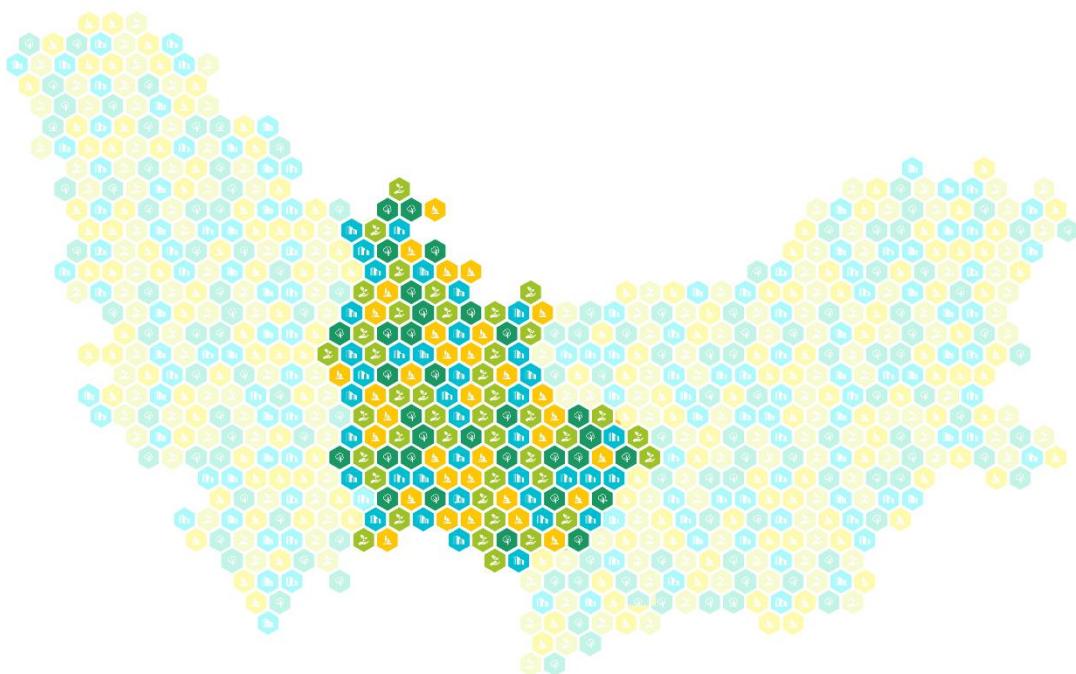




TERRITORIAL STRATEGY FOR INTEGRATED MEASURES

to be financed under the INTERREG - IPA CBC programme 2021 -2027
between the Republic of Bulgaria and the Republic of Serbia

STRATEGY





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INTRODUCTION

Following the assignment, the Integrated Territorial Strategy (ITS) is elaborated to address the needs of the INTERREG - IPA CBC 2021-2027 Programme between the Republic of Bulgaria and the Republic of Serbia. Its' implementation will contribute to sustainable economic development of the CBC region. Pursuant to the document "Draft Programme Intervention Logic BULGARIA – SERBIA CBC Programme 2021-2027" the measures of the ITS should be planned within the framework of Policy Objective 5 "Europe closer to citizens", Priority 2 "Integrated development of the border region", Specific objective 2.1. "Fostering the integrated social, economic and environmental development, cultural heritage and security in urban areas" and Specific objective 2.2. "Fostering the integrated social, economic and environmental development, cultural heritage and security in areas other than urban".

Similar to the phase of the analysis, the Strategy is developed in close coordination with local stakeholders in the CBC region. The structure of the Strategy has 3 "storeys" – a main strategic goal, specific objectives and measures. Further, the document contains a methodology for governance, monitoring and evaluation, as well as a tentative list of operations to be financed under the INTERREG - IPA 2021-2027 Programme between the Republic of Bulgaria and the Republic of Serbia. The Strategy complies with the legal framework considering the specific features, common challenges, development needs and potentials of the CBC region.

The required principle of "multi-level governance" has been kept by involving all competent levels¹ in line with the principles of partnership, gender equality and non-discrimination. Publicity and transparency will be provided for by presenting the Strategy at various events (hoping not only "online") and regional consultations.

According to the Proposal for a Regulation of the European Parliament and of the Council² laying down provisions on the European funds for the 2021—2027 period, to strengthen the integrated territorial development approach, investments in the form of territorial tools should be based on territorial and local development strategies. Those territorial strategies should be developed and approved under the responsibility of relevant authorities or bodies that should be responsible for the selection of operations to be supported, or involved in that selection.

The methodology of the Strategy's elaboration is closely related to its main goal as specified in the assignment. This implies compliance with the requirements set out in the Technical Specification as well as in the relevant guidelines at European and national level. All activities related to elaboration, coordination and approval of the strategy are carried out with the active involvement of the Task Force of partners. The assigned activities will be carried out in accordance with the timetable.

Work starts with the establishment of a Task Force for the Strategy and is a continuation of the consultations for the development of the Cross-Border Cooperation Programme. The identification of participants in the Task Force is based on the principle of partnership and the multi-level

¹ Following a bottom-up regional approach, in close cooperation with the programme structures

² https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_1&format=PDF



governance approach to ensure the involvement of civil society and social partners. The Task Force actively participates in the coordination, review and approval of all stages of Strategy's development.

Next, the strategic context and methodology are defined as well as the geographical/spatial scope of the strategy is determined. This activity is carried out through research of actual strategic documents at European, national and regional level in accordance with the requirements of the Strategy. The methodology describes the process and the appropriate tools for each strategy development activity. The geographical scope of the Strategy is determined in accordance with the European requirements and guidelines applied in the local context. As a result, an important part of it is the clear and precise argumentation of the choice of the included territory.

The framework above provides the basis for preparation of the analysis of needs and development potentials of the CBC region. The thematic scope of the analysis is oriented to the main goal of the assignment and includes economic development, tourism, social development, labour market, culture and cultural heritage, infrastructure, environment. The development goals and priorities of the ITS reflect both – the specifics of the CBC context and the planning documents at higher level.

The analysis is developed by various methods and tools for processing and analysing information and documents. Minding the restricted spheres of future support, the focus is on the common challenges on both sides of the border that are important for the preparation of the ITS rather than profound picture with a lot of details.

As a result of the identified needs and development potentials of the CBC territory, the key areas of intervention are identified – *tourism* in the economic sphere, *energy efficiency* in the environmental sphere and *social support measures* – in the social sphere.

The object of the Strategy covers a certain territory. Therefore, principles of spatial planning are applied to it. The most outstanding is “integrated approach” to any spatial planning object. Further, the EU political context defined the integrated territorial investments as a cohesion policy tool in the previous planning period. Today’s EU regulations underpin the territorial approach with an explicit goal “Europe closer to citizens ...”. Its implementation in EU member states requires “integrated territorial development”. This would mean concentration of investments, more efficient interventions, intensive intra-sectoral communications, synergic effects. All these present the essence of the integrated approach.

Following the Strategy’s methodological platform above, the focus will be on efficient utilization of the territory’s potential, revealed so far in the analysis.

The Integrated territorial strategy (ITS) for development of the CBC region possesses all features inherent for spatial planning though having a narrowed scope of intervention due to insufficient resources of the CBC programme. The ITS defines the framework for spatial development considering the relevant local potentials and principles of balanced sustainable development thus reflecting the current trends in the national and European regional policies.

The integrated approach to revealed needs and development potentials is expressed in a multi-sectoral package of measures for achieving the objectives of the ITS. Special soft measures are



planned to ensure active involvement of stakeholders at all stages of the ITS development, implementation, monitoring and evaluation.

The vision presents the desirable result of the strategy's implementation, generally characterized as a sustainable socioeconomic development of the territory. The identified priority areas of intervention provide the basis for defining the strategic goals of the ITS, which in turn provide basis for its specific objectives. Further, packages of measures are formulated in close relation to the specific needs and potentials as well as to the development goals at higher planning levels.

A system of approaches (integrated, cross-border, ecosystem and location-based approach), principles and methods applied in the development of strategies for integrated territorial development is used. The SMART approach (specific, measurable, achievable, relevant and time-based) is applied in setting the goals.

The ITS maintains the underlying principles of spatial planning, namely:

- *Integrated planning* and complex treatment of all problems of the territory;
- *Scientific approach* to planning, mandatory for all spatial planning levels and activities;
- *Priority protection of public interest* to ensure the balance between public and private interest in the implementation of the ideas and priorities of the ITS;
- *Publicity, transparency, partnership* and public involvement in the decision-making process at all stages of work on the ITS;
- *Consistency, coordination and continuity* of the planning process, contributing to the rational development and adequate utilisation of the experience accumulated over the past planning period;
- *Inter-disciplinary, trans-disciplinary* approach and synergy in the generation of ideas promoting creativity and innovations;
- *Concentration* in terms of thematic scope, financial and geographic aspects, available resources and timeframe for the purpose of achieving more adequate behaviour in the use of the limited resources.

A methodology for implementation, monitoring and evaluation is prepared in close connection with the results achieved so far, the technical specification, higher-level guidelines and best practices. Preparation and motivation of a long list of operations follows. The main criterion for eligible interventions is their contribution to achieving the strategic goals and specific objectives of the strategy through cross-border cooperation. Selection criteria are used to reduce the long list to a short list of priority operations to be included in the INTERREG - IPA CBC programme 2021-2027 between the Republic of Bulgaria and the Republic of Serbia.

The developed Action Plan for implementation of the ITS includes the deadlines set for the implementation of envisaged measures.

Finally, the expected results include successful implementation of the ITS through the resources of the CBC program and efforts of stakeholders. Meanwhile a higher stakeholders' confidence, understanding and willingness to participate in the process of integrated regional planning is expected. Hopefully, the network of contacts and cross-border interactions will reinforce commitment of local communities to cooperate in mutual local and regional development too.



1 TERRITORIAL SCOPE OF THE STRATEGY

The geographical scope of the strategy is defined in accordance with the Technical Specification to the assignment and the requirements set out in Article 23 of the Draft Common Provisions Regulation of 29 May 2018³. To strengthen the integrated territorial development approach, investments in the form of different territorial tools under policy objective "a Europe closer to citizens" is recommended.

The analysis carried out so far revealed similar economic, social and territorial challenges, needs and potentials. This is considered for a motive conditionally to define the entire CBC region as a single functional area for a subject of the ITS. For the purposes of operations to be implemented, specific functional areas are motivated as recommended spaces for investing depending on their character. Meanwhile local stakeholders have stated their willingness to "actively participate at different stages of the elaboration and implementation of the territorial strategy". This is one of the most important conditions for successful development and implementation of an ITS.

The defined geographical scope should correlate to the main goal of the ITS itself – "to address the needs of the INTERREG - IPA CBC Programme 2021-2027 between the Republic of Bulgaria and the Republic of Serbia to contribute to the sustainable economic development of the respective region".

The territorial nature of the ITS predetermines the influence of the Territorial Agenda 2030⁴ on it. The Agenda has been considered in national and regional documents relevant to the subject territory too, assigning a significant role of a balanced polycentric network of cooperating cities in activating development potentials. The 12 district centres⁵ in the CBC region are the development centres of the cross-border territory and "knots" of a polycentric settlements' network. They serve the rest of the territory, realize complex interactions and interdependencies to smaller towns and other settlements. Except providing employment (mostly commutes to work), these development centres are parts of national and regional systems for providing healthcare, education, administrative and other services. While operating in these systems, the spatial scope of the ITS may go beyond the formal borders of the CBC region. This comes to illustrate that functional zones have conditional borders depending on the functional scope of the initiated activity/intervention/measure.

The Interreg-IPA CBC Bulgaria - Serbia Programme⁶ statistics informs that the lead partners of all projects so far have been the district centres of the CBC region. The fact proves a statement of the Territorial Agenda 2030 that "economic prosperity in places depends on the competitiveness and creativity of their enterprises and start-ups as well as on local assets, characteristics and traditions, cultural, social and human capital and innovation capacities".

³ https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_1&format=PDF

⁴ <https://territorialagenda.eu/home.html>

⁵ The Sofia district center is in the city of Sofia which does not belong to the CBC region.

⁶ <http://www.ipacbc-bgrs.eu/annual-reports>



Further, the assignment requires defining integrated measures to achieve the development objectives of the territory – “..possible investments in areas of economic development, sustainable tourism and culture, as well as other areas with an effect on territorial development and cohesion and proposal of the list of operations that might be financed”.

Therefore, the definition of functional areas as “areas with a high degree of interactions and interdependencies, where simultaneous actions in different sectors (education, employment, transport, healthcare, support for business) are required in order to achieve future development”⁷ is applicable to the spatial scope of the ITS.

In conclusion to this topic, it can be stated that the ITS’s territory:

- Favours elaboration and implementation of an integrated response to revealed needs and development potentials, narrowed in scope to cover the feasibility criterion;
- Conditionally meets official definitions of a “functional area/zone”;
- Is a result of a stakeholders’ consensus along with their commitment to participate in development and implementation of the ITS;

The current ITS and future CBC Programme can’t be entirely independent. To achieve synergetic effects and sustainability of its modest investments, both, the ITS and the Programme should be coordinated with other planning documents and resources targeted to the subject area. Moreover territorial targets of the ITS/Programme and many other planning documents are overlapping.

2 POLITICAL/PLANNING FRAMEWORK OF THE ITS

One of the assigned tasks to the ITS is to research and apply both the existing strategic documents in the field of regional and spatial development (national and European) and the national sectoral strategies with territorial relevance.

The ITS was developed within the present context of the underlying EU documents on sustainable spatial and urban development. The first background document used in developing the ITS was the White Paper on the Future of Europe (March 2017), being a manifesto with philosophical, political and methodological power to strengthen the state of the Union and, at the same time, presents a comprehensive logical set of 5 possible scenarios for its moving forward. The document reasserts the freedom of self-determination for each Member State, while simultaneously motivating the choice of a development scenario of the greatest benefit to everyone.

The course of the EU cohesion policy after 2020 is outlined in the Seventh Report on Economic, Social and Territorial Cohesion (October 2017). That document is a blueprint for the planning of the future partnership agreement, for investments and for the new operational programmes. At the same time, it provides clear guidance on regional development planning: 1) *key investments* in innovation, SMEs, digital technology and industry modernisation; and 2) *priorities of the cohesion policy* - investments in all regions, individual approach, decentralised management of EU funds. The increased levels of self-financing to motivate higher ownership of EU-funded projects are a

⁷ Bringing territoriality into Interreg, Functional areas and Policy Objective 5 (as of 30 September 2020)



new general approach to the support.

The Territorial Agenda of the European Union 2020 is another relevant benchmark document reflecting the territorial dimension of the European cohesion policy and the “Europe 2020” strategy. The major goal is to achieve “territorial cohesion for a more harmonious and balanced state of Europe” within the context of rising threats and challenges as globalisation, EU integrity issues, demographic outlook, climate change and risk, energy challenges. The priorities of territorial relevance are: a) promote polycentric and balanced territorial development; b) encouraging integrated development in cities, rural and specific regions; c) *territorial integration in cross-border and transnational functional regions*; d) ensuring global competitiveness of the regions based on strong local economies; e) improving territorial connectivity for individuals, communities and enterprises; and f) managing and connecting ecological, landscape and cultural assets of regions. Priority “c” is the core of the ITS.

Derived from the EU documents and adapted to the trans-border context, the general concepts and approaches of spatial development are shaping the CBC policy in the field. Articulated in more details the pillars of the adopted spatial development policy are: 1) support for balanced territorial development, maintaining a hierachic system of urban centres (at national and regional levels) as an instrument to minimise the evident territorial disparities; 2) strengthening of the links between urban and rural areas at all levels through improvement of accessibility and employment opportunities, as well as planning of specific measures in support of peripheral and under-populated rural areas; 3) ensuring better accessibility and connectivity of cities and regions through improvement of their transport and communication links; 4) planning for a sustainable urban development through application of an integrated approach in the reconstruction and renovation of cities (in economic, ecological, social and cultural aspects); 5) *territorial integration in the border functional areas and cooperation for the enhancement of the overall competitiveness*⁸; 6) conservation of the natural and cultural heritage through rational management⁹; and 7) alignment of the planning of spatial development of cities and regions to the threats and challenges of globalisation, demographic changes, climate change and energy dependence.

The focus gradually shifts from the basic triad of sustainable development, i.e., balancing the social, economic and environmental interests, towards managing the risk arising as a result of the increasing number of natural disasters. The scope of applying the integrated and adaptive approach to the protection of the population and the major territorial resources (soil, water, forests, minerals) continues to expand. The planned preventive measures are aimed at limiting the scope of ensuing damages and minimising the vulnerability of settlement structures to natural disasters and accidents.

⁸ Specific attention is paid to the external borders of the EU, to peripheral areas with well-preserved nature, lifestyle and traditions which enrich the mosaic of natural and manmade landscapes and the cultural diversity in the EU

⁹ This main capital of the regional identity is also a recognised potential for increased competitiveness of the regions and cities. For the purposes of developing European ecological networks on the national territory and preserving biodiversity, the necessary “green” and “blue” corridors between the protected areas of regional, national, international and pan-European significance have been ensured. The cultural landscapes of specific historical, aesthetic and ecological significance are being preserved.



Going back to the regional development planning guidelines in the Seventh Report, arguments can be found to upgrade the spatial policy with requirements for *investments in all regions*, for *planning tailored to the local specifics* and resource availability (individual approach), for a decentralised management of the EU funds.

At the end of 2019, the European Commission launched an ambitious initiative for the decarbonisation of the economy by 2050 - the “European Green Deal” (EGD). For it to succeed, the EGD needs to be at the centre of any development strategy and investments in green innovations should be supported in all sectors. At the same time, it must ensure a gradual and socially just transition to prevent social and economic disruption.

The EU political objectives for the 2021-2027 programming period¹⁰

The EU cohesion policy for the new planning period shifts from the formula of “smart, sustainable and inclusive development” to a more comprehensive set of priorities that inherit previous directions and enrich content with contemporary challenges: 1) *A smarter Europe*¹¹ - innovative and smart economic transformation, through innovation, digitalisation, economic change and support to small and medium-sized enterprises; 2) *A greener, low-carbon Europe* - through implementing the Paris Agreement and investing in energy transition, renewable energy sources and combatting climate change; 3) *A more connected Europe* - mobility and regional ICT connectivity, with strategic transport and digital networks; 4) *A more social Europe* - supporting quality employment, education, skills, social inclusion and equal access to healthcare; 5) *Europe closer to citizens* - sustainable and integrated development of urban, rural and coastal areas - support for locally-led development strategies and sustainable urban development across the EU.

Specific objectives of INTERREG

In addition to the political objectives above, the INTERREG specific objectives (ISO) reflect the needs of CBC:

ISO 1 A better cooperation governance - aimed at strengthening the institutional capacity, strengthening legal and administrative cooperation, especially when related to the implementation of the Communication on Border Regions, strengthening cooperation between citizens and institutions and the development and coordination of macro-regional and sea-basin strategies, and

ISO 2 A safer and more secure Europe - addressing specific issues related to external cooperation, such as security, safety, border management and migration.

***Territorial Agenda 2030 - a future for all places*¹²**

The Territorial Agenda 2030 seeks to contribute to an inclusive and sustainable future for all places

¹⁰ https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_1&format=PDF

¹¹ Among the priorities of the Seventh Report on Economic, Social and Territorial Cohesion (October 2017)

¹²Territorial Agenda 2030, <https://www.territorialagenda.eu/home.html>



and people in Europe. It underlines the importance of and provides orientation for strategic spatial planning and calls for strengthening the *territorial dimension* of sector policies at all governance levels. This can only be achieved by paying more attention to the diversity of places in Europe, along with their development potential and challenges. The territorial priorities for Europe are:

TP 1. A Just Europe that offers future perspectives for all places and people - underline the territorial dimension and spatial planning contributions to overall policy priorities that include economic, social and territorial cohesion, the European Pillar of Social Rights, a Europe closer to citizens, a more inclusive, sustainable and integrated development of places, Just Transition and territorial integration in Europe.

TP 2. A Green Europe that protects common livelihoods and shapes societal transition – again, underline the territorial dimension and spatial planning contributions to overarching policy priorities such as the United Nations Sustainable Development Goals. Other relevant priorities concern Europe fit for the digital age, sustainable mobility and a fully integrated European transport network, the transition to a circular economy in Europe and the application of an ecosystem-based approach.

Strategic framework of the Republic of Bulgaria

Along with the European background documents, the ITS aligns its objectives and priorities with the most important national planning documents. The National Development Programme: *Bulgaria 2030* clearly indicates three distinct strategic objectives for the development of the country: “technology-based transformation”, “demographic upturn” and “reduced disparities”.

The *technology-based transformation* of the economy is expected to increase its resource efficiency and catch up on the digitalisation. At the same time, it is intended to intensify research, development (R&D) and innovation to increase the added value and competitiveness of the Bulgarian products. It plans to introduce state-of-the-art technology in sectors like healthcare, education and social services. In addition to the general improvement of the quality of the services, it will provide solutions for the “access” difficulties in the peripheral areas.

The *demographic upturn* objective is the answer to the greatest challenge facing Bulgaria - the demographic crisis, which affects other European countries as well. The decidedly negative forecasts call for decisive action and long-term policy to mitigate the negative consequences and gradually turn the trend. Otherwise, the demographic factor will prevent the economy from generating high and sustainable growth rates, will hinder the efforts of the education, healthcare, culture and sport systems to maintain their spatial integrities, the quality and accessibility of their services.

The *reduced disparities* objective is multidimensional. Social disparities are growing. At the same time, we can see growing regional disparities in all socioeconomic fields and at all territorial levels. The objective is interpreted as aimed to achieve a “more inclusive and sustainable growth while reducing the social and territorial disparities and helping achieve a shared prosperity”.



*The National Concept for Spatial Development for the 2013-2025 period (Update 2019)*¹³ sets the spatial development framework and serves as a platform for coordination of all sectoral policies having territorial dimensions. The strategic set of objectives includes: 1) integration into the European space; 2) a balanced polycentric settlement network and integrated development of the cities; 3) spatial integrity and equal access to the public service systems; 4) preservation, exhibition and added value for the natural and cultural heritage to foster its sustainable development; 5) cooperation and collaboration within the Functional Urban Areas and development of cross-border functional areas with action packages of social relevance; 6) developing target growth areas that balance the polycentric model of the national space and 7) reducing disaster risk by integrated preventive action in natural and urbanised environments. These are objectives not only of the national spatial development policy but also objectives, targets or constraints for all sectoral policies having territorial relevance and interests.

The *Integrated Territorial Development Strategy for the Northwest NUTS II Region* covers the northern part of the BG-RS CBC region. Its first priority is acceleration of regional economy's growth through: 1) Increased attraction of investments (the main current deficit) and incentives for entrepreneurship activity; 2) Support for new investments leading to growth (innovative strategies, start-ups, investments in processing industry, social entrepreneurship); 3) Development of new industrial zones (in Vidin, Vratsa, Montana, Lovech), logistic hubs; 4) Sustainable tourism development – tourist infrastructure, development of natural and cultural attractions, the mineral waters in Vidin area, new tourist products, marketing, qualification; 5) Conditions to retain young and highly educated population.

The *Integrated Territorial Development Strategy for the Southwest NUTS II Region* covers the southern part of the BG-RS CBC region. Its main economic objective is to increase investment activity through all feasible tools including construction of new industrial zones/parks. Apart from Sofia, strategic locations are the districts of Pernik, Kuytendil and Blagoevgrad. To increase attractiveness, the new industrial complexes may include social infrastructure and education/training centres. The terrain of the new industrial zone in Kuytendil is 19 hectares, near to the Struma motorway. Again, in Kuytendil a modern business centre is planned (with shared office space for IT, financial technologies, digital arts, computer animation and other interactive activities). Even bigger is the terrain available for the Pernik industrial park – 30 hectares.

The newest context outlines the pandemic restoration measures included in the *NextGenerationEU* programme. It has 3 basic goals: a) Development of green and carbon neutral economy by 2050; b) Digital and technological development; c) Restoration of EU economies. The Bulgarian version *NextGenerationBG* includes strategic projects related to the goals above.

Strategic framework of the Republic of Serbia

The *Serbia Country Strategy 2018-2023*, European Bank for Reconstruction and Development is a core national planning document built on three strategic priorities:

¹³ <https://www.mrrb.bg/bg/aktualizaciya-na-nacionalnata-koncepciya-za-prostranstveno-razvitie-za-perioda-2013-2025-g/>



- *Foster competitiveness and governance* – including strengthening of SMEs through advisory and intermediary financing;
- *Enhance integration* – by improving the transport network, regional economic connectivity and energy interconnectivity;
- *Support Green economy* – by fostering energy efficiency, enhancing renewable energy and promoting sustainable practices.

Among others, the last priority implementation should result into reduced Greenhouse gases (GHG), decreased vulnerability to climate change, increased resource efficiency and improved waste and wastewater treatment.

This general strategic framework is further developed on lower planning levels.

The *Regional spatial plan for Nisava, Toplitsa and Pirot districts* is based on the principle for sustainable use of available resources and has the following development priorities:

- *Agriculture* - organic production, stock-farming, apiculture, aromatic and medicative plants. Climate change mitigation measures prioritize development of hydromelioration systems especially in the valleys of South Morava, Nišava and Toplica;
- *Forestry* – a strong potential for wood mass-based productions and employment opportunities in remote peripheral settlements. Alongside is improvement in game breeding and its protection;
- *Sustainable tourism* – inherited natural values enable its considerable development as unused potential is revealed so far;
- *Renewable energy sources* – larger use of hydro, solar, wind and biomass sources;
- *Economy* - strengthening the overall *competitiveness* through greater engagement of highly qualified staff, greater investments in research, strengthening of SMEs, more intensive ICT development. Further, greater export orientation of economic activities and higher FDI inflows are needed;
- *Infrastructure corridors and urban centres* - completion of Corridors IV, VII and X. Supporting the leading role of Niš in the region and in the wider area of South-East Europe;
- *Administrative capacity and governance* - activation of all entities and attraction of managerial staff for the purposes of planning and monitoring development.

Finally, *international cooperation* is considered as an inevitable tool for cohesion policies. It is seen as “inter-border and inter-state joint market presence - forming associations of producers and economic clusters”.

The *Regional spatial plan for Zaychar and Bor districts* (the Timok Region) envisages even regional development with competitive economy integrated with its surroundings (neighbouring functional areas of central and southern Serbia and the Autonomous Province of Vojvodina, as well as with neighbouring *border municipalities and regions in Bulgaria and Romania*), energy efficient and attractive for investments. This includes activation and mobilization of territorial capital, sustainable use of natural and anthropogenic resources, development of human resources, traffic accessibility to corridors X, VII and IV. Further, adequate infrastructure, development of economy and institutions, environmental, natural and cultural heritage protection is needed. The Timok Region has significant, but insufficiently activated natural potentials and territorial capital.



The basic goals of the spatial development of the subject Region include: 1) improving territorial cohesion; 2) sustainable environment; 3) protection, arrangement and sustainable use of natural and cultural heritage; 4) spatial and functional integration and *cross-border connection with the surrounding areas*; 5) increase of competitiveness and efficiency; 6) polycentric territorial development (in particular strengthening the link between villages and urban settlements); 7) improving traffic accessibility and access to information and knowledge; 8) development of cultural and regional identity; 9) development of public-private partnerships; 10) protection of public interest and assets.

The *Regional spatial plan for Jablanitsa and Pčinja districts* has similar strategic goals and priorities, focused on: 1) Completion of a section of E-75 Highway's construction; 2) Growth of market interest in tourist destinations (Vlasina, Besna Kobilja, Vranjska spa); 3) Development of agriculture - production of "healthy food", organization of mini-processing capacities and acquisition of characteristic "brand" features for specific products; 4) Improving the transit significance and connecting European Corridors IV and X through the Južno Pomoravlje Region; 5) Development of forestry and production/service facilities based on it; 6) Further development of water supply systems; 7) Economic development and improvement of the environment (transfer of knowledge and technologies, investments in new capacities, construction of tourist infrastructure); 8) Strengthening partnerships at all levels, including cross-border, leading to associations of producers and economic clusters; 9) Establishment of *new industrial zones* and provision and infrastructural equipping of locations for the development of SMEs, tourist capacities and other activities; 10) Institutional, management and human resources capacity building.

Finally, the *Border Orientation Paper* for INTERREG IPA CBC cooperation programme between the Republic of Bulgaria and the Republic of Serbia set out the key characteristics of cross-border territories and outline ideas, opportunities and recommendations for the thematic focus of the future programme.

3 ANALYSIS' FINDINGS – NEEDS AND POTENTIALS TO SELECT FROM

Summarised, the revealed *needs and potentials* are as follows:

1. *Transport/urbanization axes* - strategic for the cross-border region is the section of A4 highway from Niš to the Bulgarian border and the highway "Europe" from the border to Sofia (expected to be fully completed soon). This is an "inherited" context and potential for the ITS and not an object to develop.
2. *Environment* - the area is highly vulnerable to biodiversity loss and natural hazards. Therefore, joint ecosystem prevention and management solutions, that are taken on by various stakeholders, are needed to diminish these risks and to protect biological diversity.
3. *Demography* - The main demographic problem of the territory is the negative net migration, caused by the intensive depopulation of the territory and by the lack of economic incentives to retain young professionals and attract new ones. .



4. *Local economies* – an important aspect will be the introduction of a “green growth” program to their post-COVID-19 economic recovery. There is dramatic income disparity at municipal level - targeted economic and social cohesion measures, including direct support to SMEs are needed. Further, there is a sharp need to increase the attractiveness of the CBC area for foreign direct investment through appropriate interventions like provision of business infrastructure (like industrial parks).

5. *Global Competitiveness Index* - despite the differences, both economies need to tackle certain dimensions, where they rank poorer than the overall score, such as healthcare, education/skills, product markets, financial systems as well as innovation ecosystem maturity. All these needs are subject to national policies and only few of them can be addressed by the ITS.

6. *Small and medium size enterprises (SMEs)* – need both direct and indirect support for digital and green transition, internalization, expansion, entrepreneurship, etc., to make the regional economy competitive and inclusive. These needs can be properly addressed by utilizing and maximizing the existent business support potential by networking relevant institutions from both sides of the border and upgrading and channelling their business supporting practices.

7. *Tourism* – the current analysis confirmed previously revealed potentials and needs in all aspects – infrastructure, natural and cultural attractions, mineral waters, new tourist products, marketing, qualification. To sustain tourist markets in the CBC area, assessed as being “fragile” and vulnerable, the attitude of local communities to their environment and tourist products is crucially important. Summarised, the needs and relevant potentials of tourism development in the subject area are:

- Attract professional capacity in creation and marketing of regional tourist products;
- Assess the feasibility of potential tourist resources to become real ones, i.e. elements of marketable tourist products;
- Invest in preservation, exposure and animation of cultural and natural heritage sites with proved potential to attract tourists;
- Attract professional tour operators’ companies in the area by creating professional tourist products;
- Strengthening local and regional organisations and companies to approach international tour operators and tourist market in general;
- Upgrading ecological and behaviour culture of local communities – to maintain clean and safe environment, to make tourists feel the traditional Balkans’ hospitality by promoting and supporting sustainable tourism practices;
- Provide incentives for development of domestic tourism in the area – starting with marketing information and direct marketing platforms and ending up with market promotions;
- Joint efforts in developing regional CBC tourist products;
- Creating an own inter-regional CBC market, including tourism - a strategy that can lead to sustainable growth;
- Creating joint marketing platforms for better international recognition (a recognizable brand).



Previous experience and currently revealed needs and potentials make *tourism an unarguable priority sphere of intervention* under the ITS and the CBC programme.

Numerous structural and operative needs are revealed in all the rest of topics of the analysis like unemployment, healthcare, education, technical infrastructure, public works, energy efficiency, ecology, protected areas, climate change. There is a continuing need to improve institutional and technical capacity of involved partners too.

The conclusions of the analysis to be considered in the ITS are:

Both sides of the CBC region have comparable level of development. On municipal level, there are dramatic disparities, being greater in the Bulgarian part.

Analogical needs in the sphere of integrated development (both in urban and rural areas) are revealed. They include the wide range of social, economic and ecological development as well as attention to bridging cultural heritage to next generations by investing in research, restoration and exposure.

Transport corridors are usually urbanization axes concentrating economic and social development energy. The integrated territorial strategy (ITS) will rely on the completion of the Nis – Sofia transport corridor, being the strategic urbanization axes for the CBC region.

The ITS should take into account both the objectives and priorities of the new cross-border and territorial cooperation documents, the identified needs within the CBC region, the logics of spatial development and the modest CBC programme resources.

The future CBC Programme can't be entirely independent. To achieve synergistic effects and sustainability of its modest investments, the Programme should be coordinated with other planning documents and resources targeted to the subject area.

At any further stage of elaboration of the ITS, the fact that revealed needs exceed many times available resources (both, in terms of money and time) should be considered to avoid over budgeting, scattered "dot like" investments and further inefficient spending of money and human energy. As for the potentials, looked at as available resources, the most outstanding are the *natural and cultural heritage* on both sides. But to be valorised by marketable tourist products, considerable investments and supporting factors have to be provided for.

4 VISION, STRATEGIC GOALS, OBJECTIVES AND MEASURES

Any strategic planning is based on continuity. Following this principle, the current ITS strategy should refer to the previous programme. Considering the context and intervention capacity, it had a "modest" but realistic vision: "*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*". A set of restrictions, obstacles and opportunities were outlined 8 years ago: 1) segmented economic space; 2) the substantial *development axes* do not cross or connect; 3) a good potential in social and cultural similarities; 4) low level of development in the CBC region; 5) serious gaps in human capital, infrastructure provision and economic activity. The conclusion then was, that all above



facts and assessments “*make 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 represented the main challenges to be faced by the border area.

As of 2021, after substantial efforts and investments the situation is slightly improved except demography. The CBC region needs not just one ITS, but two strategies. One “*adequate and realistic development strategy*” having no “thematic” and budget restrictions, following the whole logics of spatial planning and another, “small” strategy considering all restrictive rules and capacities. The subject ITS is of the second type. Still accumulated experience in cross-border cooperation and overall improvements allow formulation of a *more optimistic strategy vision for the CBC region as of 2027:*

Opened to neighbouring borders and integrated in the European space and axes of urbanization, of culture, science and innovations. The well preserved and sustainably used resources (land, forests, water, natural and cultural heritage) – a guarantee for the regions prosperity and identity. A balanced integrated development achieved through persistent investment in economic, social, transport, engineering, cultural and tourist infrastructure thus ensuring green economic growth, adaptivity to changes and cohesion.

Such a vision has a reach beyond any formalised timeframe of a planning document at this level. The desired course of the vision presupposes multisector, integrated actions with a single focus - cohesion. Cohesion, understood as reduction of economic and social disparities, better connectivity and functional and spatial integration. In addition to the reduced disparities, cohesion implies preservation of cultural diversity and identities of territorial communities at every level.

Cohesion has three major components: territorial, economic and social cohesion. *Territorial cohesion* addresses cross-border cooperation and includes integrated development of cities and their interconnection into networks of cooperation, as well as preservation of natural and cultural heritage, i.e. their identity. Main tools of territorial cohesion are the elements of physical connectivity - all kinds of linear infrastructures, including telecommunication.

Economic cohesion means reducing the disparities in the major economic development indicators for the CBC region. “Competitiveness”, “knowledge-based economy” and “innovations in the SME sector” will continue to be the drivers of economic development. While these economic drivers remain prerequisites for a “smarter” and “greener” growth, further consideration should be given to the “more social” growth that creates chances for employment of unskilled workers in traditional industries like forestry or food processing.

Social cohesion is a direct result of economic cohesion and is expressed as a general improvement of living standards on both sides of the border (employment, income, consumer spending) and quality of human resources (education, healthcare, social services, culture). The goal of social cohesion, again, is to reduce the disparities in the social area and in the quality of life in the whole CBC region.

The essence of the vision is reflected in the formulation of the *strategic objective*:



To enhance growth in all its aspects

The *problem* addressed is:

The strategy area has the lowest scores in all EU development indicators

The proposed *solution* is:

Multi-sectoral inter-connected interventions whose joint cumulative effects shall boost the growth indicators.

By prioritization of needs and considering resource limitations, the strategic objective is decomposed into two specific objectives:

Specific objective 1: To expand and improve service provision

The problem in brief: Remote areas, disadvantaged groups of people and small businesses continue to remain under- or inadequately publicly served, which drawbacks growth efforts.

Solution:

M 1.1. Expand accessibility and improve quality of services of general interest in support of social and economic growth

The accessibility, proximity, affordability and quality of public services is important to quality of life and business development. Differences in access to services of general interest risk service providers and enterprises to relocate to areas with better access. This especially concerns remote areas that lack access to public services and economic and social opportunities. The social and economic gap between the socio-economically advantaged and disadvantaged persons (incl. in terms of income distribution) in the CBC area, as well as the absence of incentives to counter unfavourable implications of the underdeveloped infrastructure, in some territories, that should otherwise favour equal cross-border provision of services, continue to drawback the economic development of the CBC area. In addition to that, more public and private economic incentives are needed to tackle unemployment, particularly youth one and such among vulnerable groups. Demographic trends and rising skill shortages suggest that both countries need to invest more and better in the skills of their current and future workforce, as well as to better link education and training with labour market's needs. Furthermore, vulnerable and disadvantaged groups of people continue to have limited access to services of general interest, therefore integrated measures for service quality enhancement and active economic inclusion of vulnerable persons should be determined with priority and allowing for more digital solutions. Despite the restricted available resources, the measure needs to support elderly people from peripheral rural areas to have access to communication technologies and capability to use them in receiving distant services.

Implementation tool: Multi-sectoral (connectivity, environment, public space) inter-connected interventions whose joint cumulative results will lead to expanded and improved provision of services of general interest.

Specific objective 2: To enhance regional competitiveness, incl. in the area of tourism



The problem in brief: lowskilled workforce, limited participation of local SMEs in cross-border and international value chains, low uptake of innovative technologies and ICT adoption, insufficient entrepreneurial and business marketing skills to achieve better economic performance in digital-driven markets, untapped tourism potential.

Solution:

M 2.1 Development and provision of framework support to local businesses to grow, expand and perform better in a greener and smarter competitive global market

Among others, SMEs' needs cover framework support for digital and green transition, enhanced management and marketing competencies, creativity and entrepreneurship skills to make the regional economy competitive and inclusive.

These needs can be properly addressed by utilizing and maximizing the existent business support potential by networking relevant institutions from both sides of the border and upgrading and channelling their business supporting practices.

It should be pointed out that the support for SMEs under M 2.1 differs substantially from the support for SMEs under *PO1 'Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments'* that is also included in the CBC programme for 2021-2027 program period. The support to enterprises differs because, firstly, it pursues diverse objectives, and secondly, the form of the support differs – it is mostly indirect one under M 2.1 and a direct one and investment-related under PO1. M 2.1 shall address cooperation initiatives between development agencies, professional organizations etc., with the aim to contribute to the increase of the CBC economic output and to support regional SMEs to integrate more effectively in the global value chains (GVC).

M 2.2 Streamline the utilization of the CBC region's tourist resources, incl. ensuring faster, equitable and environmentally friendly access to and conditions for networking of cultural heritage and tourist sites in the CBC region

Most of the cultural heritage monuments are in disrepair and need enormous investments for restoration and preservation. In the past years a lot has been invested in culture preservation but still there is a need of further conservation of cultural heritage. Further, exposure models of many sites deprive them from attractiveness instead of contributing to it. Improvements in this aspect (exposure) are needed. There is a lot to be done in digitalization too. Similar to cultural heritage, there are certain needs for providing access to and information for attractive natural complexes like Jerma gorges, Djerdap geopark and Belogradchick rocks, etc. Designing and building of new and rehabilitation of existing ecotrails and bikeroutes will enrich tourist supply and contribute to marketability of tourist products. Tourism mobility measures need to be addressed in a way to ensure faster and smoother movement of people and goods.

M 2.3. Improving CBC tourism marketing and branding practices

The purpose behind tourism marketing is to promote the business, make it stand out from rivals, attract customers, and generate brand awareness. The CBC tourist products should be promoted



as being the best option for tourists highlighting some of the things that make them different, or unique. Modern tourism marketing would imply wide use of the internet, websites, online adverts, email and social media platforms as ICT technologies play a key role. It is also crucial that the CBC tourism marketing keeps up with the latest trends thus creating a diverse marketing mix and use the best methods for getting tourist messages out. Thus applying multi-sectoral inter-connected interventions, the measure will contribute to tourism industries' development.

The outbreak of COVID has caused significant disruption to tourism and requires adapting of all tourist businesses accordingly and keep up with the latest trends. One of the recent trends is placing a greater focus on customers in the local area, or in neighbouring countries. This is in favour of the CBC tourist supply – now and in the near future.

In brief, the measure will support development and marketing of CBC regional tourist products, focusing on the new trends and obtaining a recognizable brand.

Horisontal policy

Each supported intervention needs to include component that contribute to the protection of the environment and biodiversity or provides green solutions. Thus, the green policy becomes integral part of the integrated territorial development.

The measures above will be the basis for proposing a long list of operations.

The expected outcomes of the active and successful application of the ITS may be expressed in:

- ✓ A noticeable improvement in basic economic indicators of the CBC region;
- ✓ Increase of tourist visitors and shares of receipts from tourism in local economies;
- ✓ Alleviated disparities in spatial, economic and social terms;
- ✓ Strengthened cooperation networks and mutual willingness for joint development efforts.

Minding the main task of the assignment “To support the local stakeholders from the CBC region in the elaboration of a Territorial strategy for integrated measures...” the Consultant expects their active participation and contribution to the final planning product - “ proposal of the list of operations and potential beneficiaries that might be financed under the INTERREG - IPA CBC programme 2021 - 2027 between the Republic of Bulgaria the Republic of Serbia”.

5 INVOLVEMENT OF STAKEHOLDERS

Multi-level governance and partnership

Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (ESIF)¹⁴ aims to assist and facilitate countries in organising partnerships with regard to partnership agreements and programmes implemented with the support of the European Structural and Investment Funds (ESIFs). Partnership is a long-standing principle in the work of the ESIFs and

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32014R0240>



implies close cooperation between public authorities, economic and social partners, and civil society organisations at national, regional and local level throughout the programming cycle consisting of preparation, implementation, monitoring and evaluation. Partners are involved in the preparation and implementation of partnership agreements and programmes. To this end, the basic principles and good practices for conducting a timely, in-depth and transparent process of consultation with partners on the analysis of the challenges and needs to be addressed, of selection of objectives and priorities for overcoming them, as well as with regard to the coordination structures and multi-level governance arrangements needed for effective policy implementation have been established.

The consultation of the partners/stakeholders referred to in Article 5 of the Regulation shall ensure the transparent and effective involvement of relevant partners, shall consult them on the process and timetable of the preparation of the Partnership Agreement and programmes and shall keep them fully informed of the content of said documents and of any changes thereof. As regards the consultation, the following shall be taken into account:

- The need for timely disclosure of and easy access to relevant information;
- The need for sufficient time for partners to analyse and comment on key preparatory documents – like the current ITS;
- The need for available channels through which partners may ask questions, may provide contributions and will be informed of the way in which their proposals have been taken into consideration;
- The need for dissemination of the outcome of the consultation.

Where formal agreements have been established between the different tiers of government below national level, the Member State shall take account of these multi-level governance agreements in accordance with its institutional and legal framework.

According to Articles 7 and 9 of the same Regulation, the information regarding the involvement of partners/stakeholders in the Partnership Agreement and in the preparation of the programmes shall include: the list of partners; the actions taken to ensure the active participation of the partners, including actions taken in terms of accessibility; the role of the partners; the results of the consultation with partners and a description of its added value.

Roles and responsibilities of partners/stakeholders

The role of the partners is emphasised by the participation of representatives of the civil society, the academic community, local authorities, socioeconomic entities and associations, etc., as members of the working groups which prepare the strategic documents. By participating at an early stage, they have the opportunity to influence the preparation of documents.

The Integrated Territorial Strategy for the needs of the INTERREG - IPA CBC 2021-2027 Programme between the Republic of Bulgaria and the Republic of Serbia is developed jointly with the Task Force (TF) established on the basis of the above-mentioned considerations, as well as in compliance with Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014. The TF, which is widely involved at all stages of the development and coordination of the strategy,



ensures the continuation of the public consultation process for the preparation of the INTERREG - IPA CBC 2021-2027 Programme between the Republic of Bulgaria and the Republic of Serbia.

The TF members are nominated according to the relevant institutional and legal framework and in compliance with the partnership principle. The TF is composed of a balanced number of representatives from both partner countries, including representatives of public authorities (national, regional and local), economic and social partners, relevant bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting social inclusion, gender equality and non-discrimination.

The process of drafting the ITS begins with setting up the TF composed of the relevant regional and local authorities and bodies, as well as of other local stakeholders responsible for the preparation of the strategy. The Consultant, together with the TF, identifies the geographical coverage of the document and develops the analysis of the needs and development potentials of the covered territory, on the basis of which the key areas of integrated strategic intervention should be addressed. Also, together, the Consultant in coordination with Task Force prepare the methodology of the Strategy, determine the involvement of partners/stakeholders in its preparation and implementation taking into account the principle of multi-level governance, and develop the methodology for its implementation, monitoring and evaluation.

The TF is consulted on the list of operations to be supported, prepared on the basis of mapping of possible interventions for integrated economic and social development, protection of cultural and natural heritage, sustainable tourism, etc., as well as the target groups and potential beneficiaries identified. The operations on the list are grouped, prioritised and time-bound on the basis of transparent and clear methodology and selection criteria. The exact budget to support operations is consulted with the TF.

The Task Force participates actively in the coordination and review of all stages of development of the Integrated Territorial Strategy. Wide publicity is ensured by presenting the Strategy at various events (relevant meetings of the Task Force, public consultations, etc.). The Final Report of the contractor must reflect the comments and observations received during the consultation procedures, as well as the results of the Strategic Environmental Assessment (SEA).

The integrated strategy is the tool that shapes and leads to the implementation of Policy Objective 5, i.e. operationalises the support for integrated territorial development. The strategy identifies the needs and proposes the interventions to address them in line with the SMART (specific, measurable, achievable, relevant and time-based) approach. In close cooperation with the Task Force, a list of operations to be supported is prepared based on the localised possible interventions for integrated development of the region, and target groups and potential beneficiaries are identified. The operations on the list are grouped, prioritised and time-bound on the basis of transparent and clear methodology. The Task Force has a role in every stage of the development of the Integrated Territorial Strategy, except in the preparatory one. The responsibilities of the TF for the preparation, monitoring and evaluation of the Strategy are time-bound to the key points for the Conceptual Stage, the Planning Stage and the Final Stage.

The Task Force comprises representatives of administrations involved in the scope of the



Integrated Strategy, as well as stakeholder organisations from the CBC area.

Sustainability of partnerships

The multi-level governance model involves the use of existing arrangements or the establishment of structures¹⁵ (such as secretariats, associations of municipalities, etc.) or coordination mechanisms (e.g., working groups, contracts or agreements, etc.). Capacity building in multi-annual multi-level strategic planning and implementation, especially at local level, increases the role of local authorities, other sub-national authorities, economic and social partners, and civil society organisations involved in the management and implementation of ESI Funds, and helps in the long term to strengthen capacity in the field of territorial development. Strengthening cooperation between the authorities, civil society, business organisations, universities and research institutions on the priority topics of the Strategy is essential for maintaining and building capacity.

The sustainability of the decisions taken on the basis of the Strategy is directly related to multi-level governance as a principle and driver of innovation and good practices. This requires regular stakeholder forums on topics, whether live or in a virtual environment. This includes the development of formats that address and conceptualise topics through active communication, exchange of experience and practical alliances.

6 IMPLEMENTATION, MONITORING AND EVALUATION OF THE STRATEGY

The narrative below suggests a possible scenario for the governance structure of the implementation, monitoring and evaluation of the strategy. Its actual parameters, however, shall be determined at a later stage.

The Integrated Territorial Strategy does not manage resources itself. It will be implemented through the new INTERREG - IPA CBC 2021-2027 Programme between the Republic of Bulgaria and the Republic of Serbia. Still a Plan for the implementation of the Strategy is outlined to transform planned measures and actions into real interventions. The Plan establishes the sequence and deadlines for implementation of the envisaged measures.

The implementation of the interventions will be carried out through financing of predefined operations in combination with projects selected on a competitive basis according to pre-announced requirements, when the nature of the task requires an entrepreneurial initiative to be supported, i.e. evaluation criteria have been developed and the ideas come from the entrepreneurs or stakeholders (they provide an opportunity for wide expression and creativity of the local entrepreneurs, whose skills the Strategy aims to develop). Predifined and competitive support is determined by the type and essence of the operations.

The difference is related to a different level of creative freedom in the process of shaping and implementing project ideas. This will create the necessary flexibility for the Strategy to maintain

¹⁵ https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/integrated_strategies/integrated_strategies_en.pdf



its connection with the local context throughout the implementation period of the Programme. The successful implementation of the projects, along with the difficulties and challenges overcome during the process will give the necessary confidence and impetus to the development of the entrepreneurial environment in the region and will show the ability of public-private partnerships to solve important problems for local communities.

Selecting projects for the short list and determining requirements for the financing of projects on a competitive basis is consulted with the Task Force.

Following the successful completion of its responsibilities for the preparation and approval of the Strategy within each partner country, a Monitoring Committee for the Implementation of the Strategy (MCIS) is composed by stakeholders from CBC region respecting the multigovernance principle and wide representation principle. In this way, the territorial actors, which according to the Regulation have the main responsibility for the development and implementation of the strategy, ensure their participation in the implementation.

The responsibilities of the MCIS are in line with the Regulation, the Contract for assigning the elaboration of the Strategy and the logic of elaboration of the Strategy itself. In terms of implementation of the Strategy, the MCIS is empowered/charged with the following rights and obligations:

The MCIS actively participates in the selection of projects , adopts rules and criteria for monitoring and evaluation of the ITS, monitors and gives opinions on the monitoring and adopts the periodic evaluations of the implementation of the ITS, gives recommendations for updating the Action Plan.

The MCIS addresses all issues affecting the quality of the implementation of the ITS and the measures for their resolution, the progress in the implementation of the ITS, the contribution of the Programme to address the needs and development potential of the territory, the progress of evaluations, summaries of evaluations and possible follow-up actions on their findings.

The MCIS approves the methodology and criteria used for the selection of operations, including amendments thereto, the reports on the quality of the implementation of the ITS etc.

The MCIS makes proposals for amendment containing a justification showing how they meet the conditions relevant to the strategy and what their expected contribution is to achieving the objectives of the strategy, according to the circumstances which has given rise to those proposals.

The MCIS is regularly informed on the operations selected for the purposes of strategic monitoring, evaluation and reporting at Strategy level. In this way, the managers/owners of the Strategy will monitor for unforeseen circumstances and obstacles to its implementation and will be able to make adequate decisions for intervention when necessary. A set of appropriate indicators is used for this purpose.

The JMC of the Programme has several functions in relation to the Strategy:

- In terms of Strategy implementation, the JMC of the Programme is responsible for final negotiation with the projects selected before providing the grants;



- in the JMC is regularly informed on the operations selected for the purposes of strategic monitoring, evaluation and reporting at Programme level.

The performance indicators are related to the immediate result/product of the project implementation and are most often measured in quantitative units (number, kilometres, monetary units, etc.).

Outcome indicators are related to the achievement of specific goals. They show the ratio between initial and achieved value and allow to assess the contribution of the Strategy to the development of the region.

The evaluation of the implementation of the Strategy provides information on the degree of achievement of the set goals and how they contribute to the integrated territorial development of the region. Its information provision is carried out through monitoring throughout the implementation of the Strategy.

Periodic evaluations provide important information related to the effectiveness, efficiency and adequacy of the Strategy. On this basis, managers can decide on appropriate change within the pre-set possibility for flexibility of the Strategy. They are implemented through annual reports on the implementation of the Strategy and a final report on the achievement of the objectives of the Strategy.

The progress made by the interventions of the Strategy is assessed on the basis of the change in pre-selected indicators.

7 SOURCES OF INFORMATION

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