

# **ANNUAL IMPLEMENTATION REPORT**

for the years **2014-2015**

of the

**INTERREG IPA Cross-border Cooperation Programme  
Bulgaria – Serbia**

**CCI No 2014TC16I5CB007**

## 1. IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

CCI	2014TC16I5CB007
Title	INTERREG IPA Cross-border Cooperation Programme Bulgaria – Serbia
Reporting year	2014 & 2015
Date of approval of the report by the monitoring committee	21 April 2016

The current Annual Implementation Report (AIR) is drawn up in accordance with the provisions of Article 42(1) of Commission Implementing Regulation (EU) No 447/2014 in relation to Article 50(2) of Regulation (EU) No 1303/2013 and Article 14(3)(a) of Regulation (EU) No 1299/2013 and is the first one since the Programme was adopted by the European Commission.

## 2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME

The preparation of the INTERREG IPA Cross-border Cooperation Programme Bulgaria – Serbia (hereinafter referred to as “the Programme”) had started as soon as the European Commission gave its favourable opinion for continuation of the bilateral cooperation between Bulgaria and its neighbouring countries, IPA II beneficiaries - Serbia, the former Yugoslav Republic of Macedonia and Turkey (letter Ares(2013)3245606-15/10/2013).

The programming process took place over the year 2014. As part of this process, wide public consultations between different stakeholders related to the specific cross-border needs and perspectives of the new Programme were organized and conducted in March and April 2014, in 6 regions in Bulgaria and in 5 regions in Serbia. On 19 August 2014 the Joint Working Group responsible for the elaboration of the new Programme approved the final draft of the document during the meeting in Sofia. The Programme was designed in the framework of the European strategy for a smart, inclusive and sustainable growth and in coherence with the relevant national strategic documents and principles of multi-level governance and transparency.

The final draft of the INTERREG IPA Cross-border Cooperation Programme Bulgaria – Serbia was submitted to the European Commission for approval on 22 September 2014. Since the EC observations on the Programme specificities were closed in the first half of year 2015, the Programme was officially approved on 30 July 2015 with EC Decision № C (2015) 5444.

Following the provisions of Article 36(2) of Regulation (EU) No 447/2014 a single Managing Authority (MA), a single Certifying Authority (CA) and a single Audit Authority (AA) were designated with Decision No 156 as of 21 March 2014 of the Council of Ministers of the Republic of Bulgaria. Directorate General for Territorial Cooperation Management at Ministry of Regional Development and Public Works of the Republic of Bulgaria is designated as the MA under the Programme with counterpart – the Serbian European Integration Office, acting as National Authority.

In accordance with the provisions of Articles 124 and 72 of Regulation (EU) No 1303/2013 the Description of the functions and procedures in place for the Managing Authority and the Certifying

Authority were sent to the Audit Authority for review on 16 January 2015. The audit accreditation mission is on-going and the final audit conclusions are expected in March 2016.

Following the provisions of Article 37 of Regulation (EU) No 447/2014 and Article 23(4) of Regulation (EU) No 1299/2013, the MA established decentralised First level control system, while the NA established centralised First level control system. The verification of expenditures made by the Programme beneficiaries on each territory will be performed by controllers designated by MA or NA.

During 2015 the Managing Authority, National Authority and the Joint Secretariat prepared in close cooperation all documents needed for the smooth and timely launching of the First Call for Proposals. In order to reach high degree of transparency, the first draft of the Guidelines for applicants was published for public review on 22 April 2015. Potential applicants and other interested stakeholders were invited to express their suggestions and comments on the application package.

On 30 July 2015 in Sofia the first Joint Monitoring Committee (JMC) meeting under the INTERREG IPA Cross-border Cooperation Programme Bulgaria – Serbia took place. During this session the JMC members approved the JMC Rules of procedure, the final version of the Application package under the First Call for proposals, the Multiannual Technical Assistance Strategy and the Communication Strategy of the Programme for 2014 – 2020.

Subsequently the First Call for proposals was launched on 17 August 2015 with a deadline for submission of project applications – 18 January 2016. The Call was open to all specific objectives under Priority axis 1, Priority axis 2 and Priority Axis 3 with total budget amounted at € 12 687 304, 24 (i.e. covering the Programme budget allocation for the years 2015, 2016 and 2017).

In order a broad visibility of the Programme to be ensured, series of events were organized to promote the Call and to assist all interested applicants from the cross-border region in project preparation and submission.

Information campaign on the First call for proposals was organized and conducted in September and October 2015. In addition, a Partner Search Forum was held on 20 October 2015 in Nis (Serbia). The events, part of the information campaign, gave rise to a strong public interest, as the total number of participants reached 963 people, which was also confirmed by the number of project proposals received within the deadline of the First Call – 388, in total.

In 2015 the MA sub-contracted development of the Management Information System (MIS) and Beneficiaries Portal to be used for implementation of the INTERREG IPA Cross-border Cooperation Programme Bulgaria – Serbia. MIS is based on the system created for the needs of the Bulgaria - Serbia CBC Programme 2007-2013. The systems provide opportunities for electronic data exchange in compliance with the provisions of Article 122(3) of Regulation (EU) 1303/2013.

During the reporting period consultations on the Memorandum on Implementation of the Programme were carried out between representatives of the two partnering countries. The national coordination procedures are going to be finalized in 2016 and after that the Memorandum between the Republic of Bulgaria and the Republic of Serbia will be concluded.

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

The Programme addresses thematic priorities (d) “Encouraging tourism and cultural and natural heritage”, (b) “Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management”, and (e) “Investing in youth, education and skills” as identified in Annex of Regulation (EU) No 231/2014.

During the programming process, the selected thematic priorities were structured into the following Programme Priority Axes (PA):

- PA 1 “Sustainable tourism“
- PA 2 “Youths”
- PA3 “Environment”
- PA 4 “Technical Assistance“

Brief information about the Programme specific objectives is provided in Annex 1 "Citizen's summary" to this report.

#### 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	Sustainable Tourism	<i>The implementation of the PA 1 has started with launching the first open call for proposals. The first outputs are provisionally expected in the second half of year 2017.</i>  <i>No problems faced till the moment.</i>
2	Youths	<i>The implementation of the PA 2 has started with launching the first open call for proposals. The first outputs are provisionally expected in the second half of year 2017.</i>  <i>No problems faced till the moment.</i>
3	Environment	<i>The implementation of the PA 3 has started with the first call for proposals launched. The first outputs are provisionally expected in the second half of year 2017.</i>  <i>No problems faced till the moment.</i>
4	Technical Assistance	<i>During the reporting period the following activities were implemented under PA 4 :</i> <ul style="list-style-type: none"> <li>- <i>Appointment of controllers for verification of expenditures;</i></li> <li>- <i>Organization and conduction of two information seminars for potential beneficiaries across the eligible cross-border area;</i></li> <li>- <i>Official opening of the information campaign for the First Call for project proposals;</i></li> <li>- <i>Organization and conduction of 6 info days in Bulgaria and 4 info days in Serbia regarding the First Call for project proposals;</i></li> <li>- <i>Organization and conduction of Partner Search Forum in Nis;</i></li> <li>- <i>Announcements in the mass media regarding the above events.</i></li> </ul> <i>The MA and NA have not encountered any problems so far.</i>

#### 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<sup>1</sup> (by priority axis and specific objective)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023) (quantitative target)	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										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										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										Frequency of reporting: 2018 2023

<sup>1</sup> **NB.** – 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 sent to the European Commission for approval.

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										Frequency of reporting: 2018 2023
2.2.1	Increased level of youth involvement in networks across the border	Ordinal scale	2.45	2014	3.00	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										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										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 <sup>(2)</sup> (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									
Fully implemented operations [actual achievement]					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									
Fully implemented operations [actual achievement]					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									
Fully implemented					0	0									

<sup>2</sup> Targets are optional for technical assistance priority axes.

operations [actual achievement]																	
Selected operations [forecast provided by beneficiaries]	OI 1.1.4	Total number of information access facilities created/upgraded	Number	5	0	0											
Fully implemented operations [actual achievement]					0	0											
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											
Fully implemented operations [actual achievement]					0	0											
Selected operations [forecast provided by beneficiaries]	OI 1.2.2	Total number of newly established touristic products / services	Number	5	0	0											
Fully implemented operations [actual achievement]					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											
Fully implemented					0	0											



operations [actual achievement]																	
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											
Fully implemented operations [actual achievement]					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											
Fully implemented operations [actual achievement]					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 traditions of the borderland areas	Number	15	0	0											
Fully implemented operations [actual achievement]					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											
Fully implemented					0	0											

operations [actual achievement]																	
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											
Fully implemented operations [actual achievement]					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											
Fully implemented operations [actual achievement]					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											
Fully implemented operations [actual achievement]					0	0											
Selected operations [forecast provided by beneficiaries]	OI 3.1.2	Purchased specialised equipment related to disaster management	Number	10	0	0											
Fully implemented					0	0											

operations [actual achievement]																	
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											
Fully implemented operations [actual achievement]					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											
Fully implemented operations [actual achievement]					0	0											
Selected operations [forecast provided by beneficiaries]	OI 3.1.5	Population benefiting from flood protection measures	Persons	580 000	0	0											
Fully implemented operations [actual achievement]					0	0											
Selected operations [forecast provided by beneficiaries]	OI 3.1.6	Population benefiting from forest fire protection measure	Persons	520 000	0	0											
Fully implemented					0	0											

operations [actual achievement]																	
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											
Fully implemented operations [actual achievement]					0	0											
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											
Fully implemented operations [actual achievement]					0	0											
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											
Fully implemented operations [actual achievement]																	
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											
Fully implemented																	

operations [actual achievement]																
	OI 4.1.1	No of performed evaluations of the programme	Number	N/A	0	0										
	OI 4.1.2	Updated MIS system	Number	N/A	0	0										
	OI 4.1.3	No of Monitoring Committee meetings	Number	N/A	0	1										
	OI 4.1.4	No of publicity events for beneficiaries	Number	N/A	0	12										
	OI 4.1.5	Number of employees (full time) whose salaries are co-financed by technical assistance	Number	N/A	0	5*										

\* Share of 33,3% of the salaries of First level Controllers are covered by the technical assistance under the programme

**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

Not applicable

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

*Table 3*

**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	NUTS III or equivalent	Public	11 935 790	84,9999874 %	0.00	0	0.00	0.00	0	0
Priority axis 2	IPA	NUTS III or equivalent	Public	8 525 565	84,9999853 %	0.00	0	0.00	0.00	0	0
Priority axis 3	IPA	NUTS III or equivalent	Public	10 230 676	84,9999941 %	0.00	0	0.00	0.00	0	0
Priority axis 4 TA	IPA	NUTS III or equivalent	Public	3 410 225	85,0000000 %	0.00	0	0.00	0.00	0	0
<i>Total</i>	IPA	NUTS III or equivalent		<b>34 102 256</b>		<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0.00</i>	<i>0</i>	<i>0</i>

Table 4

**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		Financial data							
	Fund	Category of region	1 Intervention field	2 Form of finance	3 Territorial dimension	4 Territorial delivery mechanism	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
Sustainable tourism	IPA	NUTS III or equivalent	094 Protection, development and promotion of public cultural and heritage assets				0,00	0,00	0,00	0
			075 Development and promotion of tourism services in or for SMEs				0,00	0,00	0,00	0
			095 Development and promotion of public cultural and heritage services				0,00	0,00	0,00	0
			01 Non-repayable grant			0,00	0,00	0,00	0	
				05 Cooperation across national or regional			0,00	0,00	0,00	0

					programme areas in national context					
Youths	IPA	NUTS III or equivalent	055 - Other social infrastructure contributing to regional and local development				0,00	0,00	0,00	0
			118 - Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes				0,00	0,00	0,00	0
			109 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving				0,00	0,00	0,00	0



			employability							
				01 - Non-repayable grant			0,00	0,00	0,00	0
					<i>05 - Cooperation across national or regional programme areas in national context</i>		0,00	0,00	0,00	0
Environment	IPA	NUTS III or equivalent	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				0,00	0,00	0,00	0
			085 - Protection and enhancement of biodiversity, nature protection and green infrastructure				0,00	0,00	0,00	0
				01 - Non-repayable			0,00	0,00	0,00	0

				grant						
					05 - Cooperation across national or regional programme areas in national context		0,00	0,00	0,00	0
Technical Assistance	IPA	NUTS III or equivalent	121 - Preparation, implementation, monitoring and inspection				0,00	0,00	0,00	0
			122 - Evaluation and studies				0,00	0,00	0,00	0
			123 - Information and communication				0,00	0,00	0,00	0
				01 - Non-repayable grant			0,00	0,00	0,00	0
					05 - Cooperation across national or regional programme areas in national context		0,00	0,00	0,00	0

Table 5

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

	The amount of IPA support <sup>(3)</sup> 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 IPA at programme level *100)</i>	Eligible expenditure of IPA 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 IPA at programme level *100)</i>
1	2	3	4	5
All or part of an operation outside the Union part of the programme area <sup>(4)</sup>	0.00	0	0.00	0

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

Not applicable for current report.

**5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN** (article 50(2) of Regulation (EU) No 1303/2013)

(a) Issues which affect the performance of the programme and the measures taken

The Programme performance has not been affected by any issues during the reporting period.

<sup>3</sup> ERDF support is fixed in the Commission decision on the respective cooperation programme.

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

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

A citizen's summary of the contents of the current annual implementation report as well as general information about the Programme is presented in the form of annex and is made public 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