

TABLE OF COMMENTS AND MA/NA RESPONSES

**Comments received by JWG members/observers on the approval of the first draft of the Interreg-IPA CBC Programme Bulgaria – Serbia 2021-2027
(sections related to programme strategy - territorial needs and potentials, objectives and priorities of the programme, indicative actions, communication measures)**

Member/observer of JWG /Institution	Comments/remarks	Justification / Responses
<i>Comments and recommendations received in written</i>		
<i>General recommendation by Directorate-General for Regional and Urban Policy European Commission</i>	<p>General comment in section 4 Partnership principle Description has to focus on the plan to involve the partners, not only at programming stage but also during in the implementation, monitoring and evaluation. The ETC regulation refers to CPR on types of partners to be involved, which is very wide range of organizations and civil society, and in this regard, the present description in the draft needs to be further expanded.</p>	<p>The recommendation is accepted account and the text for “Monitoring committee” was added.</p>
National Association Of The Municipalities In Republic Of Bulgaria	<p>Specific comments and remarks:</p> <p>1.1. In the section ‘Program area’ among the cited 3 big cities, Pematik and Kyustendil should be added, especially as the first in size of the population on the Bulgarian side is the largest;</p> <p>1.2. The development of tourism, identified as challenge and growth potential, should also be included in the section describing joint investment needs;</p> <p>2. Section ‘Justification for the selection of policy objectives and the Interreg specific objectives: the headings of the policy objectives cited should be aligned with EU Regulation (2021/1058);</p> <p>3. Priority 1 ‘Competitive border region’: The proposed indicative measure, formulated as ‘Actions aimed at increasing employment in existing enterprise’, is too general and unclear and should be further specified;</p> <p>4. Priority 2 ‘Integrated development of border region’:</p>	<p>1.1 The recommendation was accepted. Kyustendil and Pernik was added.</p> <p>1.2 The recommendation was accepted. The text was revised.</p> <p>2. The names of objectives have been aligned with the respective regulations.</p> <p>3. The rationale behind this measure was reconsidered and it was taken out from the draft document as it is generally achieved by all other measures from non-exhaustive list of activities (page 23).</p> <p>4.1. The support to SMEs under Priority 1 (P1) differs substantially from the support to SMEs under Priority 2 (P2). The</p>

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4.1. Clear demarcation and / or complementarity of the indicative activities for support of SMEs with identical ones under Priority 1 should be ensured. Examples in this regard are the framework support for local businesses, through joint business services and program of consultations and trainings under this priority and those in Priority 1 related to training and consultations of SMEs;

4.2. Reasonably, in the program strategy, environmental pollution and poor air quality have been identified as a common challenge. In view of this, it is advisable to include among the indicative activities support for the implementation of joint activities to reduce pollution and provide clean air, water and food and to mitigate and adapt to climate change;

4.3. In p. 2.2.5 technical error in reference to territorial development under EU Regulation (2021/1060) exists. The same with reference to the Interreg Regulation is in the section with action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation;

objective of P1 is to improve productiveness through the provision of productive investments under the form of direct support. The objective of P2, when it comes to SMEs, is to improve knowledge and skills of enterprises in various policy domain (e.g. integration in regional and international value chains) through the provision of indirect support (consultancy, training, exchange of experience). The description of Priority 2 is enhanced (page 27) with a view to confirm the demarcation with Priority 1 in the context explained above.

4.2. The protection and preservation of the environment is not only included in the strategy of the programme (Priority 3), but also is defined as horizontal policy of Priority 2 (in the Integrated Territorial Strategy–ITS). That means that each supported intervention under ITS has to include component that contribute to the protection of the environment and biodiversity or provides green solutions. Besides, programme support for joint activities to reduce pollution and provide clean air, water and food and to mitigate and adapt to climate change is eligible under the scope of P2 (ITS) in the context of general and tourism service provision. The idea here is to motivate integrated multisectoral actions in contrast to the dominant so far single, one-side and one-off interventions that fail to generate sustainable and wide-ranging effects.

4.3. Discrepancies with names and texts have been corrected. We need indications of the mistakes in references to territorial development under EU Regulation (2021/1060) in order to correct them as well, since we do not find such.

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	<p>5. It would be appropriate more ambitious output and result indicators to be formed in the section describing the approach to communication and visibility of the Program, with texts that are identical to those of the future Cooperation Program with the Republic of Turkey.</p>	<p>5. The recommendation is accepted and the targets in section on result indicators were further enhanced (page 44).</p>
<p>Bulgarian chamber of commerce and industry</p>	<p>Page 2 1.1. Programme area (not required for Interreg C programmes) At the text <i>“The border Mountains of Osogovo and Vlahina are also located there, as well as parts of several other mountains: Rila, Verila, Konyavska and Zemenska, (on the Bulgarian side) and Deli Jovan, Rtanj, and Ozren (on Serbian side)”</i> - please add on the Bulgarian side – “part of Stare Planina”. The same is valid for Serbia.</p>	<p>Page 2 The recommendation was accepted and the text was revised accordingly.</p>
	<p>Page 8 1.6 Disparities in digital and innovation achievements - Please revised the text <i>“Ever since DESI index has been built, Bulgaria has been ranked last in every edition of the index in its all indicators – connectivity, digital skills, use of internet services, integration of digital technologies, digital public services. Serbia also scores low (2.4 out of 5) in the OECD Competitiveness Outlook (2018) with regards to digitisation.”</i> with the 2020-2021 data: Bulgaria ranks 28th out of the 28 EU countries in the European Commission digital economy and society index (DESI) for 2020 - the index in its all indicators – connectivity, digital skills, use of internet services, integration of digital technologies, digital public services. Although its overall score has risen to 36.4, it now ranks lower than before on the basis of data prior to the pandemic. This is because the country has not performed particularly well on some DESI indicators, while EU peers have improved their performance on certain indicators. Serbia scores 3 out of 5 in the OECD Competitiveness Outlook (2021) with regards to digital society on the six Western Balkan economies. (The average score WB6 is 2.4)</p>	<p>Page 8 The recommendation was accepted. The text was revised with provided data.</p>

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	<p>https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020 https://www.oecd.org/publications/competitiveness-in-south-east-europe-2021-dcbc2ea9-en.htm</p> <p>- Please revised the text “<i>The European Innovation Scoreboard 2018 assesses Bulgaria and Serbia as modest innovators. In both countries there is a lack of attractive research system and cooperation and coordination among academia, the private sector and the government which makes their innovation helix frameworks underdeveloped.</i>” with the recent 2021 data: The European Innovation Scoreboard 2021 assesses Bulgaria and Serbia as Emerging innovators. On regional level the Bulgarian South-West region (incl. Sofia, Pernik and Kyustendil districts) is assessed as moderate innovator. https://ec.europa.eu/growth/industry/policy/innovation/regional_en</p>	
	<p>Page 12 The last sentence is not ended “<i>Beside that joint motorway project, no other significant transport infrastructure improvements have been implemented. In overall, limited road connections between both countries present due to the fact that most of the borderline coincides with the ridgeline of the Western Balkan Mountains and that negatively impacts the rural transport along the border. The length of the road network in the.</i>”</p>	<p>Page 12 The text was revised and the missing information was included.</p>
	<p>Page 22 At the actions to be supported should be included:</p> <ul style="list-style-type: none"> - Actions aimed at incentives for startup and development of SMEs in all areas with the potential to create jobs/ alternative employment. The orientation is towards added-value initiatives related to the transition towards a circular economy involving a decrease of resource dependency and utilisation of waste. 	<p>At programme level, we only need to provide the types of actions and investments we are going to support, without accounting for their exhaustiveness and thematic/sectoral orientation (from the viewpoint of classification of economic activities). A greater amount of details will be provided in the Guidelines for applicants where current state of real sector development and priorities of relevant national strategies for competitiveness of SMEs will be taken into consideration. Nevertheless, circular economy is</p>

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	<ul style="list-style-type: none"> - Actions with focus on family businesses, as a leading factor in the cross-border target area for sustainable socio-economic development by support and raising the competence of SMEs. - Raising the qualifications of the workforce Actions and acquisition of crucial skills in digital literacy, management, marketing, and other competences, continuous technological renewal of the SMEs involving new knowledge and skills, machinery, software products and the introduction of digital technology. 	<p>already recognized as an area of intervention of high priority by referring to it in the justification of the specific objective. As far as family businesses is concerned, we will provide sector-oriented productive investments to MSMEs as legal entities meeting certain eligibility criteria. The form of business activities will not constitute an eligibility criteria. This is so because under P1 we pursue economic objectives and not territorial ones - these shape the strategic scope of P2. Concerning the third suggestion – in a response to your recommendation we specified that the purchase of specialized equipment and technologies could be complemented by relevant upskilling. Any other improvement of personnel knowledge and skills is subject to support under P2.</p>
	<p>Page 25-27 At the actions to be supported should be add:</p> <ul style="list-style-type: none"> - Actions aimed at stimulate and promote the development of health and recreational tourism related to the pandemic period consequences - products and services to physical exercise, outdoor sports, strengthening the immune system and improving the health status through procedures, using mineral water sources, climate therapy, combining different kinds with individual travel. - Creating/upgrading a joint network of locations for the implementation of integrated concepts for development of common initiatives like “green school”, “to the farm in the country”, “made by Grand Mothers”, etc. 	<ul style="list-style-type: none"> - As explained above, at program level, we only need to provide the types of actions and investments we are going to support, without specifying their thematic/sectoral orientation. The suggested level of details will be found in the list of types of operations of the Integrated Territorial Strategy (ITS) whose elaboration is undergoing. Nevertheless, the first draft of the ITS, which undergone public consultations, gives high priority to tourism and all its streams integrating it with the need to enhance regional competitiveness. - The second suggestion is an excellent example of integrated territorial development and it will be included in the list of types of operations that will underpin the implementation of the ITS/P2. As explained above, this level of details is not pursued on a program level.
<p>Bulgarian Industrial Association</p>	<p>Specific comments and remarks:</p> <p>Page 6 Employment indicators in CBC Region, 2019: the provided data are for 2018. Please revised them with statistical data for 2019 which information is also available.</p>	<p>Page 6 The recommendation is accepted. The employment indicators (employment rate and unemployment rate) was updated with 2019 data.</p>

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	<p>Page 8</p> <p>1.6 Disparities in digital and innovation achievements:</p> <ul style="list-style-type: none"> - the provided data are for 2018, but there is available data for 2021 to the following: https://ec.europa.eu/growth/industry/dolicv/innovation/scoreboards - Although there is no data for CBC region, there is a global ranking for countries which include a lot of indicators for different countries which assess innovation systems and its aspects: https://www.globalinnovationindex.org/qii-2020-report The global innovation index give information for strength and weak side for respective country. In the text should be included a more data for this. 	<p>The subsection has been updated with the most recent available data which is for 2020. As a general rule, we use the most recent available reference period that allows for accurate comparable and equivalent data for both countries. Every section of the programme template has words limit and this is the only reason we are not able to extend the analysis. Its detailed presentation is incorporated in the complete Territorial analysis, which is a separate document.</p>
	<p>Page 27</p> <ul style="list-style-type: none"> - The projects under Priority 1 will be selected with, open call for proposals and under Priority 3 will be pre-defined strategic project. What will be the way to select the projects under the Priority 2 - The text <i>”Development and provision of framework support to local businesses to grow, expand and perform better in a greener and smarter competitive global market - Regional Development Agencies in Serbia and Chambers of Commerce and Industry in Bulgaria 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.”</i> should be revised to <i>“Development and provision of framework support to local businesses to interlink, grow together in collaboration across the border, jointly expand and perform better in a greener and smarter competitive global market -</i> 	<ul style="list-style-type: none"> - The implementation of Priority 2 is regulated by an Integrated Territorial Strategy and its governance arrangements, which is a separate documents and it is developed by an external organization under the supervision of a dedicated Taskforce Group (TFG). Projects that will be supported under the ITS will be again selected on a competitive basis but they will evolve from a predefined list of type of operations. Elaboration of the type of operations is undergoing. Their approval by the TFG is scheduled for a later period. It should also be noted that the approval of the programme and the ITS does not go in parallel, because it is driven by different stakeholder groups, as required by regulation. - The recommendation is accepted and revisions in the text have been made accordingly. Any further details and/or specification of the actions will be presented in the list of types of operations under the ITS

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	<p><i>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.”</i></p> <p>Our arguments are as follows:</p> <p>1) A predefined applicant for the provision of such services is not justified and clarified. The market for such services is rich in many different players and these structures (Chambers of Commerce and Industry and Regional Development Agencies) do not have a unique in essence and subject matter expertise compared to all others (e.g. specialized consulting firms, business accelerators, business support centers, branch associations, clusters, etc.).</p>	
	<p>2) Such services already exist and are provided free of charge by Bulgarian and Serbian business support organizations through the Enterprise Europe Network, established and funded by the European Commission, to support enterprises for internationalization, scale-up, innovation, digitalization, the circular economy and technology transfer. Therefore, the services described in the text are duplicated by other already available European funding, which will be available until 2027. The Enterprise Europe Network exists in both countries, including the roof and the cross-border region.</p>	<p>2) Please, take into account that Interreg programmes address identical challenges as other funding programmes (incl. mainstream programmes), and therefore the support the various programmes provide could be thematically very close. What differs between the different types of programmes is the type and scale of participation, as well as the impact these programmes generate. In Interreg programmes cooperation between entities from both sides of the border is precondition for support, while in most other funding programmes this is not the case. As far as the Enterprise Europe Network (EEN) is concerned, no double funding presents, because both programmes (the Interreg and the Enterprise Europe Network) call for different eligibility conditions and pursue different objectives (integrated territorial development in our case) by applying different implementation approaches (bottom-up in our case vs. top-down in the case of EEN).</p>

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	<p>3) The text proposed by you does not justify the financing of services on the described topics without affecting the market of business services offered in both countries. The parallel creation of free services by structures which, in essence and logic, should offer them on a market basis would be justified in the event that such services are lacking in the cross-border region. This is not the case, as many business support organizations exist on both sides of the border in the regional centers in places, as we have already indicated in item 1.</p>	<p>3) The purpose of the framework support to MSMEs is to address territorial challenges in a more compact, focused and integrated manner. The idea is to gather all market players in one place and the less experienced receive business support, in a predefined policy domains, by those who are more experienced. In most cases this is the way the Interreg cooperation goes. State aid and de minimis rules apply across the entire programme, where applicable, and with no exclusions.</p>
	<p>4) There is duplication with the activities for direct financing of SMEs under Priority 1, where, among other investments, investments for obtaining specialized business services (certification, digitalization, internationalization, staff training, etc.) are not excluded.</p>	<p>4) The support to SMEs under Priority 1 (P1) differs substantially from the support to SMEs under Priority 2 (P2). The objective of P1 is to improve productiveness through the provision of productive investments under the form of direct support. The objective of P2, when it comes to SMEs, is to improve knowledge and skills of enterprises in various policy domain (e.g. integration in regional and international value chains) through the provision of indirect support (consultancy, training, exchange of experience).</p>
<p>Council of Ministers Administration</p>	<p>1. A technical mistake was found in the third paragraph under the sub-heading 1.10 Underutilized potential for regional connectivity. The last sentence in the mentioned paragraph is not finalised;</p>	<p>1. The text was revised and the missing information was included.</p>
	<p>2. One of the main focusses of the Programme is put on the selected Policy objective 5 "A Europe closer to citizens". 55% of the Programme amount is to be spent under PO 5. The draft Programme document proposes for this amount to address only the Specific objective "Fostering the integrated social, social and environmental development, cultural heritage and security in areas other than urban". Considering the fact that the investments under PO5 are based on the Integrated Territorial Strategies that cover functional areas, which are not limited to administrative boundaries, we find reasonable to stress on the development of rural areas. However, the needs and potentials of the urban areas should not be ignored. Moreover, towns</p>	<p>2. Keeping only SO 2.2 ('areas other than urban' objective) does not exclude the urban areas as the concept of the integrated territorial development puts rural and urban areas on equal footing. We were recently advised by Interact to keep only SO 2.2 ('areas other than urban' objective) since the SO 2.1 ('urban areas' objective) refers to urban development whose objectives are covered by OPRG in Bulgaria and is implemented through different type of tool – the integrated urban development plans. The SO 2.2 encompasses all aspects of the territorial development and it better captures territorial dimension of policies at all governance levels.</p>

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	<p>are deemed to be driving forces for the balanced territorial development and the application of the bottom-up approach, which provides for broad public participation in the process;</p>	
	<p>3. Task Force group has been set up in connection with the elaboration of an Integrated Territorial Strategy under PO 5. The composition of the TF Group is based on its tasks and obligations and include members from concerned organizations and authorities at local level. In order to have recent information about the progress on the elaboration of the ITS, we propose a brief information about the TFG proposals and decisions to be presented to the members of the Joint Working Group for the preparation of the Interreg-IPA Programme Bulgaria-Serbia 2021-2027.</p>	<p>3. Recommendation is accepted and an explanatory note is circulated to the members of the JWG. So far, the Task Force Group for elaboration of the Integrated Territorial Strategy (ITS) approved the Territorial Analysis of the cross-border region, as well as the First draft of the ITS. The first draft of the Strategy has undergone public consultations, please follow the link: - http://www.ipacbc-bgrs.eu/2020-news/invitation-participation-public-consultations-draft-territorial-strategy-integrated . Currently, the ITS consultant works on the type/group of operations that will be supported by the Strategy, along with the Strategy’s implementation plan. Public discussions follow and based on their results each of the two documents may be revised. Then the revised documents go to the Taskforce group, which wraps them up and finally agrees on them. This entire process does not go in parallel with each step of the programme approval; rather the ITS progresses consecutively.</p>
<p>Ministry of Interior</p>	<p>Page 20 1. The text “Having in mind the already established good cooperation between the responsible bodies management in case of different emergencies – wildfires, disasters, earthquakes, collapses etc. could be envisaged.” the word collapses should be deleted.</p>	<p>Page 20 1. The recommendation was accepted and the word was deleted.</p>
	<p>Page 31-32 - In the text “A pre-defined strategic project for preparation of the population for actions in case of different types of ...” should be specified that the Serbian population will be educated and trained for actions in case of disasters with an emphasis on the wildfires, and the Bulgarian cross-border population will be instructed for actions in</p>	<p>Page 31 - The recommendation was accepted. The text was revised.</p>

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	<p>case of earthquakes and elderly people will be informed for the proper actions in case of earthquakes, fires and other disasters.</p> <ul style="list-style-type: none"> - In the same text to be add “of the professional teams and volunteers” - In the text “Enhance regional capacity for disaster response of those who are the most affected – the professionals and the border population.” should be revised as “Enhance regional capacity for disaster response of those who are the most affected – the professionals, volunteers and the border population. - The text “Updating academic programmes 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” should be revised as “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;” - In the text “Development and implementation of a comprehensive preparedness programme for border communities to adequately response to natural disasters, including online and in-situ trainings, simulations, awareness campaigns, etc.;;” the word online should be deleted. 	<ul style="list-style-type: none"> - The recommendation was accepted and the text was revised. - The revision was accepted. - The revision was accepted. - The recommendation was accepted and revised.
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