

ANNUAL IMPLEMENTATION REPORT

2017



Interreg - IPA CBC 
Bulgaria - Serbia

PART A

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

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| CCI | 2014TC16I5CB007 |
| Title | Interreg-IPA CBC Bulgaria-Serbia Programme 2014-2020 |
| Version | 4.0 |
| Reporting year | 2017 |
| Date of approval of the report by the Joint Monitoring Committee | 16.05.2018 |

2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME *(Article 50(2) of Regulation (EU) No 1303/2013 and Article 14(3)(a) of Regulation (EU) No 1299/2013)*

2017 marked the year when the Programme bodies' efforts were directed towards two main issues – the implementation of the contracts, financed under the 1st Call for Proposals (CfP), and the preparation for the launch of the 2nd CfP.

At the beginning of the year, 35 subsidy contracts, financed under the 1st CfP, were under implementation. Two additional projects, provisionally selected for financing, were still awaiting contract signature, due to outstanding issues connected to their respective investment proposals. Once the issues were resolved, the two investment contracts were signed.

Two subsidy contracts were later terminated however, after the risk assessment procedure, regularly performed by the Managing Authority (MA) and the Joint Secretariat (JS), identified significant delays (both in launch of procurement procedures and performance of planned activities) and substantial obstacles (lack of communication inside the partnerships, as well as withdrawal of certain projects partners), hindering the projects' implementation and the successful completion of the expected results.

With only 35 contracts under implementation, the MA acknowledged that substantial savings have been generated from the amount allocated towards the 1st CfP (Programme financial allocation for years 2015-2018). With the approval of the Joint Monitoring Committee (JMC) of the Programme, MA explored options for further financing of projects from the reserves lists until full, or at least partial, exhaustion of the available funding is achieved. Accordingly, after successful completion of all pre-contracting procedures, additional 4 subsidy contracts were signed, thus bringing the total number of projects financed under the 1st CfP to 39 for the total amount of EUR 18 499 166, out of which:

- 15 contracts under Priority Axis (PA) 1 "Sustainable Tourism" for total amount of EUR 7 435 621;
- 12 contracts under PA 2 "Youths" for total amount of EUR 4 559 854;
- 12 contracts under PA 3 "Environment" for total amount of EUR 6 503 691.

All projects are subject to regular monitoring and risk assessment at quarterly basis. Until the end of 2017, two projects have been successfully completed, while the remaining contracts – mostly investment projects with duration of 24 months, shall be completed by the end of 2018.

The financial data as of December 2017 shows that approximately 60% or EUR 18 499 166 of the total Programme budget allocated under PA 1, 2 and 3 has already been contracted with the projects under the 1st CfP (PA1 – 62,30% of the total financial allocation of the PA, PA2 – 53,48% and PA3 – 63,57%). In addition, the Technical Assistance (TA) budget for 2017 amounts to EUR 648 855, representing 19% of the total financial allocation under PA “TA”.

Having in mind the result oriented approach in the programming period 2014-2020, before starting preparing the 2nd CfP in 2017 the Managing Authority prepared an analysis of the expected level of achievement of the Programme Output Indicators (OIs), based on the information provided in the financed projects. The analysis shows that 7 out of 23 OIs under all PAs will be fully achieved as a result of the implementation of the projects under the First Call, while for 9 OIs the level of achievement shall be below 50%.

While drafting the Guidelines for Applicants, the main concern of the MA was to tackle the issue with the achievement of the Programme OIs. Since it has been envisaged to allocate all of its remaining funding towards the 2nd CfP, fulfilment of all targets for the OIs with underachieved implementation was considered essential for assessment of the Programme’s overall performance. Therefore, the solution that the MA decided to incorporate for the 2nd CfP in terms of selection projects for financing is by making a separate ranking of project proposals under each OI and contracting as many projects from each separate ranking list as necessary for reaching the set OI target. That means that the available funds under the 2nd CfP shall be allocated towards those OIs in need of more contracted projects, whereas projects fulfilling only OIs that have already been achieved shall only be contracted in case some funding still remains available.

The second innovation for the 2nd CfP concerns the electronic submission of the project proposals, and the MA put substantial efforts into developing the necessary tools for that as well. Simultaneously with the preparation of the Application package, a separate module to the online Beneficiary Portal (BP), part of the Management Information System (MIS) of the Programme was developed, so for the first time the application process under the upcoming CfP shall be performed entirely electronically. The launch of the 2nd CfP was planned for the beginning of 2018.

Draft version of the Application package was made available for public review and consultation on 7th June 2017. Potential applicants and other interested stakeholders were invited to express their proposals and comments by 7th July 2017. Relevant comments received were later taken into consideration while preparing the final version of the documents.

During 2017, the Programme continued to implement its Communication strategy using wide range of information and publicity tools – Programme web site was constantly updated with all relevant news and developments, social media accounts in Facebook and Twitter were further developed as a step to apply an innovative approach towards the general public, the improvements in the MIS and the BP led to improved communication between beneficiaries and all Programme bodies, further enhanced by the conducted trainings of beneficiaries on the MIS and BP. Finally, the Programme continued its 5-year tradition to mark the European Cooperation Day – a “Cross-border Crafts Fair” under the motto “To go far, go together” was held on 30th September 2017 in Pernik, Bulgaria.

In 2017 the fully functional MIS and BP have been constantly maintained ensuring electronic storage of all Programme and project data, as well as providing one-stop electronic exchange of information

between the beneficiaries and Programme management bodies. 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 2017 a contract was awarded for elaboration of a document export module in the MIS ensuring possibility for simultaneously registration of official documents both in MIS and in the registry system of the Ministry of Regional Development and Public Works ("Acstre Office") including development and introduction of document import and export modules which will allow an automatic intersystem connection.

During year 2017 an amendment of the Programme was performed concerning introduction of the performance framework of the programme. The programme amendment entered into force by EC Decision C(2017) 5681.

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 15 projects (13 investment and 2 "soft measures") were under implementation in 2017 for a total amount of EUR 7 435 620,90. The progress is as follows:</p> <ul style="list-style-type: none"> • SO 1.1 – 13 projects are in implementation phase – all of them being "investment" type with duration of between 12 and 24 months. <p>As indicated in Table 2 – achievement of OIs envisaged by these projects is expected in 2018, and the targets for 3 out of 4 OIs under SO 1.1 "Tourist attractiveness" to be fully achieved after the projects from the 1st Call for proposals are successfully completed. Additional projects should be attracted under the 2nd CfP related to reconstruction/restoration of cultural and historical touristic objects.</p> <ul style="list-style-type: none"> • SO 1.2 – 2 projects are in implementation phase – both of them being "soft measures" type with duration of 12 and 15 months. <p>The projects under S.O. 1.2 "Cross-border Touristic product specific objective are expected to achieve approximately 70% of the target output indicators by the end of their implementation period.</p> <ul style="list-style-type: none"> • SO 1.3 – Under the specific objective "People-to-People Networking" there had been one subsidy contract which was eventually terminated, therefore no output indicators are expected to be achieved by the end of the implementation period of the 1st Call for proposals. <p>With the exception of the terminated contract under SO 1.3, no significant problems have been faced during the implementation phase of the projects under the priority axis.</p> |
| 2 | <i>Youths</i> | A total of 85 applications have been received and passed the administrative and |

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| | | <p>technical assessment under the 1st Call for proposals, including one reassessed project. As a result, 12 projects (7 investment and 5 “soft measures”) for a total amount of EUR 4 559 854,22 were under implementation in 2017. The progress is as follows:</p> <ul style="list-style-type: none"> • SO 2.1 “Skills and entrepreneurship” – 10 projects are in implementation phase (7 investment and 3 “soft measures”) with duration ranging from 12 to 24 months. One contract has been terminated and the funding has been reallocated for a project proposal from the reserve list. <p>As indicated in Table 2, both output indicators for the specific objective related to youth related small-scale infrastructure and young people involved in entrepreneurship schemes and initiatives are expected to be achieved by the end of the implementation period of the projects under the 1st Call for proposals, i.e. in 2018.</p> <ul style="list-style-type: none"> • SO 2.2 “People to People Networking” – 2 projects (both “soft measures”) are in implementation phase with duration ranging from 8 to 15 months. <p>The two financed projects cannot ensure the achievement of the OI under this SO, therefore additional projects for youth networking initiatives will be attracted under the 2nd Call for proposals.</p> <p>Aside from the termination of one contract under SO 2.1, no significant problems have been faced during the implementation phase of the projects under the priority axis.</p> |
| 3 | <i>Environment</i> | <p>Out of 41 applications received under the 1st Call for proposals and passed the administrative and technical assessment, 12 projects (11 investment and 1 “soft measures”) at a total amount of EUR 6 503 691,23 have been implemented in 2017 under PA 3 “Environment”. The progress is as follows:</p> <ul style="list-style-type: none"> • SO 3.1 – Joint Risk Management – 9 projects are in implementation phase, all of which are investment type with duration 12-24 months. <p>Four of the six output indicators will remain slightly underachieved, while O.I. 3.1.2 “Purchased specialised equipment related to disaster management” and O.I. 3.1.6 “Population benefiting from fire protection measure” are expected to be overachieved by the end of the implementation period of the projects under the 1st Call for proposals.</p> <ul style="list-style-type: none"> • SO 3.2. – Nature Protection – 3 projects (one “soft measures” and two investment type) are in implementation phase. <p>The output indicators under the specific objective are not expected to reach their targets by the already financed projects, therefore additional projects will be attracted during the 2nd Call for proposals. While these projects contribute to 3 of the OIs under this specific objectives, there is no project addressing management plans related to protected areas/Natura 2000 sites.</p> |

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|---|-----------------------------|---|
| | | No significant problems were detected in year 2017. |
| 4 | <i>Technical Assistance</i> | <p>The Annual Technical Assistance Plan for 2017 was approved by the JMC on 14th of January 2017 together with a detailed budget breakdown and rules on Eligibility of Technical Assistance Expenditures. In addition the rules on Eligibility of TA expenditures were amended with JMC's Decision of 4th of July 2017. The indicative budget of Priority axis 4 „Technical assistance“ for year 2017 amounted to EUR 648 855,00 or about 19,03 % of the total Programme budget.</p> <p>During the reporting period a number of activities were performed in relation to the implementation of the 1st Call: monitoring on implementation, verification of expenditures and payments to the projects, contracting of additional projects approved for financing, trainings, meetings, etc., including preparation of the 2nd Call for proposals.</p> <p>The Programme management activities in 2017 included organizing and conducting of technical and JMC meeting for approval of 2016 Annual Implementation Report (on 23 May 2017 in Nis, Serbia) as well as administrative and operational activities concerning MA, NA, JS and FLC unit (participation in various events and training seminars, maintenance of office premises, staff remuneration etc.).</p> <p>Programme activities and expenses throughout the year also include:</p> <ul style="list-style-type: none"> - Organization and participation in European Cooperation Day 2017 – conducted on 30 September 2017 in Pernik, Bulgaria; - Supply of furniture, office and IT equipment; - Rent of hall and equipment for events; - Ongoing upgrading and maintenance of Programme official website and MIS (including elaboration of additional functionality of the Beneficiary's portal which will enable the electronic submission of the Application forms and supporting documents during the 2nd call for project proposals). <p>No problems were detected in year 2017.</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 indicators (by priority axis and specific objective)

| ID | Indicator | Measurement Unit | Baseline Value ¹ | Baseline Year | Target Value (2023) | ANNUAL VALUE | | | | | | | | | | Observations (if necessary) | |
|----------|--|------------------|-----------------------------|---------------|-----------------------------|--------------|----|----|----|----|----|----|----|----|----|-----------------------------|---|
| | | | | | | 2014 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | | |
| RI 1.1.1 | Increased visitors to the cross-border region | Percentage | 642 269 | 2014 | 1% (quantitative target) | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 1.2.1 | Increased level of joint and integrated approaches to sustainable tourism development in the border area | Ordinal scale | 2.12 | 2014 | 2.50 | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 1.3.1 | Increased level of community involvement and awareness about sustainable use of cross-border tourist resources | Ordinal scale | 3.02 | 2014 | 3.50 | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 2.1.1 | Level of young people's satisfaction as regards opportunities for professional and social realization in the border area (composite indicator) | Ordinal scale | 2.42 | 2014 | 3.00 | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 2.2.1 | Increased level of youth involvement in networks across the border | Ordinal scale | 2.45 | 2014 | 3.00 | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 3.1.1 | Increased level of preparedness to manage risks of transnational dimension | Ordinal scale | 1.90 | 2014 | 2.50 | 0 | 0 | 0 | 0 | | | | | | | | Frequency of reporting: 2018 2023 |
| RI 3.2.1 | Increased capacity for nature protection and sustainable use of common natural resources in the border region | Ordinal scale | 2.13 | 2014 | 2.50 | 0 | 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.

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 | |
| Cumulative value – outputs to be delivered by 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 | 11 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 14 | 19 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 1 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 7 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 8 | | | | | |

² Targets are optional for technical assistance priority axes.

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|---|----------|---|--------|----|---|---|---|---|---|---|--|--|--|--|--|
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 1 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 1 | 1 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 1.2.2 | Total number of newly established touristic products / services | Number | 5 | 0 | 0 | 0 | 0 | 3 | 3 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 7 | 7 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 0 | 0 | 0 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |

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|---|----------|--|--------|-----|---|---|---|----|-----|-----|--|--|--|--|--|
| Cumulative value – outputs to be delivered by 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 | 0 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 1.3.3 | Total number of joint events aimed at promotion and cultivation of the common traditions of the borderland areas | Number | 15 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 1 | 16 | 16 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 1 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 40 | 527 | 527 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 40 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 0 | 2 | 2 | | | | | |

| | | | | | | | | | | | | | | | |
|---|----------|---|--------|-----|---|---|---|---|-----|-----|--|--|--|--|--|
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 5 | 5 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 3.1.2 | Purchased specialised equipment related to disaster management | Number | 10 | 0 | 0 | 0 | 0 | 13 | 13 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 3 | 3 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 0 | 386 | 386 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|----------|--|---------|---------|---|---|---|---|---------|---------|--|--|--|--|--|
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 3.1.5 | Population benefiting from flood protection measures | Persons | 580 000 | 0 | 0 | 0 | 0 | 511300 | 511300 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 3.1.6 | Population benefiting from forest fire protection measure | Persons | 520 000 | 0 | 0 | 0 | 0 | 1206000 | 1206000 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 0 | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 3.2.2 | Total number of joint interventions, addressing the preservation and restoration of CBC ecosystems, as well as preservation and improvement of the quality of soils, air and water | Number | 12 | 0 | 0 | 0 | 0 | 5 | | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries] | OI 3.2.3 | Education and awareness raising joint initiatives, in the field of preservation and protection of natural heritage, biodiversity and landscape | Number | 15 | 0 | 0 | 0 | 0 | 4 | | | | | | |

| | | | | | | | | | | | | | | | |
|--|----------|--|--------|-----|---|----|---|----|---|--|--|--|--|--|---|
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Cumulative value – outputs to be delivered by 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 | 0 | 4 | | | | | | |
| Cumulative value – outputs delivered by operations [actual achievement] | | | | | 0 | 0 | 0 | 0 | | | | | | | |
| Actual achievement per year* | OI 4.1.1 | No of performed evaluations of the programme | Number | N/A | 0 | 0 | 0 | 0 | | | | | | | |
| | OI 4.1.2 | Updated MIS system | Number | N/A | 0 | 0 | 1 | 1 | | | | | | | |
| | OI 4.1.3 | No of Monitoring Committee meetings | Number | N/A | 0 | 1 | 2 | 1 | | | | | | | |
| | OI 4.1.4 | No of publicity events for beneficiaries | Number | N/A | 0 | 12 | 8 | 3 | | | | | | | |
| | OI 4.1.5 | Number of employees (full time) whose salaries are co-financed by technical assistance | Number | N/A | 0 | 5 | 7 | 28 | | | | | | | 9 BG FL controllers, 6 MA experts, 6 JS experts in Sofia, 4 JS experts in Nis, and 3 SR FL controllers. |

*The provided information is not cumulative.

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013)

| 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 % | 7 435 620,90 | 62,30 % | 7 318 794,76 | 431 377,93 | 3,61 % | 15 |
| Priority axis 2 | IPA | Less developed | Public | 8 525 565 | 84,99 % | 4 559 854,22 | 53,48 % | 4 426 648,56 | 477 593,15 | 5,60 % | 12 |
| Priority axis 3 | IPA | Less developed | Public | 10 230 676 | 84,99 % | 6 503 691,23 | 63,57 % | 6 499 251,28 | 212 306,26 | 2,08 % | 12 |
| Priority axis 4 TA | IPA | N/A | Public | 3 410 225 | 85,00 % | 1 119 672,00 | 32,83 % | 1 119 672,00 | 170 065,72 | 4,99 % | 3* |
| Total | IPA | NUTS III or equivalent | | 34 102 256 | 84,99 % | 19 618 838,35 | 57,53 % | 19 364 366,60 | 1 291 343,06 | 3,79% | 42 |

*The number of operations selected includes technical assistance projects for 2015, 2016 and 2017

Until 31 December 2017 the 1st Call project lead partners have requested advance and interim payments as the total eligible expenditures declared by beneficiaries (interim payments for year 2017 only) is equal to of EUR 1 121 277,34 (EUR 431 377,93 – under PA1, EUR 477 593,15 – under PA2, and EUR 212 306,26 – under PA3).

The number of operations selected under Priority axis „Technical assistance“ (3 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.

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, BG312, BG313, BG412, BG414, BG415 and NUTS III equivalent regions – Jablanica, Nis, Pcinja, Pirot and Zajecar | 7 435 620,90 | 7 318 794,76 | 431 377,93 | 15 |

| | | | | | | | | | | | | | | |
|------|-----|----------------|-----|----|----------|-----|----|-----|-----|--|--------------|--------------|------------|----|
| PA 1 | IPA | Less developed | 075 | 01 | 03 | N/A | d) | N/A | N/A | BG415 | 566 403,14 | 566 403,14 | 0,00 | 1 |
| PA 1 | IPA | Less developed | 075 | 01 | 03 | N/A | d) | N/A | N/A | BG415 | 566 403,14 | 566 403,14 | 0,00 | 1 |
| PA 1 | IPA | Less developed | 094 | 01 | 01/02/03 | N/A | d) | N/A | N/A | BG311, BG312, BG313, BG412, BG414 and NUTS III equivalent regions – Jablanica, Nis, Pcinja, Pirot and Zajecar | 6 296 531,39 | 6 179 705,25 | 403 268,17 | 13 |
| PA 1 | IPA | Less developed | 094 | 01 | 01 | N/A | d) | N/A | N/A | BG311, BG414 and NUTS III equivalent regions - Jablanica and Nis | 1 516 740,05 | 1 445 118,87 | 52 430,66 | 4 |
| PA 1 | IPA | Less developed | 094 | 01 | 02 | N/A | d) | N/A | N/A | BG312, BG412 and NUTS III equivalent regions –Pcinja, Pirot and Zajecar | 2 556 537,33 | 2 556 537,33 | 258 683,39 | 5 |
| PA 1 | IPA | Less developed | 094 | 01 | 03 | N/A | d) | N/A | N/A | BG312, BG313, BG414 and NUTS III equivalent region | 2 223 254,01 | 2 178 049,05 | 92 154,12 | 4 |

| | | | | | | | | | | | | | | |
|------|-----|----------------|---------------|----|----------|-----|----|-----|-----|---|--------------|--------------|------------|----|
| | | | | | | | | | | Jablanica | | | | |
| PA 1 | IPA | Less developed | 095 | 01 | 02 | N/A | d) | N/A | N/A | NUTS III equivalent region Nis | 572 686,37 | 572 686,37 | 28 109,76 | 1 |
| PA 1 | IPA | Less developed | 095 | 01 | 02 | N/A | d) | N/A | N/A | NUTS III equivalent region Nis | 572 686,37 | 572 686,37 | 28 109,76 | 1 |
| PA 2 | IPA | Less developed | 055, 109, 118 | 01 | 01/02/03 | N/A | e) | N/A | N/A | BG311, BG312, BG412 and NUTS III equivalent regions –Nis, Pirot and Zajecar | 4 559 854,22 | 4 426 648,56 | 477 593,15 | 12 |
| PA 2 | IPA | Less developed | 055 | 01 | 02 | N/A | e) | N/A | N/A | BG312 and NUTS III equivalent regions – Nis, Pirot and Zajecar | 2 189 109,87 | 2 144 392,47 | 88 677,76 | 4 |
| PA 2 | IPA | Less developed | 055 | 01 | 02 | N/A | e) | N/A | N/A | BG312, and NUTS III equivalent regions – Nis, Pirot and Zajecar | 2 189 109,87 | 2 144 392,47 | 88 677,76 | 4 |
| PA 2 | IPA | Less developed | 109 | 01 | 01/02 | N/A | e) | N/A | N/A | BG311 and NUTS III equivalent region Zajecar | 292 621,93 | 268 086,67 | 128 904,81 | 2 |
| PA 2 | IPA | Less | 109 | 01 | 01 | N/A | e) | N/A | N/A | BG311 | 148 128,40 | 136 130,73 | 103 935,20 | 1 |

| | | | | | | | | | | | | | | |
|-------------|------------|-----------------------|----------------------|-----------|-----------------|------------|-----------|------------|------------|--|---------------------|---------------------|-------------------|-----------|
| | | developed | | | | | | | | | | | | |
| PA 2 | IPA | Less developed | 109 | 01 | 02 | N/A | e) | N/A | N/A | NUTS III equivalent region Zajecar | 144 493,53 | 131 955,94 | 24 969,61 | 1 |
| PA 2 | IPA | Less developed | 118 | 01 | 02/03 | N/A | e) | N/A | N/A | BG312, BG412 and NUTS III equivalent regions –Pirov and Zajecar | 2 078 122,42 | 2 014 169,42 | 260 010,58 | 6 |
| PA 2 | IPA | Less developed | 118 | 01 | 02 | N/A | e) | N/A | N/A | BG312, BG412 and NUTS III equivalent regions – Pirov and Zajecar | 1 895 330,00 | 1 842 924,76 | 221 207,98 | 5 |
| PA 2 | IPA | Less developed | 118 | 01 | 03 | N/A | e) | N/A | N/A | BG412 | 182 792,42 | 171 244,66 | 38 802,60 | 1 |
| PA 3 | IPA | Less developed | 085 & 087 | 01 | 01/02/03 | N/A | b) | N/A | N/A | BG311, BG312, BG411, BG412, BG415 and NUTS III equivalent regions – Nis, Pcinja and Zajecar | 6 503 691,23 | 6 499 251,28 | 212 306,26 | 12 |
| PA 3 | IPA | Less developed | 085 | 01 | 01/02 | N/A | b) | N/A | N/A | BG311 and BG312 | 1 293 267,60 | 1 288 827,65 | 112 727,92 | 3 |
| PA 3 | IPA | Less developed | 085 | 01 | 01 | N/A | b) | N/A | N/A | BG311 | 729 871,75 | 729 871,75 | 84 347,46 | 2 |

| | | | | | | | | | | | | | | |
|----------------------|-----|----------------|-----|-----|----------|-----|-----|-----|-----|--|--------------|--------------|-----------|------|
| PA 3 | IPA | Less developed | 085 | 01 | 02 | N/A | b) | N/A | N/A | BG312 | 563 395,85 | 558 955,90 | 28 380,46 | 1 |
| PA 3 | IPA | Less developed | 087 | 01 | 01/02/03 | N/A | b) | N/A | N/A | BG311, BG312, BG411, BG412, BG415 and NUTS III equivalent regions – Nis, Pcinja, and Zajecar | 5 210 423,63 | 5 210 423,63 | 99 578,34 | 9 |
| PA 3 | IPA | Less developed | 087 | 01 | 01 | N/A | b) | N/A | N/A | BG311, BG411 and NUTS III equivalent region Pcinja | 2 302 187,29 | 2 302 187,29 | 32 552,50 | 4 |
| PA 3 | IPA | Less developed | 087 | 01 | 02 | N/A | b) | N/A | N/A | BG312, BG412, BG415 and NUTS III equivalent region Nis | 2 334 882,77 | 2 334 882,77 | 49 159,80 | 4 |
| PA 3 | IPA | Less developed | 087 | 01 | 03 | N/A | b) | N/A | N/A | NUTS III equivalent region Zajecar | 573 353,57 | 573 353,57 | 17 866,04 | 1 |
| Technical Assistance | IPA | N/A | 121 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 604 875,00 | 604 875,00 | 0,00 | 1* |
| | | | 122 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0,00 | 0,00 | 0,00 | - |
| | | | 123 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 43 980,00 | 43 980,00 | 0,00 |

* The number of operations selected includes the technical assistance project for 2017

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⁾ | 1 042 744,08 | 3,60% | 14 437,82 | 0,05% |

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)

(b) (Article 50(4) of Regulation (EU) No 1303/2013)

During 2017 no significant problems were encountered for Programme implementation and no risks to Programme performance were identified, but still one of the main challenges remain the fulfillment of the targets for the “underachieved” OIs as crucial step for the Programme’s overall performance. In view of the above, the Managing Authority came to the opinion that entirely new approach for ranking and selection of the projects to be financed in the framework of the 2nd call for proposals is needed. Thus the available funds under the 2nd call shall be allocated towards those OIs in need of more contracted projects, whereas projects fulfilling only OIs that have already been achieved shall only be contracted in case some funding still remains available.

As regards fulfilment of the requirements of Article 50(4) of Regulation (EU) No 1303/2013, the following is ensured:

- Article 5 - The role of the partners is ensured through their participation in the Programme Joint Monitoring Committee (JMC), composed of representatives of Bulgarian and Serbian 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.
- Article 7 and Article 8 - The principles on promotion of equality between men and women and non-discrimination, and on promotion of sustainable development were included in the Guidelines for Applicants. During the quality assessment, maximum points in the specific section of the Evaluation grid envisaged for assessment of expected contribution of project proposals to the horizontal principles defined under the Programme shall be given to those projects that clearly demonstrate coherence with all 3 horizontal principles.
- Support used for climate change objectives - The Second call for proposals will give priority to those projects under PA 3 “Environment” which will contribute to achievement of the set OIs’ targets and thus the number of projects which support climate change objectives will be increased.

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

A citizen's summary of the contents of the annual implementation report is attached here as a separate file in the form of annex. It shall be made public through publication 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