

MAY 2017



ANNUAL IMPLEMENTATION REPORT

2016

Interreg - IPA CBC Bulgaria - Serbia



CCI No 2014TC16I5CB007

After completion of the pre-contracting procedures with the selected projects 35 subsidy contracts for the total amount of EUR 15 950 860 (absorbing 47% of the total Programme budget, including the budget under PA 4 “Technical Assistance”) were signed until the end of 2016.out of which:

The total contracted amount under PA 1 “Sustainable Tourism“ is 5 834 012 EUR (12 contracts), which represents 49% of the total financial allocation of the Priority axis. The majority of the projects are investment proposals concentrated almost entirely in the investment specific objective 1.1 “Tourist Attractiveness“ (10 projects) and are implemented by municipalities, district administrations, cultural institutes, associations and NGOs;

The total contracted amount under PA 2 “Youth“ is EUR 4 754 487 (13 contracts), which represents 56% of the total financial allocation of the Priority axis. The projects are almost equally split between investment proposals and “soft“ measures (7 to 6), and are implemented by municipalities, district administrations, cultural institutes, associations and civil society structures;

The total contracted amount under PA 3 “Environment“ is EUR 5 362 361 (10 contracts) which represents 52% of the total financial allocation of the Priority axis. The majority of the projects are investment proposals, concentrated almost entirely in the investment part of specific objective 3.1 “Joint Risk Management“ (8 projects) and are implemented by municipalities, government administrations, associations, universities, utility companies, public enterprises and NGOs.

Having in mind the thematic concentration and result oriented approach in the programming period 2014-2020, a special attention to the Programme indicators’ system has been made during the programme preparation and programme implementation stages. A strong link between project development and selection and the Programme Specific Objectives (SO) was established where every project could contribute to only one SO by selecting programme Output indicators (OI) within the specified SO. In that respect, in 2016 the Managing authority prepared an analysis of the expected level of achievement of the Programme OIs, based on the information provided in the approved application forms.

Due to the fact that the subsidy contracts were signed at the end of 2016, the level of achievement of all Programme output indicators (OIs) for the year 2016 is zero. The figures for the years 2017 and 2018 presented in Table 2 below are established as a result of the analysis of the submitted information by the beneficiaries (based on the projects duration and their expected contribution to the Programme OIs according to the information given in the application forms).

On the basis of the performed analysis a forecast can be made that 12 out of 23 OIs under all PAs will have achievement below 50% as a result of the implementation of the selected for financing projects under the 1st Call.

The data presented in the performed analysis gives assurance that all milestones for 2018 (included in the Performance framework) will be met through the implementation of the 1st Call projects.

The financial data as of December 2016 shows that 47% or EUR 15 950 860 of the total Programme budget has been already contracted with the projects under the first Call (PA 1 - 49% of the total financial allocation of the PA, PA 2 - 56% and PA 3 - 52%). In addition, 11.5% of the total financial allocation of the PA “Technical Assistance“ amounting to EUR 392 090 has been distributed between 2 TA projects (operations) - the MA’s and NA’s technical assistance projects for year 2016, which include

activities related to technical and JMC meetings, information and publicity events, purchase of promotional materials as well as administrative and operational activities concerning MA, NA, JS and FLC units related costs (staff remuneration, participation in events and training seminars and etc.).

Until 31 December 2016 the advance payments transferred to the lead partners amount to EUR 715 308 (EUR 187 582 – under PA1, EUR 282 996 – under PA2, and EUR 244 730 – under PA3).

In 2016 the already established Management Information System (MIS) has been further developed and constantly maintained ensuring that the programme data on each operation (including data on individual participants) is recorded and stored in computerised form for the purposes of project generation, monitoring, evaluation, financial management, verification and audit. The full functionality of MIS (including all modules and submodules) was upgraded and tested in the first half of 2016.

The ‘Only once’ encoding principle has been respected at the level of operations and the protection of personal data and confidentiality for legal entities with respect to the information is guaranteed in line with the provisions of Directive 2002/58/EC, Directive 2009/136/EC and Directive 1995/46/EC.

The established “Beneficiaries portal” is functional and provides one-stop electronic exchange of information between beneficiaries and the Programme authorities. The portal gives the possibility to every lead partner to access the project folders on-line, creating, modifying, and uploading relevant documentation in the Beneficiaries portal.

Although electronic data exchange has been put in place, a parallel paper flow of documents concerning official correspondence between beneficiaries and programme bodies remains due to the restrictions and requirements of the respective national legislation and rules.

During year 2016 an amendment of the INTERREG-IPA CBC Programme Bulgaria - Serbia (the Programme) was performed concerning the establishment of baseline and target values of qualitative programme result indicators that does not influence the already approved Programme priorities and objectives. The amendment was initiated by the MA in order to fulfil the requirements set in Article 8 of Regulation (EU) No 1299/2013 where it is stated that for the programme-specific result indicators, baselines shall be established using the latest available data and targets shall be set for 2023.

3. IMPLEMENTATION OF THE PRIORITY AXIS *(Article 50(2) of Regulation (EU) No 1303/2013)*

3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	<i>Sustainable Tourism</i>	<p>In total 82 applications were received under the 1st Call for proposals, out of which 12 projects (10 investment and 2 soft measures) were proposed for financing at a total amount of EUR 5 834 012, as follows:</p> <ul style="list-style-type: none"> • SO 1.1 – 10 project proposals – all of them being investment type with duration of between 12 and 24 months <p>As indicated in Table 2, 3 out of 4 OIs under SO 1.1 "TOURIST ATTRACTIVENESS: Supporting the development of competitive tourist attractions achieved through</p>

		<p>cooperation, thus contributing to the diversification of tourist product(s) in the cross-border region” are expected to achieve more than 70% of their targets after the 1st Call projects are successfully completed. The forecast is OI 1.1.4 fully to achieve its target with the implementation of these 10 projects under SO 1.1.</p> <ul style="list-style-type: none"> • SO 1.2 - 1 soft project with duration of 15 months <p>This is the reason for underachievement of 2 out of 3 OIs under this SO (between 40 and 50%). OI 1.2.1 is not addressed by the project and therefore its quantity will remain “0” until the launch of the 2nd Call for proposals.</p> <ul style="list-style-type: none"> • SO 1.3 - 1 soft project with duration of 12 months <p>There is also underachievement of 2 out of 3 OIs, one OI – 1.3.2 is not addressed, and its quantity remains zero. Therefore, projects contributing to SO 1.3 and the OIs will be encouraged to participate in the 2nd Call for proposals.</p> <p>No problems faced until the moment as all projects are at the inception phase of their implementation.</p>
2	Youth	<p>Out of 84 applications received under the 1st Call for proposals and passed the administrative and technical assessment (i.e. they have received more than 65 points after evaluation of the quality of the project proposal), 13 projects (7 investment and 6 soft measures) are contracted under PA 1 “Youth” at a total amount of EUR 4 754 487.</p> <ul style="list-style-type: none"> • SO 2.1- 7 investment and 4 soft measures projects with duration of between 12 and 15 months for soft projects and between 18 and 24 months for investment ones. <p>Both OIs under SO 2.1 are expected to be overachieved after the implementation of the projects at the end of year 2017 for 12 and 15 months soft measures projects.</p> <ul style="list-style-type: none"> • SO 2.2 - 2 soft measures projects with duration of 15 months <p>The two financed projects cannot ensure the achievement of the OI under this SO, therefore additional projects for networking youth initiatives will be attracted under the 2nd Call for proposals.</p> <p>No problems faced until the moment as all projects are at the inception phase of their implementation.</p>
3	Environment	<p>Out of 41 applications received under the 1st Call for proposals and passed the administrative and technical assessment (i.e. they have received more than 65 points after evaluation of the quality of the project proposal), 10 projects (9 investment and 1 soft measures) are contracted under PA 3 “Environment” at a total amount of EUR 5 362 361.</p> <ul style="list-style-type: none"> • SO 3.1 – 8 investment projects with duration between 18 and 24 months <p>Four out of six indicators under this SO are expected to be underachieved. Therefore, projects contributing to increase of people participating in joint risk management</p>

		<p>initiatives for prevention and mitigation of the consequences of natural and man-made cross-border disasters will be encouraged to apply for financing under the 2nd Call for proposals.</p> <ul style="list-style-type: none"> • SO 3.2. – 1 soft project with duration of 14 months and 1 investment project with duration of 18 months <p>The number of financed projects under this SO is not sufficient to ensure the achievement of the targets of the four OIs. With the launch of 2nd Call for proposals, it is expected the situation under SO 3.2 to be positively changed in direction achievement of all OIs targets set.</p> <p>No problems faced until the moment as all projects are at the inception phase of their implementation</p>
4	<i>Technical Assistance</i>	<p>During the reporting period activities were performed for ensuring the necessary support related to the first Call, including: assessment of project proposals at both stages (Administrative and eligibility check and Technical and quality assessment), negotiations and pre-contracting visits, contracting of projects approved for financing, conducting info-days, trainings etc.</p> <p>The Programme management activities in 2016 included organizing and conducting of technical and JMC meetings (on 21 April 2016 in Nis, Serbia and on 15 July 2016 in Bozhurishte, Bulgaria) as well as administrative and operational activities concerning MA, NA, JS and FLC unit (staff remuneration, participation in various events and training seminars, maintenance of office premises etc.).</p> <p>Programme Information and communication activities covered:</p> <ul style="list-style-type: none"> - Organizing events/info days for promoting the first Call for proposal - Contract awarding ceremony for the 1st Call projects - on 24 November 2016 in Sofia. - European Cooperation Day 2016 – on 17 September 2016 in Dupnitsa, Bulgaria - Supply of promotional materials for popularization of the Programme - Ongoing upgrading and maintenance of Programme official website and MIS <p>No significant problems were detected in year 2016.</p>

3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Data for common and programme-specific indicators by investment priority transmitted using the tables 1 and 2 below.

Table 1

Result indicators¹ (by priority axis and specific objective)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	ANNUAL VALUE										Observations (if necessary)	
						2014	15	16	17	18	19	20	21	22	23		
1.1.1	Increased visitors to the cross-border region	Percentage	642 269	2013	1% (quantitative target)	0	0	0									Frequency of reporting: 2018 2023
1.2.1	Increased level of joint and integrated approaches to sustainable tourism development in the border area	Ordinal scale	2.12	2014	2.50	0	0	0									Frequency of reporting: 2018 2023
1.3.1	Increased level of community involvement and awareness about sustainable use of cross-border tourist resources	Ordinal scale	3.02	2014	3.50	0	0	0									Frequency of reporting: 2018 2023
2.1.1	Level of young people's satisfaction as regards opportunities for professional and social realization in the border	Ordinal scale	2.42	2014	3.00	0	0	0									Frequency of reporting: 2018 2023

¹ The baseline and target values of qualitative result indicators (RI 1.2.1, 1.3.1, 2.1.1, 2.2.1, 3.1.1 and 3.2.1) are set in accordance with the Baseline and Target Values Study elaborated by MA on the base of survey carried out in year 2015. The study together with the Programme modification request were adopted by the JMC members and subsequently approved by the European Commission.

	area (composite indicator)																
2.2.1	Increased level of youth involvement in networks across the border	Ordinal scale	2.45	2014	3.00	0	0	0									Frequency of reporting: 2018 2023
3.1.1	Increased level of preparedness to manage risks of transnational dimension	Ordinal scale	1.90	2014	2.50	0	0	0									Frequency of reporting: 2018 2023
3.2.1	Increased capacity for nature protection and sustainable use of common natural resources in the border region	Ordinal scale	2.13	2014	2.50	0	0	0									Frequency of reporting: 2018 2023

Table 2

Common and programme specific output indicators (by priority axis, investment priority); applies also to technical assistance priority axes

	ID	Indicator (name of indicator)	Measurement unit	Target value ⁽²⁾ (2023)	CUMULATIVE VALUE										Observations (if necessary)
					2014	15	16	17	18	19	20	21	22	23	
Selected operations [forecast provided by beneficiaries]	OI 1.1.1	Total number of reconstructed / restored cultural and historical touristic objects in the eligible border area	Number	15	0	0	0	0	10						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.1.2	Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions	Number	15	0	0	0	1	4	14					
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.1.3	Total number of created/reconstructed facilities for disabled people in the supported touristic sites	Number	5	0	0	0	0	4						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.1.4	Total number of information access facilities created/upgraded	Number	5	0	0	0	1	6						
Fully implemented operations [actual achievement]					0	0	0								

² Targets are optional for technical assistance priority axes.

Selected operations [forecast provided by beneficiaries]	OI 1.2.1	Number of sustainable tourism strategies/action plans of common tourist destinations	Number	3	0	0	0	0	0						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.2.2	Total number of newly established touristic products / services	Number	5	0	0	0	2	2						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.2.3	Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area	Number	8	0	0	0	0	4						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.3.1	Public awareness initiatives promoting sustainable use of natural and cultural heritage and resources	Number	20	0	0	0	3	3						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.3.2	Capacity building initiatives for capitalisation of the common touristic product/services	Number	20	0	0	0	0	0						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 1.3.3	Total number of joint events aimed at promotion and cultivation of the common	Number	15	0	0	0	1	1						

Fully implemented operations [actual achievement]		traditions of the borderland areas			0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 2.1.1	Total number of supported youth-related small-scale infrastructure, training and information facilities	Number	15	0	0	0	2	9	17						
Fully implemented operations [actual achievement]					0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 2.1.2	Total number of young people involved in the supported youth entrepreneurship schemes and initiatives	Number	300	0	0	0	509	607							
Fully implemented operations [actual achievement]					0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 2.2.1	Total number of youth networking initiatives supported by the Programme	Number	15	0	0	0	2	2							
Fully implemented operations [actual achievement]					0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 3.1.1	Total number of joint activities aimed at establishing joint early warning and disaster management systems	Number	6	0	0	0	0	2	5						
Fully implemented operations [actual achievement]					0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 3.1.2	Purchased specialised equipment related to disaster management	Number	10	0	0	0	6	13							
Fully implemented operations [actual achievement]					0	0	0									

Selected operations [forecast provided by beneficiaries]	OI 3.1.3	Total number of supported small-scale interventions/investments in green infrastructure for natural water retention.	Number	5	0	0	0	0	2						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 3.1.4	Total number of people participated in risk prevention and management training activities	Number	600	0	0	0	86	386						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 3.1.5	Population benefiting from flood protection measures	Persons	580 000	0	0	0	35000	511300						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 3.1.6	Population benefiting from forest fire protection measure	Persons	520 000	0	0	0	235000	1190000						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 3.2.1	Protected areas/Natura 2000 sites in the border region with EU conform management plans	Number	5	0	0	0	0	0						
Fully implemented operations [actual achievement]					0	0	0								
Selected operations [forecast provided by beneficiaries]	OI 3.2.2	Total number of joint interventions, addressing the preservation and restoration of	Number	12	0	0	0	3	3						

Fully implemented operations [actual achievement]		CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water.			0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 3.2.3	Total number of joint interventions, addressing the preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water.	Number	12	0	0	0	2	2							
Fully implemented operations [actual achievement]					0	0	0									
Selected operations [forecast provided by beneficiaries]	OI 3.2.4	Capacity building initiatives, trainings, exchange of experience and know-how in the field of sustainable use of natural resources	Number	15	0	0	0	4	4							
Fully implemented operations [actual achievement]					0	0	0									
	OI 4.1.1	No of performed evaluations of the programme	Number	N/A	0	0	0									
	OI 4.1.2	Updated MIS system	Number	N/A	0	0	1									
	OI 4.1.3	No of Monitoring Committee meetings	Number	N/A	0	1	2									
	OI 4.1.4	No of publicity events for beneficiaries	Number	N/A	0	12	8									
	OI 4.1.5	Number of employees (full time) whose salaries are co-financed by technical assistance	Number	N/A	0	5	7*									

*Share of 33,3% of the salaries of the Bulgarian First level Controllers (5 persons in total) are covered by the Technical assistance PA.

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) — submitted in annual implementation reports from 2017 onwards

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

3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 4

Financial information at priority axis and programme level (as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 and table 16 of the Programme)

The financial allocation of the priority axis						Cumulative data on the financial progress					
Priority axis	Fund	Category of region	Basis for the calculation of Union support* (Total eligible cost or public eligible cost)	Total funding (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) [column 7/column 5 × 100]	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) [column 10/column 5 × 100]	Number of operations selected
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Priority axis 1	IPA	Less developed	Public	11 935 790	84,99 %	5 834 011,90	48,88 %	5 681 058,00	0,00	0,00 %	12
Priority axis 2	IPA	Less developed	Public	8 525 565	84,99 %	4 754 487,39	55,77 %	4 743 427,39	0,00	0,00 %	13
Priority axis 3	IPA	Less developed	Public	10 230 676	84,99 %	5 362 360,52	52,41 %	5 360 795,55	0,00	0,00 %	10
Priority axis 4 TA	IPA	N/A	Public	3 410 225	85,00 %	392 090	11,5 %	392 090	0,00	0,00 %	2
<i>Total</i>	IPA	NUTS III or equivalent		34 102 256	84,99 %	<i>16 342 949,81</i>	<i>47,92 %</i>	<i>16 342 949,81</i>	<i>0,00</i>	<i>0,00 %</i>	37

47% of the total programme budget have been contracted for projects under the 1st Call for proposals: 12 projects or 49% of the total allocation for Priority axis 1, 13 projects or 56% of the allocation for Priority axis 2, 10 projects or 52% of the allocation for Priority axis 3 and 2 TA projects or 14% of the allocation for Priority axis „Technical assistance“ (MA and NA projects for technical assistance).

In compliance with Article 9 (1) of the Subsidy contract the lead partner may request advance payment in two instalments: first instalment at the rate of 10% of the total amount of the subsidy contract – after the contract enters into force, and second instalment of another 10% - after one of the project partners awarded a sub-contract for investment activity.

The number of operations selected under Priority axis „Technical assistance“ (2 in total) in column 12 indicates the number of TA projects (operations) which include eligible activities to be performed by the managing and national authorities.

Until 31 December 2016 the 1st Call project lead partners have requested advance payments at a total amount of EUR 715 308 (EUR 187 582 – under PA1, EUR 282 996 – under PA2, and EUR 244 730 – under PA3).

The Annual Technical Assistance Plan for year 2016 was approved by the JMC on 21st December 2015 together with a detailed budget breakdown and rules on Eligibility of Technical Assistance Expenditures. The indicative budget of Priority axis „Technical assistance“ for year 2016 amounted to EUR 392 090 or about 11.5% of the total Programme budget allocation to this priority axis. *The number of operations selected under Priority axis „Technical assistance“ (2) in the last column indicates to TA projects (operations) which include eligible activities to be performed by the managing and national authorities.

Table 5

Breakdown of the cumulative financial data by category of intervention for the transmission made by 31 January (as set out in Table 2 of Annex II to Commission

Implementing Regulation (EU) No 1011/2014 and tables 6-9 of the Programme)

Priority axis	Characteristics of expenditure		Categorisation dimensions								Financial data			
	Fund	Category of region	1 Intervention field	2 Form of finance	3 Territorial dimension	4 Territorial delivery mechanism	5 Thematic priority dimension IPA	6 ESF secondary theme	7 Economic dimension	8 Location dimension	Total eligible cost of operations selected for support (EUR)	Public eligible cost of operations selected for support (EUR)	The total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
PA 1	IPA	Less developed	075, 094 & 095	01	01/02/03	N/A	d)	N/A	N/A	BG311, BG412, BG414, NUTS III equivalent regions – Nis, Pirot, Pčinja, Jablanica and Zaječar	5 834 011,90	5 834 011,90	-	12
PA 1	IPA	Less developed	094	01	01/02/03	N/A	d)	N/A	N/A	BG311, BG412, BG414, NUTS III equivalent regions – Nis, Pirot, Pčinja, Jablanica and Zaječar	5 112 941,39	5 112 941,39	-	10
PA 1	IPA	Less developed	094	01	01	N/A	d)	N/A	N/A	BG414 and NUTS III equivalent region - Pirot	769 333,25	769 333,25	-	2
PA 1	IPA	Less developed	094	01	02	N/A	d)	N/A	N/A	BG412 and NUTS III equivalent regions - Pirot, Pčinja, Zaječar	2 116 907,20	2 116 907,20	-	4
PA 1	IPA	Less developed	094	01	03	N/A	d)	N/A	N/A	BG312, BG313, BG414 and NUTS III equivalent region -	2 226 700,94	2 226 700,94	-	4

										Jablanica				
PA 1	IPA	Less developed	075	01	-	N/A	d)	N/A	N/A	-	0	0	-	0
PA 1	IPA	Less developed	095	01	01	N/A	d)	N/A	N/A	BG311 and NUTS III equivalent region - Niš	721 070,51	721 070,51	-	2
PA 1	IPA	Less developed	095	01	01	N/A	d)	N/A	N/A	BG311 and NUTS III equivalent region - Niš	721 070,51	721 070,51	-	2
PA 2	IPA	Less developed	055, 109, 118	01	01/02/03	N/A	e)	N/A	N/A	BG312, BG311, BG411, BG412 and NUTS III equivalent regions - Niš, Zaječar and Pirot	4 754 487,39	4 754 487,39	-	13
PA 2	IPA	Less developed	055	01	02	N/A	e)	N/A	N/A	BG312 and NUTS III equivalent regions - Niš, Zaječar and Pirot	2 189 109,87	2 189 109,87	-	4
PA 2	IPA	Less developed	055	01	02	N/A	e)	N/A	N/A	BG312 and NUTS III equivalent regions - Niš, Zaječar and Pirot	2 189 109,87	2 189 109,87	-	4
PA 2	IPA	Less developed	109	01	01/02	N/A	e)	N/A	N/A	BG311 and NUTS III equivalent region - Zaječar	292 621,93	292 621,93	-	2
PA 2	IPA	Less developed	109	01	01	N/A	e)	N/A	N/A	BG311	148 128,40	148 128,40	-	1
PA 2	IPA	Less developed	109	01	02	N/A	e)	N/A	N/A	NUTS III equivalent region - Zaječar	144 493,53	144 493,53	-	1
PA 2	IPA	Less developed	118	01	01/02/03	N/A	e)	N/A	N/A	BG411, BG412 and NUTS III equivalent regions - Niš, Zaječar	2 272 755,59	2 272 755,59	-	7

										and Pirot				
PA 2	IPA	Less developed	118	01	01	N/A	e)	N/A	N/A	BG411 and NUTS III equivalent region - Niš	386 356,97	386 356,97	-	2
PA 2	IPA	Less developed	118	01	02	N/A	e)	N/A	N/A	BG412, BG312 and NUTS III equivalent region- Pirot	1 201 165,79	1 201 165,79	-	3
PA 2	IPA	Less developed	118	01	03	N/A	e)	N/A	N/A	BG412 and NUTS III equivalent region - Zaječar	685 232,83	685 232,83	-	2
PA 3	IPA	Less developed	085 & 087	01	01/02/03	N/A	b)	N/A	N/A	BG311, BG411, BG412, BG415 and NUTS III equivalent region – Niš, Pčinja and Zaječar	5 362 360,52	5 362 360,52	-	10
PA 3	IPA	Less developed	085	01	01/03	N/A	b)	N/A	N/A	BG311	729 871,75	729 871,75	-	2
PA 3	IPA	Less developed	085	01	01	N/A	b)	N/A	N/A	BG311	142 913,13	142 913,13	-	1
PA 3	IPA	Less developed	085	01	03	N/A	b)	N/A	N/A	BG311	586 958,62	586 958,62	-	1
PA 3	IPA	Less developed	087	01	01/02/03	N/A	b)	N/A	N/A	BG311, BG411, BG412, BG415 and NUTS III equivalent region – Niš, Pčinja and Zaječar	4 632 488,77	4 632 488,77	-	8
PA 3	IPA	Less developed	087	01	01	N/A	b)	N/A	N/A	BG411, BG311 and NUTS III equivalent region - Pčinja	2 302 187,29	2 302 187,29	-	4
PA 3	IPA	Less	087	01	02	N/A	b)	N/A	N/A	BG412, BG415 and NUTS III	1 756 947,91	1 756 947,91	-	3

PA 3	IPA	developed Less developed	087	01	03	N/A	b)	N/A	N/A	equivalent region - Niš NUTS III equivalent region - Zaječar	573 353,57	573 353,57	-	1
Technical Assistance	IPA	N/A	121	N/A	N/A	N/A	N/A	N/A	N/A	N/A	318040	318040	-	2
			122	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.00	-	-
			123	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74050	74050	-

Table 6

Cumulative cost of all or part of an operation implemented outside the Union part of the programme area

	The amount of ERDF support ⁽³⁾ envisaged to be used for all or part of an operation implemented outside the Union part of the programme area based on selected operations (EUR)	Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) <i>(column 2/total amount allocated to the support from the ERDF at programme level *100)</i>	Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside the Union part of the programme area declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) <i>(column 4/total amount allocated to the support from the ERDF at programme level *100)</i>
1	2	3	4	5
All or part of an operation outside the Union part of the programme area ⁽⁴⁾	844 740,15	2,91 %	0,00	0,00 %

³ ERDF support is fixed in the Commission decision on the respective cooperation programme.

⁴ In accordance with and subject to ceilings set out Article 20 of Regulation (EU) No 1299/2013.

4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

According to the Programme Evaluation Plan (approved on 21 April 2016 at the Second JMC meeting in Nis, Serbia) the first Programme evaluation (mid-term evaluation) is envisaged to be launched in the second half of 2018. It will analyse the effectiveness and efficiency of the programme management system as well as the level of achievement of the set Programme objectives.

5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN

(article 50(2) of Regulation (EU) No 1303/2013)

No significant problems that could have affected the Programme performance were identified during the reporting period.

6. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013)

A citizen's summary of the state of play in the Programme implementation is presented as an annex to the current annual implementation report and is made available on the programme website.

7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU)

No 1303/2013)

Not applicable

8. WHERE APPROPRIATE, PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (Article 101(h) and Article 111(3) of Regulation (EU) No

1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)

8.1. Major projects

Not applicable

8.2. Joint action plans Progress in the implementation of different stages of joint action plans

Not applicable

PART B

REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9. ASSESSMENT OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9.1 Information in Part A and achieving the objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)

As a prerequisite for the proper management of the Programme, the Managing Authority has set up an adequate and fully operational institutional system, which in 2016 received an unqualified opinion by the Audit Authority for compliance with the designation criteria relating to internal control environment, risk management, management and control activities and monitoring set out in Annex XIII to Regulation (EC) No 1303/2013. Furthermore, DG “Territorial Cooperation Management” within the Ministry of Regional Development and Public Works was designated as the Managing Authority for the Programme by a Decision of the Council of Ministers in August 2016.

Taking the necessary steps towards achievement of the Programme’s objectives, the Managing Authority launched the 1st Call for Proposals on 17th August 2015. The Call was open for all three Priority Axes for the total amount of EUR 12 687 304.00, representing the Programme’s financial allocation for years 2015, 2016 and 2017.

An extensive information campaign, which included 6 info-day events in Bulgaria, five info-day events in Serbia and 1 partner search forum in Serbia, together with an in-depth “Questions & Answers” section on the Programme’s web site, led to generating a substantial interest among potential beneficiaries to explore the possibilities for funding, and thus 388 project proposals were received within the specified deadline of 18th January 2016, as the number exceeded the total number of submitted proposals for the whole previous programming period 2007-2013. A good distribution among all three Priority Axes was achieved, as 143 proposals were submitted under PA 1 „Sustainable Tourism“, 180 under PA 2 „Youth“ and 65 under PA 3 „Environment“.

Of the 388 submitted proposals, 287 passed the administrative compliance and eligibility check and were subject to technical and quality assessment. Of those, 207 projects received average technical scores above 65 points (out of maximum 100), which was the threshold for technical admissibility. Due to the overall excellent quality of the remaining projects – e.g. the total average technical score was 79.13 points, the JMC decided to increase the financial resources available under the Call with the Programme’s financial allocation for year 2018 as well, bringing the total available budget to EUR 18 570 429.00.

The increased budget resulted in JMC’s approval of 36 projects for financing, with possibility to contract further projects from the reserves if funding becomes available. The larger number of contracted projects led to better distribution of proposed actions across all specific objectives and project partners across the whole Programme area, thus contributing to the Programme’s intend to reach as many local stakeholders as possible in order to better address its overall aim to “stimulate the balanced and sustainable development of the Bulgaria-Serbia border region integrated in the European space –

achieved through smart economic growth, environmental change adaptation and learning culture enhancement“.

Upon completion of the pre-contracting procedures with the selected projects, which include check for double financing, check for compliance with State Aid rules (for Bulgarian projects partners only), on-the-spot site visits of the investment proposals and budget negotiations with all proposals, some of the proposals were declined for signature of subsidy contracts, as inconsistencies were found between the presented information/documentation and the actual physical situation, which in turn allowed for conduction of pre-contracting procedures with projects from the reserves list under each Priority Axis. As a result, a total of 35 subsidy contracts have been signed until the end of the year 2016 (with signature pending for 2 further contracts), summarized as follows:

- The total contracted amount under PA 1 “Sustainable Tourism“ is 5 834 012 EUR (12 contracts), which represents 49% of the total financial allocation of the Priority axis. The majority of the projects are investment proposals concentrated almost entirely in the investment specific objective 1.1 “Tourist Attractiveness“ (10 projects) and are implemented by municipalities, district administrations, cultural institutes, associations and NGOs;

- The total contracted amount under PA 2 “Youth“ is EUR 4 754 487 (13 contracts), which represents 56% of the total financial allocation of the Priority axis. The projects are almost equally split between investment proposals and “soft“ measures (7 to 6), and are implemented by municipalities, district administrations, cultural institutes, associations and civil society structures;

- The total contracted amount under PA 3 “Environment“ is EUR 5 362 361 (10 contracts) which represents 52% of the total financial allocation of the Priority axis. The majority of the projects are investment proposals, concentrated almost entirely in the investment part of specific objective 3.1 “Joint Risk Management“ (8 projects) and are implemented by municipalities, government administrations, associations, universities, utility companies, public enterprises and NGOs.

The data related to the Output indicators (OIs) of the contracted projects for year 2016 in this report is based on the information provided by the beneficiaries in the Application forms. Due to the fact that the signature of the subsidy contracts under the 1st Call for proposals was in November 2016, there are no fully implemented operations to be reported at present.

However, forecast about the expected achievement of the OIs is made by analysis of the data received from beneficiaries during negotiation process. From the information available, it is visible, that out of 23 OIs under the current Programmed, the achievement of nearly half of the OIs (12) will be below 50%. The reasons for this underachievement is that either there are no financed projects (for OI 1.2.1 “Number of sustainable tourism strategies/action plans of common tourist destinations“; OI 1.3.2 “Capacity building initiatives for capitalization of the common touristic products/services“ and OI 3.2.1 “Protected areas/NATURA 2000 sites in the border region with EU conform management plans“), or there is only one (for OI 1.2.2 “Total number of newly established touristic products / services“, OI 1.2.3 “Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area“, OI 1.3.1 “Public awareness initiatives promoting sustainable use of natural and cultural heritage and resources“, OI 1.3.3 “Total number of joint events aimed at promotion and cultivation of the common traditions of the borderland areas“, OI 3.1.3 “Total number of supported small-scale interventions /

investments in green infrastructure for natural water retention” and OI 3.2.3 “Education and awareness raising joint initiatives, in the field of preservation and protection of natural heritage, biodiversity and landscape”) or maximum two projects which refer to the abovementioned indicators (for OI 2.2.1 “Total number of youth networking initiatives supported by the Programme”, OI 3.2.2 “Total number of joint interventions, addressing the preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water” and OI 3.2.4 “Capacity building initiatives, trainings, exchange of experience and know-how in the field of sustainable use of natural resources”).

Since the signature of the subsidy contracts was in November 2016, information about the progress of the values of the result indicators is not available for the reporting period.

9.2. Specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (d) of Regulation (EU) No 1299/2013)

The principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination were included in the Guidelines for Applicants of the 1st Call for proposals, as the project applicants were invited to explain how their project would comply with and possibly even strengthen the links between project activities and this specific horizontal principle. A separate question dedicated to promotion of equality between men and women and non-discrimination was included in the Technical and quality assessment grid. During the quality assessment, maximum points in this section were given to projects that clearly demonstrated coherence with all 3 horizontal principles (sustainable development, equal opportunities and non-discrimination, equality between men and women).

OI 1.1.3 „Total number of created/reconstructed facilities for disabled people in the supported touristic sites“ allows reporting the horizontal issues that have been addressed during the project implementation. From the contracted under SO 1.1 ten 1st Call projects, four envisage creation or reconstruction of facilities for disabled people in the supported touristic sites.

In addition, during the implementation stage, every Lead project partner shall present in the Final Project Progress Report information on how the project activities and outputs contribute to the horizontal principles in accordance with the provisions set in the Project Implementation Manual.

9.3. Sustainable development (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (e) of Regulation (EU) No 1299/2013)

The principles set out in Article 8 of Regulation (EU) No 1303/2013 on promotion of sustainable development were included in the Guidelines for Applicants of the 1st Call for proposals, as the project applicants were invited to explain how their project would comply with and possibly even strengthen the links between project activities and this specific horizontal principle. A separate question dedicated to

promotion of sustainable development was included in the Technical and quality assessment grid. During the quality assessment, maximum points in this section were given to projects that clearly demonstrated coherence with all 3 horizontal principles (sustainable development, equal opportunities and non-discrimination, equality between men and women).

In addition, during the implementation stage, every Lead project partner shall present in the Final Project Progress Report information on how the project activities and outputs contribute to the horizontal principles in accordance with the provisions set in the Project Implementation Manual.

9.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

The project proposals approved for financing under Priority axis 1, falling within the scope of intervention field dimension with codes 085 and 087, will support climate change objectives in accordance with Annex 1 “Nomenclature for the categories of intervention of the Funds under the Investment for growth and jobs goal and of the Youth Employment Initiative” of Commission Implementing Regulation (EU) No 215/2014, as follows:

- Projects under code 085 “Protection and enhancement of biodiversity, nature protection and green infrastructure” with 40%
- Projects under code 087 “Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures” with 100%.

The whole Priority Axis 3 is focused on issues related to environmental measures and thus it could be concluded that projects implemented under this PA are contributing to support of climate change objectives.

Following the requirements of DIRECTIVE 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment and the respective Bulgarian national legislation, the Managing Authority prepared Annual monitoring report (SEA compatibility report) on the compatibility of the environmental effects of the "INTERREG-IPA CBC Bulgaria-Serbia" for the year 2016. The SEA compatibility report was coordinated and approved on 18 April 2017 by responsible environmental body – Ministry of Environment and Water of Republic of Bulgaria and was published on the website of the Ministry of regional development and public works and on the official page of the INTERREG-IPA Cross-border Cooperation Programme Bulgaria – Serbia.

9.5 Role of partners in the implementation of the cooperation programme (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 1, (c) of Regulation (EU) No 1299/2013)

The most important role of partners is demonstrated in their participation in the Programme Joint Monitoring Committee which makes the strategic decisions concerning the overall implementation of the Programme. The JMC is a permanently acting bilateral partnership structure, without legal personality, composed of representatives of Bulgaria and Serbia (national delegations), appointed by respecting the principles of partnership and representation. The national delegations are formed of members with

voting rights and members in an advisory capacity, nominated by local, regional and national authorities / organisations, including non-governmental organisations, economic and social partners, municipalities, districts administrations, academic and scientific institutions, environmental, educational and business organisations.

According to the JMC Rules of procedures any decision is taken by consensus between the national delegations of the partnering countries by respecting the opinion and suggestions of every JMC member during the constructive discussions.

Some of the most important decisions taken by the JMC in year 2016 were as follows:

- approval of the results from the Administrative compliance and eligibility check of the 1st Call project proposals as well as approval of Complaint procedure report concerning that stage;
- approval of the results from the Technical and quality assessment stage as well as approval of Complaint procedure report concerning that stage;
- approval of the Programme document modification concerning establishment of baseline and target values of the qualitative Programme result indicators;
- approval of the Annual implementation report for 2014-2015 including report on implementation of e-Cohesion regulatory requirements and the Evaluation plan of the Programme
- approval of all documents concerning Priority Axis 3 “Technical assistance” (Multi-annual indicative budget forecast, Annual technical assistance plan, Annual technical assistance budget, Eligibility of technical assistance expenditures).

Ensuring the transparency at each stage of the Programme development and implementation is crucial for the proper addressing the needs and challenges of the cross-border regions. Representatives of partners with relevant background to the Programme priorities and objectives, including non-government organisations, local, regional and national authorities as well as educational, cultural and tourism institutions took part in the coordination and development of Programme related documents such as the Guidelines for applicants for the 1st Call for proposals. The partners were also involved in Programme publicity activities, e.g. information days, partnership forum and joint events etc.

10. INFORMATION AND ASSESSMENT (Article 14(4), Subparagraph 1 (A) And (B), of Regulation (EU) No 1299/2013)

10.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

According to the Programme Evaluation Plan evaluation of the implementation is envisaged to start in the last quarter of 2018, therefore no evaluation results are available during year 2016.

10.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

The Programme authorities used various communication methods, aiming at increased public awareness and more effective communication. The approach used for information and publicity measures was in compliance with the objectives of the Communication strategy, in terms of:

- Supporting the successful implementation of the Programme by ensuring an effective communication system (measures, channels, targeted messages to all identified targets);
- Increasing the public awareness concerning Programme aims, priorities, financial support provided, estimated economic and social impact on regional development;
- Increasing the knowledge of potential beneficiaries on the financing opportunities of the Programme;
- Ensuring transparency in the use of the EU funds;
- Increasing the visibility of the Programme and of the MA, NA and JS.

All communication activities were directed to the following 3 main target groups:

- Potential applicants - to ensure that they are properly and timely informed about the Programme;
- Beneficiaries - to ensure that all the relevant and necessary information in the implementation process is known and respected;
- General public - of both countries, and especially within the cross-border region, to learn about the Programme and project results.

Additionally, the communication activities covered: media, internal public, support groups and local stakeholders.

The results of the implementation of the Communication strategy of the Programme include the use of:

- Programme web site – used as a main tool for information and publicity. The site was re-designed in 2015 and is available on the following address: <http://www.ipacbc-bgrs.eu>. High level of interest has been registered in the web site - in 2016 it has been visited 39,548 times by 17 948 visitors, 7700 out of which were new visitors; Beside the Programme web-site, announcements, news and important information was published on the web-sites of MA and NA (www.seio.gov.rs; www.evropa.gov.rs)
- MIS System – as a tool for e-governance and communication. MIS, including its section “Beneficiary portal” has been fully operational and maintained during 2016. The system includes detailed information about all the projects, including: application form information, supporting documents, implementation and payment information, etc. It also allows tracing of all activities at project and programme level leading to an improved communication between the beneficiaries and all programme bodies and structures;
- Social Media – as an innovative approach to the general public. Official Facebook (<https://www.facebook.com/bgrsipacbcceu/>) and Twitter page (<https://twitter.com/ipacbcbgrs>) of the Programme, maintained and updated on a regular basis. Both ensure connection with the general public and are actively used for promotion of the Programme events. In 2016 the Programme Facebook page reached 2700 likes; News, announcements and information have been published also on the Social Media of Serbian European Integration Office (<https://www.facebook.com/KancelarijaEvropskeIntegracije>) and Twitter page;
- Mass Media Campaign was organized for the purposes of attracting general public and media attention for the EC Day 2016 – culinary tourism festival and photo competition. The campaign was carried out in August – September and included: Facebook promotion, 21 announcements in local radio and dissemination of 50 posters;

- Info days and seminars – three trainings for Bulgarian management team members of the funded projects were held in the period 25-30 November 2016, in the cities of Sofia, Montana and Vidin, and were attended by 89 participants. Three trainings for Serbian beneficiaries were held in the cities of Aleksinac and Nis, in the period 6-13 December 2016. The trainings were attended by 158 participants. The most important topics covered during the events were related to: technical and financial implementation of the projects; public procurement; verification of expenditures; information and visibility; e-governance; irregularities and anti-fraud measures;

- EC Day celebration was held for a 5th consecutive year, by organizing a culinary tourism festival “Eat, travel, love cross-border” on 17 September 2016, in Dupnitsa, Bulgaria. The event attracted over 230 participants including official guests, representatives of local and regional authorities and media. An important focus of the event was given to the “Photo competition 2016” awarding ceremony. The competition was held during the period 28 July—28 August. Winners under each of the three categories: “Food and Culinary Traditions”, “Music and Dance”, and “Biodiversity”, received their awards from the official Programme representatives;

- Meetings / Exhibitions / Fairs: Two Joint Committee meetings were held in 2016. The first one took place in Nis, Serbia, on 21 April 2016, where the JMC approved the Programmes’ Annual implementation reports and the results from the administrative compliance and eligibility check of project proposals under the 1st Call. The second meeting was held on 15 July 2016 in Bozhurishte, Bulgaria. The JMC approved reallocation of additional financial resources and list of 37 joint CBC projects for financing;

The official ceremony for awarding of 35 subsidy contracts on a total amount of EUR 15.9 million was held on 24 November 2016, in Sofia, Bulgaria. The contracts were awarded by official representatives of the Managing and National Authorities, with the participation of more than 100 official representatives of project partners from both countries;

- Project Compendiums, Manuals and guidelines. Project implementation manual has been developed with the purpose to provide detailed guidelines to project partners in terms of reporting obligations, public procurement procedures, payments, publicity measures, etc. User manual for Beneficiary portal for supporting the interaction of beneficiaries with MIS, and Guidelines for First Level Control aimed at ensuring common understanding of the rules and requirements for the process of verification of expenditures have been elaborated as well. All these tools are made available to the targeted audience via different sections of the Programme website;

- Promotional materials have been elaborated and partially disseminated: USBs, laptop bags, conference and shopping bags, table flag sets, promotional sweatshirts, calendars, large wall maps and folded maps of the CB region, organizers, raincoat ponchos, umbrellas, mugs and some small promotional materials as well (pens, notepads, agenda organizers, binders, cardboard folders, sets of colour markers, PVC stickers, etc.).

As a main result of the information and publicity measures carried out can be identified the number of project proposals received under the 1st Call (2016) – 388 proposals. In comparison, the number of project proposals received under the last Call (2012) of programming period 2007-2013, was 257 proposals, which means growth with more than 50%. Additionally, the increased interest in the

Programme contributes to achieving higher quality of project proposals, in terms of more intense competition. For the last Call of programming period 2007-2013, 1 out of 5 project proposals received funding, and for the 1st Call of the present programming period – only 1 out of 10 proposals is funded.

11. ADDITIONAL INFORMATION (Article 14(4), subparagraph 2 (a), (b), (c) and (f), of Regulation (EU) No 1299/2013)

11.1 Progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the cooperation programme

Not applicable

11.2 Progress in implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and to use the EU funds (where appropriate)

Specific actions to reinforce the capacity to administer and use the EU funds were envisaged for both Programme authorities and beneficiaries. During year 2016 the capacity building initiatives were implemented:

- **Addressing Programme bodies:** MA, NA and JS staff members participated in various seminars and workshops organised by INTERACT programme or other training organisations (for example: by the Bulgarian Institute of Public Administration), as follows: Project Development Seminar for Interreg Programmes in Stockholm, Sweden; Project Monitoring and Reporting Workshop for Interreg programmes in Sofia, Bulgaria; Interact's project Management Camp 2016 in Gothenburg, Sweden (dedicated to topics related to project management in the context of Interreg programmes); Interreg Finance Management Camp in Seville, Spain; Successful management of Interreg-IPA CBC in Tirana, Albania (an event targeted to new staff working in Interreg-IPA CBC Programmes); Internal training for work with MIS and Beneficiary portal.

An external assessment of the administrative capacity and workload in the Managing Authority, First Level of Control Unit and Joint Secretariats under INTERREG-IPA CBC Programmes 2014-2020 managed by Republic of Bulgaria (including Bulgaria – Serbia programme) and identifying training needs was performed in 2016. The specific recommendations given by the external consultant are going to be taken into consideration in regard to future capacity building activities of the programme bodies.

- **Addressing potential project beneficiaries:** In order to support the potential applicants in project generation, trainings of beneficiaries were held in 2016 on specific topics, including public procurement, financial management and reporting, as well as anti-fraud measures. The 6 trainings aimed at improving the skills of project management teams in terms of efficiency of EU funds and overall effectiveness. Three trainings were carried out in Bulgaria – Vidin, Montana and Sofia, and three more in Serbia – Nis and Aleksinac. More than 240 people took part in the trainings

Additionally to the above initiatives, in 2016 written guidelines and manuals for potential beneficiaries were developed and made available on the Programme website aiming to enhance capacity in both project applying and implementation.

Numerous meetings with potential applicants and project management teams, dedicated to solving of specific issues and answering to specific needs were also held during the reporting period.

11.3 Contribution to macro-regional and sea basin strategies (where appropriate)

Bulgaria and Serbia together participate with their whole territory in one of the three macro-regional strategies of the European Union (EU) - EU strategy for the Danube region (Danube Strategy). The priority axes and specific objectives of the Programme are directly related to achieving the Danube Strategy goals.

All projects financed under PA 1 “Sustainable Tourism” demonstrate high relevance and coherence to the following EUSDR Pillars and Priority areas:

- Pillar “A”: Connecting the Danube Region; Priority Area 03: To promote culture and tourism, people to people contacts;
- Pillar “C”: Building Prosperity in the Danube Region; Priority Area 08 "To support the competitiveness of enterprises" (partially);

The envisaged activities in the selected PA 1 projects complement the actions set in the EUSDR Action Plan, namely those aimed at: building on cultural diversity as a strength of the Danube Region; enhancing cooperation and contacts between people; encouraging cultural innovation and economic development, based on heritage, traditions and tourism; improving tourism related planning and infrastructure; promoting sustainable tourism services and products etc.

The projects under PA 2 “Youths” addressing young people and making best use of border’s area human capital, contribute to achieving the aims of Pillar “C”: Building Prosperity in the Danube Region; Priority Area 09: "To invest in people and skills" as well as and partially to Priority Area 08 "To support the competitiveness of enterprises" and Priority Area 07 "To develop the Knowledge Society (research, education and ICT)". The contribution to the EUSDR priority areas 07, 08 and 09 is ensured through the implementation of the foreseen activities in the selected under PA 2 projects for promoting an entrepreneurial culture and skills among young people,.

The selected projects under PA 3 envisage activities for promoting joint responses to natural disasters, including early warning systems, strengthening operational cooperation and capacity of responsible authorities, preserving biodiversity, landscapes, protected areas and ecosystems as well as awareness raising on environment-related matters. Through the above activities a contribution of the Programme to Pillar “B”: Protecting the Environment in the Region, and the Priority Area 05: "To manage environmental risks" and Priority Area 06:"To preserve biodiversity, landscapes and the quality of air and soils” is observed.

In order to guarantee that the Programme is linked up to the implementation of the Danube Strategy, a coordination mechanism is established ensuring the participation of the National Coordinator and PACs

in the JMC. The respective EUSDR responsible structures in Bulgaria and Serbia took active part in all JMC decisions in 2016 and were directly involved in all relevant programme activities (including 1st Call for proposals where during the selection process priority was given (i.e. more points in the selection process) to operations that clearly demonstrate coherence with the EUSDR priorities.

11.4 Progress in the implementation of actions in the field of social innovation (where appropriate)

Not applicable

12. FINANCIAL INFORMATION AT PRIORITY AXIS AND PROGRAMME LEVEL (Articles 21(2) and 22(7) of Regulation (EU) No 1303/2013)

The financial allocation of the priority axis						Cumulative data on the financial progress					
Priority axis	Fund	Category of region	Basis for the calculation of Union support* (Total eligible cost or public eligible cost)	Total funding (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) [column 7/column 5 × 100]	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) [column 10/column 5 × 100]	Number of operations selected
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Priority axis 1	IPA	Less developed	Public	11 935 790	84,99 %	5 834 011,90	48,88 %	5 681 058,00	0,00	0,00 %	12
Priority axis 2	IPA	Less developed	Public	8 525 565	84,99 %	4 754 487,39	55,77 %	4 743 427,39	0,00	0,00 %	13
Priority axis 3	IPA	Less developed	Public	10 230 676	84,99 %	5 362 360,52	52,41 %	5 360 795,55	0,00	0,00 %	10
Priority axis 4 - TA	IPA	n/a	Public	3 410 225	85,00 %	392 090,00	11,5 %	392 090,00	0,00	0,00 %	2
Total	IPA		Public	34 102 256	84,99 %	16 342 949,81	47,92 %	16 342 949,81	0,00	0,00 %	37