

SUMMARY

Draft INTERREG IPA Cross Border Cooperation Programme between Republic of Bulgaria and Republic of Serbia 2021 - 2027

Main characteristics of the programme area:

The programme area covers 6 districts on Bulgarian side - Vidin, Montana, Vratsa districts Sofiyska oblast, Pernik and Kyustendil and 7 districts on the Serbian side - Bor, Zaječar, Nišava, Toplica, Pirot, Jablanica and Pčinja. The border between Bulgaria and Serbia is 341 km including five operating border crossings. The total population of the programme area is 14.13% of the total population of both countries. The settlement structure is characterized by sparse population, small size of settlements and limited number of bigger cities such as Vidin, Montana, Vratsa, Pernik and Kyustendil (on the Bulgarian side) and Pirot, Niš and Dimitrovgrad (on the Serbian side). The border region is assessed as having a rich cultural and natural heritage and a high degree of environmental sensitivity to climate change.

The main joint challenge of the program area is to leave the group of lagging regions and take a more advanced course of development.

It still faces persistent problems at risk of poverty and income inequality due to negative demographic changes, underdeveloped regional value chains and entrepreneurship, low technological specialization, an unattractive and uncompetitive economic environment.

The identified joint investment needs reflect outlined territorial disparities, challenges and assets as well as objectives of the Territorial Agenda 2030 which seeks to reinforce solidarity in promotion convergence and reducing inequalities between better-off places and those with less prosperous prospects or that are lagging.

Total programme budget: EUR 38 116 398

Eligible types of action and beneficiaries by priorities:

| Priority | Specific objective | Budget (EUR) ¹ |
|--|---|---------------------------|
| Priority 1: Competitive border region | 1.1 Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments | 6 479 788 |
| Priority 2: Integrated development of border region | 2.1 Fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism, and security in areas other than urban areas | 23 251 002 |
| Priority 3: A more resilient border area | 3.1 Promoting climate change adaptation and disaster risk prevention, and resilience, taking into account eco-system based approaches | 8 385 608 |
| Total budget | | 38 116 398 |

Priority 1: Competitive border region

Actions to be supported:

- Joint development and implementation of technological solutions that address regional socio-economic challenges, leading to financial and/or non-financial results obtained through cooperation;
- Technological and/or organizational investments aimed at reducing the cost of production/service delivery and any other investment leading to increased enterprise competitiveness including but not limited to purchase of specialized equipment and technologies (incl. related upskilling), monitoring systems; purchase of IT equipment, training and know-how transfer, virtual business centres, e-commerce solutions, possibilities for electronic payments, etc; Actions aimed at increasing productive capacity;
- Investments aimed at quality management for improving product/service quality, including but not limited to improvements in the design of product/service features, improvements in customer after-sales service, improvements in product guarantee, total quality management systems, and any other aspect that defines overall product/service quality level;
- Actions aimed at accessing new markets or market segments including but not limited to marketing studies, distance-spanning technologies, organisational cooperation and joint business schemes with other enterprises, company exhibition halls at company's establishment, etc.

¹ According to Article 27 of the Interreg Regulation, 10% of the financial allocation of each priority of the programme is allocated to Technical assistance.

- Marketing and promotion actions, participation in international fairs, exhibitions and other promotional events, consultation and information services, including e-marketing, communication with clients, etc.

Beneficiaries:

- MSMEs

Priority 2: Integrated development of border region

Actions to be supported:

- *Actions aimed at expanding accessibility and improving quality of services of general interest (SGI) in support of social and economic growth* – developing solutions that respond to changing needs by taking-up new technologies (better price/quality ratio, faster service delivery), societal challenges (e.g. population ageing, depopulation, silver economy, etc.) and financing constraints; developing solutions that diversify the ways in which SGI are organised, provided and financed;
- *Development and provision of framework support to local businesses to grow, expand and perform better in a greener and smarter competitive global market* - business support organisations from the region will cooperate in setting up a comprehensive joint business services and consultancy programme, designed to meet needs of local MSME to scale-up and become more competitive on the regional and international market. The programme will focus on training and development, which will provide exposure to a diverse range of themes (entrepreneurship, circularity, resource efficiency, digitalization, internalization), along with a robust support network of supervision and mentoring in place. This indirect support to local business will generate wider benefits for the programme area. Such benefits could include increased employment, entrepreneurship and competitiveness in the region, as well as improved environmental conditions, enhanced innovation and better business survival rates. The enterprise support under priority 2 will complement the direct support envisaged under priority 1 in the following way. The objective of priority 1 (direct support to SMEs) is to improve productiveness and increase market shares through: 1) jointly developed technological solutions to enhance sustainable growth, and 2) provision of productive investments (acquisition of fixed capital and intangible assets) to up-scale these solutions. The objective of priority 2, when it comes to SMEs, is to improve knowledge and skills of enterprises (acquisition of knowledge capital) in various policy domains (e.g. integration in regional and international value chains) to address diverse territorial socio-economic challenges through the provision of indirect support (consultancy, training, exchange of experience). Practically speaking, the individual support to enterprises under priority 2, which will be devised in the form of business support programmes based on thoroughly studied growth needs and potentials, may pursue goals such as: enhancing innovation and entrepreneurial capacity, transitioning to

a more digital and greener mode of operation, joining international value chains, business growth and etc.

- *Actions aimed at streamlining 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* – development of new integrated regional tourism products; restoration, preservation, exposition of cultural heritage sites; support for natural tourism sites; set-up of natural sites for economic use; investments in tourist support infrastructure and facilities; strengthening the links between natural and cultural sites, including through enhancing the cycling network, road infrastructure, border crossing points infrastructure; training of staff of tourism attractions; improving CBC tourism marketing and branding practices.

Beneficiaries:

- Civil society;
- Local/ regional bodies and authorities, regional structures of central public authorities;
- NGOs;
- R&D, academic and training institutions;
- Social institutions;
- SMEs and their professional organisations.

Priority 3: A more resilient border area

Actions to be supported:

- Optimizing the educational process in regards to the development and the implementation of a disaster response framework aiming to enhance the interface between science and policy for a stronger knowledge base for decision-making;
- Actions aimed at strengthening the institutional cooperation in the cross-border region through development of guiding and strategic documentation; exchange of information, knowledge and skills; implementation of joint field trainings, etc.;
- Development and implementation of a comprehensive preparedness programme for border communities to adequately response to natural disasters, including in-situ trainings, simulations, awareness campaigns, etc.;
- Small-scale investments in public training infrastructure and investments in specialised equipment;
- Joint development of protocols, procedures and approaches on risk prevention and rapid response management to many potential emergencies.

The investments will take the form of a project of strategic importance related to preparing the population for disaster response and increasing the capacity of professionals to respond to emergencies in the cross-border area.

The **main target** groups are:

- National authorities for disaster management in Bulgaria and Serbia;
- Local protection and rescue units from Bulgaria and Serbia;
- Volunteers fire departments from Serbia and National Association of Volunteers in Republic of Bulgaria;
- Local authorities;
- Children, students, elder people at the age of 60 and more, business representatives;
- General population from the cross-border region.

Beneficiaries:

- Directorate General Fire Safety and Civil Protection –Ministry of the Interior (DGFSCP-MoI), Bulgaria;
- Sector for Emergency Management - Ministry of Interior (SEM MoI), Serbia;
- The Academy of the Ministry of Interior, Bulgaria;
- National Association of Volunteers in the Republic of Bulgaria (NAVRB);
- Other competent institutions in the field.