, education and skills	7 246 729	1 278 836	8 525 565
PA-3	(b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management	8 696 074	1 534 602	10 230 676
PA-4	N/A	2 898 691	511 534	3 410 225
TOTAL		28 986 914	5 115 342	34 102 256

SECTION 4 INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE)

(Reference: Article 34 (1) of IPA II Implementing Regulation and Article 8(3) of Regulation (EU) No 1299/2013)

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme and the Partnership Agreements of the participating Member States showing how it contributes to the accomplishment of the programme objectives and expected results

The INTERREG-IPA CBC Programme Bulgaria-Serbia contributes to smart (priority axis 1 and 2), sustainable (priority axis 1 and 3) and inclusive (priority 2) growth through an integrated approach in order to address common territorial challenges. The vision for the Bulgaria-Serbia border region development in line with EU2020 perspective, can be formulated in one brief message: “Well-preserved regional resources – people, land, and heritage – as a guarantee for cross-border identity and sustainable development of the border region”.

In view of the general CBC concept, and based on objective facts, comparative advantages, resources and potentials, the Programme recommends the above strategic vision to be achieved through targeted integrated support in the following thematic priority areas:

- Thematic priority (d): Encouraging tourism and cultural and natural heritage [PA-1]

Preservation and development of the cross-border system of protected natural and cultural values for the purpose of maintaining the environmental balance, the natural and cultural identity of the territory and for integrating their values into the modern life is seen as a priority for development in the period 2014-2020 and was widely confirmed by regional stakeholders in the process of programming. Tourism as an economic sector is considered above all in the aspect of its development potential and orientation. It is strongly dependant on the environment-related factors, therefore it needs to be treated not in a narrow sector-specific perspective, but as an element of the integrated territorial planning. Hence, the proposed Programme’s interventions are aimed at supporting the border area competitiveness and existing economic advantages, especially those related to its unique natural and cultural values, while valorising them through sustainable development of tourism sector.

- Thematic priority (e): Investing in youth, education and skills [PA-2]

Youth are the key to sustainable and innovative development of the border region. Therefore, the Programme is targeting a support for enhanced learning environment for youth, using peer counselling, economic, social and environmental entrepreneurship opportunities and providing various networking models across the border. The targeted integrated approach in this field search to engage youth as valued partners in building more prosperous and secure futures for themselves, their families and their communities.

- Thematic priority (b): Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management [PA-3]

Protection and rehabilitation of the ecological balance and adaptation to climate change for the purposes of protection and effective use of resources and reduction of the risk of natural disasters

determine the leading directions of all interventions foreseen under the new IPA CBC Programme between Bulgaria and Serbia. This guarantees achievement of the desired strategic vision and implementation of the strategic objectives for preservation of the natural and cultural heritage, for sustainable tourism development of the border region and improvement of the quality of life (incl. youth).

4.1 Community-led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (a) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

4.2 Integrated actions for sustainable urban development (where appropriate)

Principles identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative IPA support for these actions

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (b) of Article 8(3) of Regulation (EU) No 1299/2013)

Table 19: Integrated actions for sustainable urban development – indicative amounts of Union support

Priority axis	Indicative financial allocation (Union support) (EUR)
TOTAL	Not applicable

4.3 Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (c) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

Table 20: Indicative financial allocation to ITI (aggregate amount)

Priority axis	Indicative financial allocation (Union support) (EUR)
TOTAL	Not applicable

4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant partner States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)

(Where partner States and regions participate in macro-regional and/or sea basin strategies)

(Reference: point (d) of Article 8(3) of Regulation (EU) No 1299/2013)

The INTERREG-IPA CBC Programme demonstrates a **high relevance and coherence** to EUSDR strategic initiatives, namely:

PA-1 “Sustainable Tourism”

The priority is coordinated to the Danube region strategy that identifies actions for the sustainable development based on the natural and cultural resources among the main pillars of the regional strategy:

- **Pillar “A”:** *Connecting the Danube Region; Priority Area 3: To promote culture and tourism, people to people contacts*
- **Pillar “C”:** *Building Prosperity in the Danube Region; Priority Area 08 "To support the competitiveness of enterprises" [partially]*
- **Pillar “D”:** *Strengthening the Danube Region; Priority Area 10 "To step up institutional capacity and cooperation" [partially]*

The results to be achieved by the Programme are the **creation of a recognizable identity** for the entire area as a destination for sustainable tourism, the **promotion of innovative type of tourism**, the integration of the area in the **touristic networks** targeting the diverse environmental systems.

The indicative activities to be supported by the Programme directly complement the actions envisaged in the EUSDR Action Plan, namely those aimed at: building on cultural diversity as a strength of the Danube Region; enhancing cooperation and contacts between people of different origins; encouraging creativity, and provide a driving force for cultural innovation and economic development, based on heritage, traditions and tourism; developing the Danube region as a European brand; establishing the Danube Region as important European tourist destination; promoting short-stay weekend tourism and recreation, as well as longer stays; enhancing interconnection and cooperation in education and scientific and research activities for tourism; improving planning and infrastructure for tourism; supporting the improvement of the quality of tourism products; promote sustainable and wellness tourism; collecting existing data on cultural activities; establishing a comprehensive data base giving an overview of cultural activities in the Danube Region, etc.

PA-2 "Youths"

By investing in young people and making best use of border's area human capital, the Programme could substantiate its support to progress and grow in the Programme's eligible territory. The Programme will contribute to achieving the aims of:

- **Pillar "C": Building Prosperity in the Danube Region; Priority Area 9:** "To invest in people and skills" as well as and partially to Priority Area 08 "To support the competitiveness of enterprises" and Priority Area 07 "To develop the Knowledge Society (research, education and ICT)"
- **Pillar "D": Strengthening the Danube Region; Priority Area 10** "To step up institutional capacity and cooperation" [partially]

The achievement of Programme's specific objectives should lead to substantial improvement in some of the most demanding youth entrepreneurship challenges the cross-border region faces nowadays: **promoting an entrepreneurial culture and skills** among young people; and improving **business assistance and development services**. The IPA CBC Programme will also give ground for **youth networking** actions, as to help bring about the structural changes necessary to create an environment that makes young people feel welcomed and empowered to actively participate in decision-making processes.

At the level of indicative activities, the Programme complements EUSDR actions targeted at: enhancing performance of education systems through closer cooperation of education institutions, systems and policies; fostering cooperation between key stakeholders of labour market, education and research policies in order to develop learning regions and environments; supporting creativity and entrepreneurship; promoting lifelong learning policies; exchange best practices in implementation, etc.

PA-3 "Environment"

The Priority Axis is objectively closely correlated to the EUDRS, namely with:

- **Pillar B: Protecting the Environment in the Region; Priority Area 5:** "To manage environmental risks" and Priority Area 6: "To preserve biodiversity, landscapes and the quality of air and soils"
- **Pillar "D": Strengthening the Danube Region; Priority Area 10** "To step up institutional capacity and cooperation" [partially]

The CBC dimension is extremely relevant for the integrated and interdependent environmental systems both for the border region as a whole, but also with reference to the Danube Basin as formulated in the EUDRS. Due to the financial capacity of the Programme, the coordination of projects implemented in the cooperation area with those implemented in the Danube Region is particularly relevant.

The cooperation will be sought in the areas covered by the EUSDR Action Plan such as: extending the coverage of the European Floods Alert System (EFAS) and promoting joint responses to natural disasters and to flood events, including early warning systems, strengthening operational cooperation among the emergency response authorities in the Danube countries and improvement of the interoperability of the available assets. In the field of preserving biodiversity, landscapes and the quality of air and soils the Programme complements actions designed to achieve 2020 EU target for

biodiversity, manage Natura 2000 sites and other protected areas effectively, protect and restore most valuable ecosystems and endangered animal species, raise awareness about soil protection, educate children and young people, build capacities of local authorities in the environment-related matters, etc.

Considering the fact that the whole Programme territory is covered by the EUSDR a link between the selected thematic objectives and the priority areas of the Programme, and the main pillars of the EUSDR is to be ensured. According to the Annex 1 of the CPR, article 7.2 there are three options to be used to support the implementation of MRS strategies:

- *ring-fencing part of the programme funds for the implementation of strategic projects developed in the framework of Macro Regional Strategies,*
- *organising specific calls for projects with a clear macro-regional impact,*
- *giving priority to these operations in the selection process (i.e. more points in the selection process).*

The JMC will have to decide which of the options are the most appropriate in the framework of the Programme. The third option appears more suitable for the INTERREG-IPA CBC Bulgaria-Serbia Programme. In order to guarantee that the Programme is linked up to the implementation of the Danube Strategy, a coordination mechanism will be established ensuring the participation of the National Coordinator and PACs in the JMC. In that way they will take part in the decision making process and will be directly involved in the planning and the implementation of the programme.

SECTION 5 IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

5.1 Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

Table 21: Programme authorities

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority	DG "Territorial Cooperation Management" Ministry of Regional Development and Public Works of the Republic of Bulgaria	Minister from the Ministry of Regional Development and Public Works of the Republic of Bulgaria or authorised official
Certifying authority	National Fund Directorate at the Ministry of Finance of the Republic of Bulgaria	Director of National Fund Directorate within the Ministry of Finance of the Republic of Bulgaria
Audit authority	Audit of European Union Funds Executive Agency to the Minister of Finance of the Republic of Bulgaria	Executive Director of the Audit of the European Union Funds Executive Agency to the Minister of Finance of the Republic of Bulgaria

The body to which payments will be made by the Commission is:

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

<input type="checkbox"/> the managing authority	
<input checked="" type="checkbox"/> the certifying authority	National Fund Directorate at the Ministry of Finance of the Republic of Bulgaria

Table 22: Body or bodies carrying out control and audit tasks

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Body or bodies designated to carry out control tasks	<u>For the Republic of Bulgaria:</u> Ministry of Regional Development and Public Works	Minister of Regional Development and Public Works or authorised person
	<u>For Republic of Serbia:</u> Ministry of Finance, Department for Contracting and Financing of EU Funded Programmes – CFCU, Division for FLC of projects financed under IPA cross-border and transnational cooperation component	Head of division for first level control of projects financed under IPA cross-border and transnational cooperation component or authorised person
Body or bodies designated to be responsible for carrying out audit tasks	<u>For the Republic of Bulgaria:</u> Audit of European Union Funds Executive Agency to the Minister of Finance	Executive Director of the Audit of the European Union Funds or authorised person
	<u>For the Republic of Serbia:</u> Audit Authority Office of EU Funds – representative in the group of auditors	Director of Audit Authority Office of EU Funds or authorised person

5.2 Joint Monitoring Committee**Table 23: Indicative list of Joint Monitoring Committee members**

Name of authority/body and department or unit	Role in the programme
Managing Authority - DG Territorial Cooperation Management at the Ministry of the Regional Development and Public Works, Bulgaria	Decision
National Authority - Serbian European Integration Office	Decision
Council of Ministers' Administration, Bulgaria	Decision
Ministry of Environment and Water, Bulgaria	Decision
Ministry of Interior (PAC of EUSDR PA 11), Bulgaria	Decision
District Administration Vidin	Decision
District Administration Montana	Decision
District Administration Vratsa	Decision
District Administration Sofia	Decision

District Administration Pernik	Decision
District Administration Kyustendil	Decision
National Association of Municipalities in the Republic of Bulgaria (NAMRB)	Decision
Civil society partners Bulgaria (business organisation) – Bulgarian Association of Regional Development Agencies (BARDA)	Decision
Civil society partners Bulgaria (environmental organisations): Regional ecological center for Central and Eastern Europe	Decision
Civil society partners Bulgaria (social organisations): “Hope for us” Association	Decision
Civil society partners Bulgaria (educational organisations): International Business High School	Decision
Civil society partners Bulgaria (equal opportunities/ non-discrimination organisations): Commission for Protection against Discrimination; National Alliance for Social Responsibility; Bulgarian Association for Persons with Intellectual Disabilities (BAPID)	Decision
Ministry of Regional Development and Public Works, Bulgaria, Managing Authority of OP “Regions in Growth”	Consultative
Ministry of Economy, Bulgaria, Managing Authority of OP “Innovation and Competitiveness”	Consultative
Ministry of Environment and Water, Bulgaria, Managing Authority of OP “Environment	Consultative
Ministry of Education and Science, Bulgaria, Managing Authority of OP “Science and Education for Smart Growth”	Consultative
Ministry of Labour and Social Policy, Bulgaria, Managing Authority of OP “Human Resources Development”	Consultative
Ministry of Ministry of Agriculture and Food, Bulgaria, Managing Authority of OP “Rural Development”	Consultative
Ministry of Interior, Bulgaria, “International Projects” Directorate and DG “Fire Safety and Civil Protection”	Consultative
Ministry of Culture, Bulgaria	Consultative
Ministry of Tourism, Bulgaria,	Consultative
Civil society partners Bulgaria (employers organisations): BCCI, CEIB, AICB and BIA	Consultative
Civil society partners Bulgaria (employees organisations): CITUB and LC “Podkrepa”	Consultative
Ministry of Finance, Bulgaria, “National Fund” Directorate – Certifying Authority	Consultative
Ministry of Finance, Bulgaria, “State Aid” Directorate	Consultative
“Audit of EU Funds” Executive Agency to the Minister of Finance, Bulgaria – Audit Authority	Consultative
EU Commission, Regional and Urban Policy General Directorate	Advisory

Office for Cooperation with Civil Society	Decision
Zajecar District	Decision
Nisava District	Decision
Pirot District	Decision
Jablanica District	Decision
Bor District	Decision
Toplica District	Decision
Pcinja District	Decision
Chamber of Commerce and Industry of Serbia	Decision
Ministry of Youth and Sports of the Republic of Serbia	Consultative
Ministry of Public Administration and Local Self-government of the Republic of Serbia	Consultative
Ministry of Agriculture and Environmental Protection of the Republic of Serbia	Consultative
Standing Conference of Towns and Municipalities of Serbia (SKGO)	Consultative

5.3 Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

The Joint Secretariat (JS) is a common structure that assists the Managing Authority (MA), National Authority (NA) and the Joint Monitoring Committee (JMC) in carrying out their functions, provides information on the Programme to the potential beneficiaries and supports the beneficiaries in implementation of projects.

In accordance with Article 23 (2) of Regulation (EU) No 1299/2013, the Managing Authority in cooperation with National Authority shall set up the Joint Secretariat.

The Joint Working Group decided to maintain the JS at the same location in Sofia (Republic of Bulgaria) with a branch office located in Niš, Republic of Serbia for the 2014-2020 programming period as it was the case during the 2007-2013 Bulgaria –Serbia IPA Cross-border Programme, due to the following arguments:

- the experience of one entire programming period will allow to start the implementation of the new Programme as soon as possible, (quick launch of calls for proposals after the Programme's approval in order to ensure a high level of absorption),
- the Sofia and Niš offices are already existing administrative bodies with entirely functional management structures and with experience in programme management. This will ensure reduced operational costs such as staff training costs.

- the working procedures of the current JS were audited and can be easily updated according to the provisions of the new EU regulations and the lessons learned,

The costs of the tasks of the JS will be financed from the programme's Technical Assistance budget. The JS will have a staff fluent in English as well as in one of the official languages of the partner countries (Serbian or Bulgarian).

The branch office in Niš will have as a main role to serve as local contact point for project beneficiaries or potential beneficiaries.

As the staff of the JS for the Bulgaria – Serbia IPA Cross Border Programme is already trained and experienced, it will take over additional responsibilities, according to each person's expertise for the 2014-2020 Bulgaria – Serbia IPA Cross Border Programme.

Recruitment of the new JS's staff (main and branch offices) shall be organised through a public and transparent procedure, ensuring balanced number of experts from the two countries by promoting equal opportunities among the candidates.

The staff selection procedure will be carried out by MA and/or NA in accordance with the relevant national decrees and/or regulations, and will consist of four phases: – (1) administrative compliance of submitted application and eligibility of the applicant, (2) assessment of submitted documentation, (3) written exam and (4) interview. The JS's costs will be covered by the budget of the PA 4 "Technical Assistance". The staff number and the job descriptions of the JS will be subject of approval by the JMC.

5.4 Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

- **Programme's authorities**

The Programme institutional structure consists of the following bodies: the managing authority, the certifying authority, the national authority, the Joint monitoring committee, the audit authority, the joint secretariat and the first level control systems in Bulgaria and Serbia.

With its Decision No 156 of 21 March 2014 the Council of Ministers of the Republic of Bulgaria designated the managing authority, the audit authority and the certifying authority:

- Directorate General Territorial Cooperation Management in the Ministry of Regional Development and Public Works for managing authority;
- The National Fund Directorate in the Ministry of Finance for certifying authority and body, responsible for receiving the funds from the European Commission;
- Audit of EU Funds Executive Agency to the Minister of Finance for audit authority.

The counterpart of the MA in charge of the Programme coordination in Serbia is the Government of the Republic of Serbia - Serbian European Integration Office, acting as National Authority.

Each participating country designates national representatives in the Joint monitoring committee and

establishes the First level control system, ensuring the legality and regularity of the expenditures declared by the beneficiaries participating in the operation on its territory.

Joint monitoring committee

In accordance with Article 38 of Regulation (EU) No 447/2014, the Member States shall set up a Joint monitoring committee (JMC) within 3 months of the notification of the approval of the Programme by the European Commission. It is composed of representatives from managing authority, national authority, and the commission and the national IPA coordinator (NIPAC), as well as other relevant national authorities and stakeholders, including civil society and private sector organisations. The composition of the JMC will respect the principles of partnership and multi-level governance. The Commission, certifying authority and the audit authority shall participate in the work of the JMC in an advisory capacity.

The JMC shall carry out its functions in accordance with the provisions of Article 38 of Regulation (EU) No 231/2014 and Articles 49 and 110 of Regulation (EU) No 1303/2013. The main competencies and responsibilities of the JMC are as follow:

- review the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in Programme, the financing agreements and the relevant strategy paper(s). It may make recommendations for corrective actions whenever needed.
- monitoring by reference to indicators laid down in the Programme, in accordance with Article 16 of Regulation (EU) No 1299/2013.

The JMC shall examine and approve:

- any issues that affect the performance of the Programme;
- the methodology and criteria used for selection of operations;
- the selection of projects and the amount of programme's financial contribution to each operation
- the annual and final implementation reports;
- the evaluation plan for the Programme and any amendment of the evaluation plan, including where either is part of a common evaluation plan pursuant to Article 114(1). The JMC will examine the progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations;
- the communication strategy/plan for the Programme and any amendment of the strategy/plan;
- any proposal by the MA for any amendment to the Programme.

The JMC will be headed by a Chair and a co-Chair. The JMC meetings shall be chaired by the representative of the hosting country or by MA. Decisions shall be taken by consensus.

The JMC shall meet at least once per year. Additional meetings may also be convened at the initiative of one of the participating countries or of the Commission.

Managing authority

Directorate General “Territorial Cooperation Management” at Ministry of Regional Development and Public Works of the Republic of Bulgaria is designated to perform the functions of single managing authority under INTERREG-IPA Cross-border Programme Bulgaria-Serbia.

The managing authority is responsible for the proper implementation of the Programme in accordance with the principles of sound financial management and the provisions of Article 125 of Regulation (EU) No 1303/2013, and in particular for:

- supporting the JMC and providing it with the relevant information (data relating to the progress of the Programme in achieving its objectives, financial data and data relating to indicators and milestones);
- drawing up and, after approval by the JMC, submitting to the Commission annual and final implementation reports;
- providing to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;
- establishing Management Information System to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations;

As regards the selection of operations, the MA is responsible for:

drawing up and, once approved, applying appropriate selection procedures and criteria that:

- ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority axis;
- are non-discriminatory and transparent;
- ensuring that operations are selected for funding in accordance with the criteria applicable to the Programme and that they comply with applicable Community and national rules (including state aid rules) for the whole of their implementation period;
- ensuring that the beneficiaries are provided with documents setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
- satisfying itself that the beneficiaries have the administrative, financial and operational capacity to fulfil the conditions referred to the above point before approval of the operation;
- ensuring that operations selected for support from the Funds do not include activities which were part of an operation which has been or should have been subject to a procedure of recovery in accordance with Article 71 of Regulation (EU) No 1303/2013 following the relocation of a productive activity outside the programme area;
- determining the categories of intervention and the measures to which the expenditure of an operation shall be attributed.

As regards the financial management and control of the Programme, the MA is responsible for:

- ensuring verification that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable law, the Programme and the conditions for support of the operation;
- making payments to the lead beneficiaries;
- ensuring that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
- putting in place effective and proportionate anti-fraud measures taking into account the risks identified;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of point (g) of Article 72 of Regulation (EU) No 1303/2013;
- drawing up the management declaration and annual summary referred to in points (a) and (b) of Article 59(5) of Regulation (EU) No 966/2012.

National Authority

The counterpart of the MA in charge of the programme coordination in Serbia is the Government of the Republic of Serbia - Serbian European Integration Office, acting as National Authority.

The competencies and responsibilities of the Serbian National Authority are as follows:

- Supporting the MA in the implementation of the Programme;
- Ensuring the availability of the amounts from the national co-financing for the budget of the Technical Assistance priority;
- Ensuring access to information for the MA and AA in order to fulfill their respective tasks;
- Organizing a selection procedure and appointing assessors from Serbian side;
- Ensuring the compliance of the expenditures with Programme rules and Community rules and with the Programme's procedures, through an adequate control system;
- Designating the controllers responsible for carrying out the first level control for the partners located in the Republic of Serbia;
- Nominating the representatives of the Republic of Serbia in the JMC;
- Ensuring an adequate audit trail for the system concerning the implementation of the Programme in the Republic of Serbia;
- Preventing, detecting and correcting the irregularities committed by beneficiaries from the Republic of Serbia;
- Informing the MA, during a period of 15 working days, about any irregularity discovered or presumed to have happened on the territory of the Republic of Serbia, concerning the Programme;

- Ensuring the necessary funds in case of funds decommitment at Programme level, proportionally with the approved projects budget and performed activities by the Serbian beneficiaries
- ensuring that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
- putting in place effective and proportionate anti-fraud measures taking into account the risks identified;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of point (g) of Article 72 from the Regulation (EU) No. 1303/2013.

Certifying authority

National Fund Directorate at the Ministry of Finance of Republic of Bulgaria has been designated as a certifying authority and Body, responsible for receiving funds from the European Commission. In compliance with Article 126 of Regulation (EU) 1303/2013, the certifying authority is responsible for:

- drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the MA;
- drawing up the accounts referred to in point (a) of Article 59(5) of Regulation (EU) No. 966/2012;
- certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the Programme and complying with applicable law;
- ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or the Programme;
- ensuring, for the purposes of drawing up and submitting payment applications, that it has received adequate information from the MA on the procedures and verifications carried out in relation to expenditure;
- taking account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of the audit authority;
- maintaining, in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries;
- keeping an account of amounts recoverable and of amounts withdrawn following cancellation

of all or part of the contribution for an operation. Amounts recovered shall be repaid to the budget of the Union prior to the closure of the Programme by deducting them from the subsequent statement of expenditure.

Audit authority

Executive Agency “Audit of European Union Funds” to the Minister of Finance of the Republic of Bulgaria has been designated as an audit authority.

According to the Article 127 of the CPR, the AA shall ensure that audits are carried out on the proper functioning of the management and control system of the Programme and on an appropriate sample of operations on the basis of the declared expenditure. The declared expenditure shall be audited based on a representative sample and, as a general rule, on statistical sampling methods.

The audit authority is also responsible for:

- ensuring that audit work takes account of internationally accepted audit standards;
- preparation of an audit strategy for performance of audits within eight months of adoption of the Programme. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2024.

In addition, the audit authority shall draw up:

- an audit opinion in accordance with the second subparagraph of Article 59(5) of Regulation (EU) No 966/2012;
- an annual control report setting out the main findings of the audits carried out in accordance with Article 127(1) of Regulation (EU) No 1303/2013, including findings with regard to deficiencies found in the management and control systems, and the proposed and implemented corrective actions.

The audit authority shall prepare a final audit activity report and provide an audit opinion on the final statement of expenditure.

In compliance with Article 37(3) of the IPA Implementing Regulation the audit authority shall be assisted by a Group of Auditors, comprising representatives of Bulgaria and Serbia. The Group of Auditors will assist the AA in setting up and implementing the audit strategy. The audit strategy will also indicate which measures have been put in place by the AA and the Group of Auditors, in order to ensure that the same audit methodology, in accordance with internationally accepted audit standards, has been applied by all members of the Group of Auditors.

Joint Secretariat

The JS is a common structure, guaranteeing the impartiality of the Programme implementation. The JS will have a two-fold function: assisting the MA, NA and the JMC in carrying out their respective functions and providing relevant information on the Programme to the potential beneficiaries. The JS tasks shall be the following:

General tasks:

- supports the MA, NA and JMC in the implementation of the Programme; performing on-the-spot visits; providing support to the project partners;
- Collaborating with the beneficiaries/potential beneficiaries in order to collect the necessary information, supporting the process of elaboration of the reports, and other documents which are necessary to monitor the progress of the Programme;
- Collecting and processing the information received from the beneficiaries;

Administrative arrangements:

- Contributing to the Programme implementation manual (to be approved by MA);
- Ensuring the proper training of the staff;
- Fulfilling the task of secretariat for the JMC;
- Ensuring the secretariat of any other committees set up within the Programme;
- Organising, under MA/NA co-ordination, any other meetings, seminars, conferences related to the Programme implementation;
- Fulfilling any other tasks given by the MA regarding the implementation of the Programme.

Launching of the call for proposals, evaluating, and selecting the operations:

- Participating, under MA's co-ordination, in the elaboration of project eligibility and evaluation criteria, in the elaboration of the Applicant's Guide as well as in the establishment of the calendar on the calls for proposals;
- Supporting the preparation and the development of the projects;
- Organising events related to the launching of the calls for proposals in the eligible area of the Programme; ensuring the publicity for the call for proposals; stimulating the partnerships in the eligible area;
- Managing the submission of the application forms; participating in the preparation of for the respective templates for the evaluation;
- Participating in the assessment process; ensuring the notification of the beneficiaries on the results of the evaluation and selection process.

Contracting

- Participating in the preparation of subsidy contracts' templates;
- Preparing the subsidy contracts, gathering data from the beneficiaries, and submitting the contracts to MA for signing;
- Performing the pre-contracting on-the-spot visits for selected operations (where applicable);
- Participating in negotiation procedure of the selected projects (where applicable);
- Providing clarifications to the beneficiaries on their obligations stipulated in the subsidy

contracts.

Financial management and audit

- Being the contact point for all the beneficiaries, receiving the documents related to the operations implementation and analysing them according to procedures;
- Notifying the MA of any potential irregularity within the respective deadlines;
- Undertaking irregularities' prevention, finding, and monitoring measures;
- Taking all the necessary measures to combat fraud;
- Providing any information or documents available to the MA regarding the financed projects, within the stipulated deadlines and facilitating the control and audit activities;
- Assisting MA in the observation and implementation of all the recommendation coming from the EC audit and from the audit authority, according to the deadlines established.

Programme and projects monitoring

- Monitoring the implementation of the operations, analysing and verifying the progress reports, the on-the-spot visits results, etc.;
- Drafting and submitting any other reports or documents requested by the MA;
- Collecting and updating the technical, financial, and statistics data at project level, ensuring the incorporation of these data into the electronic system.

Information and Publicity

- Implementing the relevant activities from the Communication Plan;
- Supporting the MA in preparation and delivery the informational materials to the beneficiaries;
- Updating the information on the website of the Programme.

Detailed list of the JS responsibilities will be laid down in the Programme Implementation Manual.

- **Programme management, implementation and control arrangements**

Selection of operations

The INTERREG-IPA CBC Programme Bulgaria-Serbia shall support operations, which have direct cross-border impact, understood in terms of respecting the following conditions: joint development, joint staffing, joint implementation and joint financing. Projects under the Programme imply that project partners need to cooperate obligatory in joint development and joint implementation. In addition, they should choose one of the following partnership principles as well: joint staffing or joint financing.

In order to prevent double financing the JMC representatives from the mainstream programmes in Bulgaria and IPA sectoral programmes in Serbia will ensure clear demarcation and complementarity of the envisaged eligible activities with the ones under the respective programmes.

The selection of the operations shall be made through calls for proposals and/or strategic projects upon decision of the JMC:

Calls for Proposals refer to the mechanism whereby a selection process is launched to choose candidates on a competitive basis. Calls for proposals are publicly announced. In the Guidelines for Applicants and its annexes the information on specific conditions to be met in each Call for Proposals will be provided. Only projects that are fully compliant with the selection and award criteria will be financed upon decision of the JMC.

Strategic projects Strategic projects must be effective and efficient in order to match the territory's needs as envisaged by the Programme's objectives and results. Strategic projects' results should be significant and long-lasting for the whole or large parts of programme area. The basic principles for the eligibility of a strategic project could be the following: to address key specific objectives that can be achieved only through the involvement of large partnerships and /or of key stakeholders on the two sides of the border; to be based on a larger financial allocation, proportionate to the relevance of the objectives and results; to obtain lasting effects and catalyse further actions.

Geographical eligibility

The selected operations shall involve beneficiaries from both partnering countries, at least one of which shall be from Bulgaria as a Member State. The beneficiaries and operations should be located in at least one of the NUTS level III regions (or equivalent regions in the non-MS) covered by the Programme. An important exception to this rule is the possibility to support operations outside the programme area within the limit of up to 20% of EU co-financing at programme level for activities implemented by beneficiaries from the eligible programme area ensuring that the conditions of the Article 44(2) of Commission Implementing regulation (EU) No 447/2014 of 2 May 2014 are satisfied.

Beneficiaries

In accordance with Article 40 (1) of Regulation (EU) No 447/2014, one of the potential beneficiaries shall be designated by the partners as a lead beneficiary. The lead beneficiary shall carry out the tasks specified in Article 40, namely:

- lay down the arrangements with other beneficiaries in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
- assume responsibility for ensuring implementation of the entire operation;
- ensure that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and in accordance with the document provided by the MA;
- ensure that the expenditure presented by other beneficiaries has been verified by a controller(s).

The lead beneficiary and its partners have to be legally established bodies (legal persons) on the territory of Bulgaria or Serbia and must be non-profit making organization. Profit generating organizations and

political parties are not eligible.

Project generation/preparation

Potential beneficiaries will be informed on the programme objectives and priorities for support, the prerequisites for obtaining funds and the relevant procedures. Support for project generation, including a partner search facility will be provided by JS.

Eligibility and selection criteria

The operations will be assessed according to the criteria previously approved by JMC.

Eligibility and administrative compliance criteria will be formulated in order to ensure the administrative and formal compliance of projects to be submitted. These will include: submission before a deadline, completeness of submitted documentation, cross-border character of the composition of the partnership, formal compliance of applicants with the criteria, etc.

Selection criteria will be applied to those projects that have first fulfilled the eligibility and administrative compliance criteria and will assess their compliance with the strategic and operational principles guiding the project selection.

The construction of all infrastructure projects envisaged under all priority axes are accompanied by the necessary risk assessments (project's vulnerability to disaster risks including longer-term expected effects from climate change). Risk-sensitive infrastructure should be promoted. The quality of the projects, as reflected in their compliance with the selection criteria, is very important in order to ensure that the Programme delivers concrete and visible outputs and results that tackle, in a cross-border and integrated manner, the challenges and needs affecting the programme area. Projects focusing on pure research (with no applicative output), including just exchanges of experience or not indicating the concrete and sustainable follow-up of "soft" activities (studies, surveys, etc.) will not be supported by the Programme.

Assessment

The assessment of the operations (projects proposals) shall be carried out by the following three steps:

- Opening session
- Administrative compliance and eligibility check, and
- Technical/quality assessment.

Administrative compliance and eligibility check shall be carried out by a formally designated group of MA/NA/JS representatives.

Quality assessment shall be carried out by a formally designated group of MA/NA/JS representatives including external assessors from Bulgaria and Serbia (if necessary).

The procedure for assessment under the respective Call for Proposals shall be outlined in the Guidelines for Applicants approved by the Joint Monitoring Committee.

Standard rules and procedures for assignment and scope of the tasks of the external assessors shall be

defined in rules of procedures/manual for external assessors and other relevant programme documents.

The criteria for appointment of the external assessors will be formulated in order to ensure the fair competition, equal opportunities and qualitative selection of the candidates. The selected external assessors shall possess the minimum required knowledge and experience on the issues covered by the Bulgaria - Serbia IPA Cross-border Programme.

For each call for proposals equal number of assessors from the two countries will be assigned for the technical/ quality evaluation of the received projects proposals.

The assessment process will be organized and secretarially supported by JS and the relevant information will be recorded in the Management Information System. The results of all assessment steps will be summarized in a report and presented to the JMC for decision.

Projects selection and approval

The JMC will decide on the approval of projects and the amount of Programme's financial contribution to each operation. Detailed rules on decision making will be included in the rules of procedure of the Monitoring Committee.

Operations shall not be selected for assistance where they have been physically completed or fully implemented before the application for funding under the Programme is submitted by the beneficiary to the MA, irrespective of whether all related payments have been made by the beneficiary.

During the selection procedure under a definite call for proposals, measures to avoid double financing of the proposed for funding operations shall be carried out through:

- JMC members - representatives of different institutions and organisations in charge of managing EU and national level funded programmes/schemes /including relevant national operational programmes tackling Maritime Spatial Planning/ in the fields related to those financed by the Programme will ensure lack of overlapping of activities;
- Documentary check of overlapping of activities supported by other financial sources (national, EU, other);
- Performance of on the spot visits for investment projects which aim to check whether: (1) the object, subject to the proposed investment, really exists and is in a physical condition as described in the project proposal (no other investment activities have been performed during the assessment phase); and (2) the object, subject to the proposed investment, has already been implemented / partially implemented or is currently under implementation.

Contracting

Based on the JMC decision, the MA shall proceed with conducting the procedure for concluding subsidy contracts with the lead beneficiaries. The MA, NA and JS shall carry out pre-contracting visits on the investments proposed for financing and shall organize budget optimization and projects' content modifications procedure (if needed) to all projects proposals approved for financing.

Contracts with the lead beneficiaries will be prepared in an approved standard subsidy contract

template form and annexes. Implementation of the projects activities may start only after the contracts are signed by both - the MA and the lead beneficiary.

Resolution of complaints

The procedures set in place for the resolution of complaints are differentiated according to the object of the complaint and will formally be regulated in the Programme Manual.

- *Complaints related to the assessment process:*

Lead Applicants will be informed in writing by the Chair of the Assessment working group on the results from the administrative compliance and eligibility check of their applications, as well as the results of the technical evaluation, including the reasons for rejection. Any complaint related to the assessment shall be submitted by the Lead Applicant to the MA that, in collaboration with the NA and in accordance with the provisions of the Programme Manual, will examine each complaint case by case. Where appropriate, re-assessment of the project application will be initiated and final list of projects proposed for funding will be provided to the JMC. The latter will make the final decision for selection of projects to be financed under the respective call.

- *Complaints related to decisions made by the Programme structures/bodies during project implementation:*

Any complaints in relation to decisions made by the Programme structures/bodies during project implementation shall be submitted by the project LB to the MA/NA/JS that will examine case by case and provide an answer (in collaboration with the JMC, if necessary),

Management and control system

MA shall ensure that the management and control system for the Programme are set up in accordance with Articles 47 of Regulation (EU) No 447 and that those systems function effectively.

First Level Control system

According to Article 23 (4) of Regulation (EU) No 1299/2013 and Article 125 (4) (a) of Regulation (EU) No 1303/2013 each participating country designates the body or persons responsible for carrying out verification of expenditures of the operations in relation to beneficiaries on its territory ('controller(s)').

The controller(s) shall provide control and verification of:

- delivery of the products and services;
- soundness of the expenditure declared for operations implemented by the respective beneficiary;
- compliance of such expenditure, related operations, as well as tendering procedures with Community rules and when relevant with its national rules; and
- compliance of such expenditure, related operations and part of operations to the eligible costs given in the application.

For **Bulgaria**, a decentralised FLC system will be established. The Minister of Regional Development or authorised person by him/her will assign the FLC tasks to the controller(s) in accordance with applicable public procurement legislation or under existing labour law.

Standard rules and procedures for carrying out the control activities are defined in FLC Manual and other relevant documents.

The cost for FLC verification shall be covered by the programme budget under PA “Technical assistance”.

Serbia sets up a decentralised control system. Standard rules and procedures for carrying out the control activities are defined in national FLC Manual and other relevant documents. The cost for FLC verification shall be covered by the programme budget under PA “Technical assistance”.

Financial management

The MA shall be responsible for managing the Programme in accordance with the principle of sound financial management.

The managing authority shall make payments to the Lead Beneficiary in accordance with Article 132 of Regulation (EU) No. 1303/2013 (the Lead Beneficiary is then responsible for transferring the IPA financing to its project partners). NA (in the case of Priority axis "Technical assistance") will make payments to the final beneficiaries of the IPA and the corresponding Serbian national co-financing.

The MA shall set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 72 (g) of Regulation (EU) No. 1303/2013.

The MA ensures the aggregation of information on expenditures and submits to the CA on a regular basis a report on certification and statement of expenditures.

Monitoring

The MA, NA and the JMC will observe the Programme implementation and ensure the achievement of the Programme objectives through a rational use of the allocated resources. Monitoring will be carried out by reference to the Programme indicators.

The tools used for the monitoring of the Programme are the annual reports (and final report) on implementation. The annual (final) report(s) will be drafted by the JS, verified by the MA and approved by the JMC before submitting them to the Commission. The reporting, information and communication tasks will be carried out in accordance with Article 42 of Regulation (EU) No447/2014.

The monitoring of the Programme will be done through MIS that will provide project-specific technical and financial information. The reporting will be provided by the lead beneficiary on behalf of the entire partnership through periodical and final reporting to the JS. The JS will check the compliance of the reports with the project application. The data of the reports will be stored in the management system that in turn will generate, based on it, the annual implementation reports submitted to the European Commission.

Programme evaluation

The Programme is subject to an ex-ante, interim and ex-post evaluation with the aim to improve programme quality and to optimise the allocation of the financial resources. Evaluations shall be carried out internally or by external experts that are functionally independent of the authorities responsible for programme implementation. All evaluations shall be made public.

In accordance with Article 55 of Regulation (EU) No 1303/2013 ex-ante evaluation has been carried out by external experts that are functionally independent of the authorities responsible for programme preparation. The recommendations of the ex-ante evaluation are taken into account during the Programme elaboration.

The MA shall ensure evaluation(s) of the effectiveness, efficiency and impact of the programme implementation on the basis of the evaluation plan and consequently shall observe the follow-up actions. At least once during the programming period, an evaluation shall assess how support from the programme funds has contributed to the objectives for each priority axis. All evaluations shall be examined by the JMC and sent to the Commission.

5.5 Apportionment of liabilities among partner States in case of financial corrections imposed by the managing authority or the Commission

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

Each partnering country shall be responsible for investigating irregularities committed by the beneficiaries located on its territory. In the case of a systematic irregularity, the partnering country shall extend its investigation to cover all operations potentially affected. The partnering country shall make the financial corrections in connection with individual or systemic irregularities detected in operations or operational programme. Financial correction shall consist of cancelling all or part of the public contribution to an operation or to the operational programme. Financial corrections shall be recorded in the annual accounts by the MA for the accounting year in which the cancellation is decided.

The Managing Authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead beneficiary. Beneficiaries shall repay the lead beneficiary any amounts unduly paid. Special provisions regarding the repayment of amounts subject to an irregularity shall be included both in the contract to be signed with the lead beneficiary and in the partnership agreement to be signed between the partners. The Programme shall provide the beneficiaries a template of the Partnership Agreement.

If the lead beneficiary does not succeed in securing repayment from other beneficiaries or if the MA does not succeed in securing repayment from the lead beneficiary, the partnering country on whose territory the beneficiary concerned is located shall reimburse the MA the amount unduly paid to that beneficiary. The MA shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating countries as laid down in the cooperation programme. NA will be responsible for reporting procedures for irregularities and for the recovery of amounts unduly paid to the Lead beneficiaries/beneficiaries located on the territory of the Republic of Serbia. NA shall reimburse to the MA the amounts corresponding to the EU co-financing, unduly paid to the Lead beneficiaries located on the

territory of the Republic of Serbia.

In accordance with article 85 of Regulation no.1303/2013 the Commission has the right of making financial corrections by cancelling all or part of the Union contribution to the programme and effecting recovery from the partnering country in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems which have been detected by the Commission or the European Court of Auditors.

In case of financial corrections by the Commission, due to systemic irregularities(when liability cannot be assigned to a specific programme partner region), the two partnering countries commit to recover the amount proportionally with the approved project budgets and performed activities by respectively Bulgarian and Serbian beneficiaries, affected by the financial correction. In case of financial corrections by the Commission, due to random or anomalous irregularities, the two partnering countries commit to investigate on a case by case basis.

In case of decommitment at Programme level according with article 46 item 4 of Regulation (EU) No 447/2014, referring to articles 86 to 88 and 136 of Regulation (EU) no. 1303/2013, the amounts shall be decommitted from the non-performing projects in accordance with the provisions set up in the subsidy contracts to be signed with the beneficiaries. The Participating Countries may also decide the decommitted amount to be ensured from the state budgets proportionally to the distribution of the funds between the partners from each country.

The financial correction by the Commission shall not prejudice the partnering countries' obligation to pursue recoveries under the provisions of the applicable European Regulations.

The apportionment of liabilities between the participating countries will be also set in the bilateral Memorandum of Understanding.

5.6 Use of the Euro (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

In accordance with the ETC Regulation, Article 28, expenditure incurred by project partners located in countries, which are outside of the Euro zone, shall be converted into euro. The conversion is to be made by the beneficiaries using the monthly accounting exchange rate of the Commission for the month during which the expenditures was submitted for verification to the Managing authority or the controller in accordance with Article 28 (b) of this Regulation.

5.7 Involvement of partners

(Reference: point (c) of Article 8(4) of Regulation (EU) No 1299/2013)

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners

in the preparation and implementation of the cooperation programme, including their involvement in the Joint Monitoring Committee

Involvement of partners during programme preparation

The drafting of the INTERREG-IPA CBC Programme Bulgaria-Serbia was organised in compliance with the partnership approach as referred to in Article 5 of Regulation (EU) No 1303/2013. The Directorate General "Territorial cooperation management" at the Ministry of Regional Development of Republic of Bulgaria, as future MA and JS of the Programme coordinated the process. A Joint Working Group (JWG) as main decision making body and a programming Task Force (TF) for discussing particular topics and draft proposals were established in November 2013. The JWG and TF were composed of national and regional representatives from both countries participating in the Programme.

An important step in the programming process was to seek the views of stakeholders on the shape and content of the future programme. The wide public consultations undertaken were aimed to contribute the programming process with experience and know-how. Furthermore, these consultations were aimed to identify specific demands and expectations towards the new Programme among potential target groups:

- An **online survey** was the first step in this consultative process. It was aimed at collecting perceived needs, suggestions, and strategic addresses directly from a broad group of different relevant stakeholders. Stakeholders were invited to give their input to the development of the future INTERREG-IPA CBC Programme Bulgaria-Serbia at an early stage of its elaboration. The online consultation was run between 25th January and 14th February 2014, and some 180 stakeholders gave their feedback on the issues raised.
- The **1st Regional Consultative Forum (RCF)** brought together wide range of stakeholders who have expressed their opinion on the results of the situation and SWOT analysis in regards to the challenges and opportunities for CBC between Bulgaria and Serbia, as well as on the possible thematic prioritisation of the new bilateral Programme. The Forum was held between 5th and 14th of March 2014, covering all 13 NUTS-III regions in the programme area. The events were hosted by the respective Municipal/District administrations. The regional meetings were attended by 257 participants representing municipalities, regional and national administration/public institutions, regional NGOs, educational and other relevant institutions.
- In the frame of a **2nd Regional Consultative Forum**, public consultations with stakeholders have been held again in the programme area with the aim: (1) to present the Programme's 'thematic concentration' and proposed options for thematic priorities of the new IPA CBC programme; and (2) to present and discuss with stakeholders the Programme's 'intervention logic' - programme's specific objectives, respective results and future activities. The 2nd RCF was attended by 124 participants representing municipalities, regional and national administration / public institutions, regional NGOs, educational and other relevant institutions, covering all 13 NUTS-III regions in the programme area.

Based on a complete draft of the cooperation Programme, in June 2013 a public consultation was carried out via the WEB-page of the Programme. Individuals or organisations interested in the Programme were given the opportunity to express opinions towards the draft Programme resulting in

final amendments before the adoption of the final cooperation Programme in August 2014.

Involvement of partners during programme implementation

The involvement of national, regional and local authorities, economic, research and social partners, and non-governmental organisations including environmental organisations, in the implementation of the Programme will be of great importance.

A **permanent on-line partnership Forum** (via Programme's WEB-page) will be organised thus collecting input from stakeholders and assessing further needs throughout the Programme. In addition, **needs assessment** and **customer satisfaction** as evaluating tools will be provided by the evaluators during the Programme's implementation. Learning from previous experience, a mix of methods will be applied, hence, providing effective stakeholders involvement.

The future Joint Monitoring Committee (JMC) of the Bulgaria - Serbia IPA CBC Programme (2014-2020) will comprise representatives from national, regional and local level of the participating countries, ensuring a broad involvement of economic and social partners, research and development organisations, academic circle, civil society and other non-governmental organisations.

SECTION 6 HORIZONTAL PRINCIPLES

(Reference : Article 8(7) of Regulation (EU) No 1299/2013)

6.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

Sustainable development is one of the main pillars of IPA CBC Programme Bulgaria-Serbia (2014-2020). The Programme supports several Priority Axes and specific objectives that focus fully on sustainable development, notably: PA1 (SO1 and 2) and PA3 (SO2).

Under these PAs and respective specific objectives the Programme will support CBC projects that have as their primary aim to improve the implementation of CBC initiatives related to sustainable development issues. Projects will have to clearly demonstrate in their application that the activities they propose will make the implementation of those initiatives better, in order to eventually contribute to the sustainable development of the border area. Projects that fail to demonstrate this clear contribution to improving cross-border sustainable development policies will not be selected.

PA2 is targeted entirely on active learning related to youth entrepreneurship and do not directly focus on sustainable development issues. However, it is quite likely that projects supported under this priority also address aspects of sustainable development in their work. This may for instance be the case for innovation related projects that focus on capacities and skills for eco-innovation, or projects that concentrate on the internationalisation of young people in green technology sectors. Project applicants under this PA will be invited to explain in their application how their project will comply with and possibly even strengthen sustainable development. At the end of the project the partners will be asked to report how their project activities and outputs actually contributed to this horizontal principle.

Based on the aggregated contributions reported by projects the IPA CBC Programme will be able to monitor and demonstrate how the Programme concretely contributed to sustainable development. However, no specific selection criteria are foreseen to favour the development of projects dealing with this issue. The activities may address relevant CBC experiences and practices related to the principle of sustainable development.

The activities of IPA CBC Programme are likely to generate a lot of travel which leads to related CO2 emissions. While these travels are an essential aspect of CBC activities, beneficiaries of the Programme will be encouraged to use modes of interaction that do not require travelling when possible.

6.2 Equal opportunities and non-discrimination

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

IPA CBC Programme Bulgaria-Serbia (2014-2020) does not intend to develop specific actions uniquely aimed at the promotion of equal opportunities and the prevention of discrimination. The reason that this horizontal principle is not pro-actively supported primarily lies in the thematic scope of the Programme's strategy adopted.

With its focus on sustainable touristic development, youth entrepreneurship, environment and resource efficiency as well as risk prevention, most of the specific objectives of the programme cover thematic areas that have no direct link to the horizontal principle of equal opportunities and non-discrimination. Rather, the programme adopts social inclusion, which also implies equal opportunities and non-discrimination, as a crosscutting theme, to be applied in relevant cases within the scope of the Programme's action. This cross-cutting theme is most likely to emerge in projects under the PA2 (SO 2.1 and SO 2.2) dedicated to supporting young people development and entrepreneurship. Even if the primary focus of this specific objective is not on addressing the equal opportunities/non-discrimination principle, it is anticipated that certain CBC projects may emerge that focus on, or at least incorporate the equal opportunities principle. It may benefit the innovation climate to encourage diversity in terms of gender, ethnicity, religion and age etc. to provide a broadened framework for the projects. Diversity in this respect may also increase the possibilities of reaching new markets, improve market positions, broaden the recruitment base and increase creativity.

Under PA2 specifically, projects could for instance address the issue of promoting entrepreneurship among specific target groups at risk of discrimination (e.g. youth with disabilities, marginalised and/or ethnical groups of young people). The development of such projects, among the possible applications that may come forward in the corresponding Priority Axis, would be welcomed by the Programme bodies, as also indicated in the presentation of specific objectives in section 2 of the Programme document. Projects will have to demonstrate in their application that the activities they propose will guarantee, where applicable, the implementation of the equal opportunities and non-

discrimination concept in the border area.

Project applicants will be invited to explain in their application how their project will comply with and possibly even strengthen equal opportunities and non-discrimination. However, no specific selection criteria are foreseen to favour the development of projects dealing with this issue. The activities may address relevant CBC experiences and practices related to the principle of equal opportunities and non-discrimination. At the end of the project the partners will be asked to report how their project activities and outputs actually contributed to this horizontal principle. Based on the aggregated contributions reported by projects the Programme will be able to monitor and demonstrate how the programme concretely contributed to equal opportunities and non-discrimination.

6.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

The horizontal principle of gender equality is not considered to be a primary focus of the Programme. As with the previous point, the reason for this lies in the nature of the thematic Programme's strategy. The specific objectives of the Programme cover thematic areas that have no direct link to the horizontal principle of gender equality.

In the case of the specific objectives (2.1 and 2.2) dedicated to supporting youth development and entrepreneurship, also the primary focus is not on addressing this horizontal principle. But in this case, it is not unlikely that CBC projects may emerge that deal with related issues. There is evidence indicating a positive correlation between gender equality and factors promoting economic growth. Support schemes for innovative youth development initiatives might also have an impact on gender equality as men and women tend to be involved in different industry sectors. Similarly, under the same PA2, projects could for instance address the issue of promoting female youth entrepreneurship. The development of such projects as part of the wider thematic scope of PA2 specific objectives would be welcomed by the Programme bodies, as also indicated in the presentation of the respective specific objectives in section 2 of the Programme document. Projects will have to demonstrate in their application that the activities they propose will guarantee, where applicable, the implementation of the equality between men and women principle in the border area.

Project applicants will be invited to explain in their application how their project will comply with and possibly even strengthen gender equality. At the end of the project the partners will be asked to report how their project activities and outputs actually contributed to this horizontal principle. Based on the aggregated contributions reported by projects the Programme will be able to monitor and demonstrate how the Programme concretely contributed to equality between men and women. However, no specific selection criteria are foreseen to favour the development of projects dealing with this issue.

The application of the horizontal principles at project and programme level will be monitored, assessed, and reported in the Annual Implementation Reports as well as in the evaluations done during the programming period, such as implementation evaluations, mid-term evaluation (if performed), evaluations capturing the effects of priorities and looking into their theory of change which will occur at a later stage. Reports will be adapted to the variety of different future readers and

a feed-back from the evaluator to beneficiaries will be sought to enhance the quality and use of an evaluation process incl. for dissemination and sharing of best practices in the application of horizontal principles by project beneficiaries and the Programme as a whole.

SECTION 7 SEPARATE ELEMENTS

7.1 Major projects to be implemented during the programming period – no major projects are foreseen to be implemented

Table 24 - List of major projects - Not applicable

7.2 Performance framework of the cooperation programme

Table 25 – Performance framework (summary table)

Priority Axis	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
PA 1	OI 1.1.2 Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	4	15
PA 1	KIS 1.1.2 Number of projects contracted related to small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	8	9
PA 1	OI 1.2.3 Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area	Number	4	8
PA 1	FI 1 Eligible certified expenditure of the priority axis 1 “Sustainable Tourism”	EUR	734 770	10 145 420
PA 2	OI 2.1.1 Total number of supported youth-related small-scale infrastructure, training and information facilities	Number	2	15
PA 2	KIS 2.1.1 Number of projects contracted related to youth-related small-scale infrastructure, training and information facilities	Number	9	9
PA 2	FI 2 Eligible certified expenditure of the priority axis 2 “Youths”	EUR	524 836	7 246 729
PA 3	OI 3.1.1 Total number of joint activities aimed at establishing joint early warning and disaster management systems	Number	2	6
PA 3	KIS 3.1.1 Number of projects contracted addressing joint early warning and disaster management systems	Number	5	6
PA 3	FI 3 Eligible certified expenditure of the priority axis 3 “Environment”	EUR	629 803	8 696 074

7.3 Relevant partners involved in the preparation of the cooperation programme

From Bulgarian side:

Council of Ministers' Administration
Ministry of Regional Development and Public Works
Ministry of economy and energy
Ministry of Transport, Information Technologies and Communications
Ministry of Environment and Water
Ministry of Labour and Social Policy
Ministry of Interior
Ministry of Finance
Executive Agency Audit of EU Funds, to the Minister of Finance
State Fund Agriculture
Ministry of Foreign Affairs
Ministry of Culture
National Institute of Statistics
National Association of Municipalities in the Republic of Bulgaria
Regional Development Council of South-East region and South-Central region
Bulgarian Chamber of Commerce and Industry
Bulgarian Industrial Association - Union of the Bulgarian Business
Association of Industrial Capital in Bulgaria (BICA)
"Confederation of Employers and Industrialists in Bulgaria - KRIB" Association
Confederation of Labour "Podkrepa"
Confederation of Independent Trade Unions in Bulgaria (CITUB)
Regional ecological center for Central and Eastern Europe
Ecoforum for Sustainable Development Association
Bulgarian association of consultants for european programmes
Association for social integration
Habitat for Humanity Foundation
Commission for Protection against Discrimination
National Council for the Integration of Persons with Disabilities
University of Library Studies and Information Technologies

From Serbian side:

Serbian European Integration Office

Ministry of Foreign Affairs Ministry of Regional Development and Local Self-Government

Ministry of Agriculture, Forestry and Water Management NALED

RARIS SKGO

Center for development of Jablanica and Pcinja Districts Belgrade Open School

CEKOR Stara Planina, PIROT

Ministry of Education, Science and Technological Development RRA JUG Regional
Development Agency South

Educational centre Leskovac Evropski pokret

ANNEXES (uploaded to electronic data exchange systems as separate files):

- Draft report of the ex-ante evaluation (including an executive summary of the report)
(Reference: Article 55(2) of Regulation (EU) No 1303/2013)
- Confirmation of agreement in writing to the contents of the cooperation programme
(Reference: Article 8(9) of Regulation (EU) No 1299/2013)
- A map of the area covered by the cooperation programme
- A "citizens summary" of the cooperation programme
- Strategic Environmental Assessment

