

Interreg - IPA CBC 
Bulgaria - Serbia

ANNUAL IMPLEMENTATION REPORT 2018

Interreg-IPA CBC Bulgaria - Serbia Programme
CCI NO 2014TC16I5CB007



ANNUAL IMPLEMENTATION REPORT

2018

for the

INTERREG-IPA Bulgaria - Serbia CBC Programme

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PART A

DATA REQUIRED EVERY YEAR ('LIGHT REPORTS') (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

CCI	2014TC16I5CB007
Title	<i>Interreg-IPA Cross-border Cooperation Programme Bulgaria – Serbia</i>
Version	5.0
Reporting year	2018
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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)

By the end of 2018 a total of 31 projects were finalized and 6 investment projects are in their final stages of implementation and are expected to be finalized in 2019. The total verified amount for the projects is EUR 6 903 441,03 (37% from the contracted budget) until the end of 2018. Having in mind that some investment projects are still under implementation and final payments for most projects finalized at the end of 2018 are still pending, the absorption rate is good. With regard to used resources, after approved reallocation of funds there has been approx. 3% overcontracting of the total funding available for Priority Axis 1 - Sustainable Tourism and approx. 5% overcontracting of the total funding available for Priority Axis 3 – Environment. No overcontracting has occurred for Priority Axis 2 – Youth. The financial implementation of the Programme is progressing at a good pace.

During year 2018 the 2nd Call for proposals under the INTERREG-IPA Cross-border Cooperation Programme Bulgaria – Serbia (the Programme) was launched. The call was open on 22nd of January 2018 for all specific objectives under Priority axis 1 “Sustainable Tourism”, Priority axis 2 “Youths” and Priority Axis 3 “Environment” with a total budget - EUR 12 121 602 (i.e. covering the Programme budget allocations for the years 2019 and 2020). For the first time the project proposal are submitted entirely in electronic form using the Management Information System of the Programme.

Within the specified deadline 235 project proposals were received and a total of 170 passed the administrative compliance and eligibility check and were subject to Joint Monitoring Committee (JMC) approval (decision from JMC Meeting held on 26.11.2018 in Nis, Serbia) before proceeding to the technical and quality assessment. Following the Programme rules, all rejected at the administrative compliance and eligibility stage project proposals (65) had the possibility to submit complaints. In total 30 complaints were received, reviewed by a Complaint Panel (including MA, NA and JS representatives) and as a result one project proposal was found to meet the administrative compliance and eligibility criteria and proceeded for further evaluation.

The second stage of the assessment process (technical and quality assessment) was performed in the period 17 September – 29 October 2018. The number of projects that received average technical

scores above the threshold for technical admissibility (65 points out of maximum 100) was 140, showing a sufficient number of good quality projects. Since the Programme is allocating all of its remaining funding in the 2nd Call for Proposals, fulfilment of all targets for the “underachieved” Output indicators (OI) is essential for assessment of the Programme’s overall performance. Regarding this a separate ranking of project proposals under each OI has been made. Proposal for contracting is based on the separate ranking lists for each Output Indicator and necessary project proposals in order the indicators to be achieved. As a result of the contracting and implementation of the projects thus far, it became apparent that the funds envisaged for Priority Axis 3 would not be sufficient to achieve the indicators within the First Call for Proposals. Therefore, in the planning and budgeting process for the 2nd Call for proposals priority for projects targeting underachieved indicators has been given.

At the JMC meeting carried out on 26 November 2018 the JMC members provisionally approved for financing 41 project proposals at the total amount of EUR 12 712 316,27, distributed as follow:

- PA 1 “Sustainable Tourism“ – 15 project proposals at the total amount of EUR 3 497 611,23;
- PA 2 “Youth“ – 9 project proposals at the total amount of EUR 1 328 962,92;
- PA 3 “Environment” – 17 project proposals at the total amount of EUR 7 885 742,12.

All applicants which had objections concerning the results were given the possibility to submit complaints.

Following the JMC’s decision from 26.11.2018, the project proposals, received at least 65 points at the technical and quality assessment, for which funding is unavailable were put in the reserves lists. By the same decision, the Managing Authority was granted a mandate for negotiations with the provisionally approved projects in order to establish the final amount to be contracted under each project and to present the results to the JMC for final approval. After completion of the pre-contracting procedures and signature of the subsidy contracts under the current Call for proposals, the Managing Authority was allowed also to initiate a procedure for Programme amendment, concerning re-allocation of funds from Priority Axes 1 and 2 to Priority Axis 3 in order to ensure achievement of the referred OIs.

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

3.1. Overview of the implementation

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	<p><i>In total 82 applications were received under the 1st Call for proposals, out of which 14 projects (12 investment and 2 “soft measures”) for a total amount of EUR 7 135 454,47 were under implementation in 2018. Three of them have concluded by the end of the year. The progress is as follows:</i></p> <ul style="list-style-type: none"> • <i>SO 1.1 – 12 projects – all of them being “investment” type with duration of between 12 and 24 months. Nine projects were concluded by the end of the year.</i> <p><i>As indicated in Table 2 – the targets for three of the OIs were partially achieved in 2018, and the target OI 1.1.4 has been fully achieved. Only the target for OI 1.1.1 is expected to be underachieved by the end of the implementation period of the projects from the 1st Call for proposals. Additional projects will be attracted under the 2nd CfP related to reconstruction/restoration of cultural and historical touristic objects.</i></p>

	<ul style="list-style-type: none"> SO 1.2 – 2 projects have been implemented – 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 have achieved 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 terminated in 2017, 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 YOUTHS	<p>A total of 85 applications have been received and passed the administrative and technical assessment under the 1st Call for proposals, including one reassessed project. As a result, 11 projects (7 investment and 4 “soft measures”) for a total amount of EUR 4 421 821,03 were under implementation in 2018 and have been concluded by the end of the year. The progress is as follows:</p> <ul style="list-style-type: none"> SO 2.1 “Skills and entrepreneurship” – 7 investment and 2 “soft measures”. <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 have been achieved by the end of the implementation period of the projects under the 1st Call for proposals.</p> <ul style="list-style-type: none"> SO 2.2 “People to People Networking” – 2 projects (both “soft measures”). <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 in 2017, no significant problems have been faced during the implementation phase of the projects under the priority axis.</p>
3 ENVIRONMENT	<p>A total of 41 applications were received under the 1st Call for proposals and passed the administrative and technical assessment. A total of 12 projects (11 investment and 1 “soft measures”) at a total amount of EUR 6 511 370,76 were under implementation in 2018 under PA 3 “Environment”. The progress is as follows:</p> <ul style="list-style-type: none"> SO 3.1 – Joint Risk Management – 9 projects, all of which are investment type with duration 12-24 months. Seven of the projects have ended in 2018 and two remain under implementation. <p>Four of the six output indicators will remain slightly underachieved, while OI. 3.1.2 “Purchased specialised equipment related to disaster management” and OI. 3.1.6 “Population benefiting from fire protection measure” are reportedly 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), of which 2 have ended in 2018 and 1 remains under implementation. <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. Apart this no significant problems were detected in year 2018.</p>
4 TECHNICAL ASSISTANCE	<p>The Annual Technical Assistance Plan for 2018 was approved by the JMC on 11th of January 2018 together with a detailed budget breakdown and rules on Eligibility of Technical Assistance Expenditures. The indicative budget of Priority axis 4 „Technical assistance“ for year 2018 amounted to EUR 665 210,00 or about 19,51 % 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, trainings, meetings, etc., including activities related to the 2nd Call for proposals.</p>

	<p><i>The Programme management activities in 2018 included organizing and conducting of technical and JMC meeting for approval of the list for financing of projects under the three Priority Axes under the 2nd Call for proposals (on 26 November 2018 in Pirot, 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.).</i></p> <p><i>Programme activities and expenses throughout the year included also:</i></p> <ul style="list-style-type: none"> - <i>Contract for implementation evaluation under Interreg – IPA CBC Programmes</i> - <i>Rent of hall and equipment for events;</i> - <i>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).</i> - <i>Remuneration for external assessors</i> <p><i>No problems were detected in year 2018.</i></p>
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3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Table 1

Result indicators (by priority axis and specific objective)

Automatic from SFC						ANNUAL VALUE										Observations (if necessary)
ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	2018 TOTAL	2018 QUALITATIVE	2017 TOTAL	2017 QUALITATIVE	2016 TOTAL	2016 QUALITATIVE	2015 TOTAL	2015 QUALITATIVE	2014 TOTAL	2014 QUALITATIVE	
1.1.1	Increased visitors to the cross-border region	percentage	642,269.00	2014	1.00	916,236.00										Frequency of reporting: 2018, 2023
1.2.1	Increased level of joint and integrated approaches to sustainable tourism development in the border area	scale	2.12	2014	2.50		2.82		0		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	scale	3.02	2014	3.50		3.05		0		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 area	scale	2.42	2014	3.00		2.84		0		0		0		0	Frequency of reporting: 2018, 2023

2.2.1	Increased level of youth involvement in networks across the border	scale	2.45	2014	3.00		2.55		0		0		0		0	Frequency of reporting: 2018, 2023
3.1.1	Increased level of preparedness to manage risks of transnational dimension	scale	1.90	2014	2.50		2.33		0		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	scale	2.13	2014	2.50		2.34		0		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 ⁽¹⁾ (2023)	CUMULATIVE VALUE					Observations (if necessary)
					2014	15	16	17	18	
S=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	11	11	
F=Cumulative value —					0	0	0	0	2	

¹ Targets are optional for technical assistance priority axes.

outputs delivered by operations [actual achievement]											
S=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	19	19		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	1	8		
S=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	7	7		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	1		
S=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	8	8		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	1	3		
S=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	1	1		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	1		
S=Cumulative value — outputs to be delivered by selected operations	OI 1.2.2	Total number of newly established touristic products /	Number	5	0	0	0	3	3		

[forecast provided by beneficiaries]		services									
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	3		
S=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	7	7		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	7		
S=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		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	0		
S=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		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	0		
S=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		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	0		

S=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	16	16	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	1	12	
S=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	527	527	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	40	500	
S=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	2	2	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	2	
S=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	5	5	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	3	
S=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	13	13	

F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	3	
S=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	3	3	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	2	
S=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	386	386	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	183	
S=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	511300	511300	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	808658	
S=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	120600	1206000	
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	280898	
S=Cumulative value —	OI 3.2.1	Protected areas/Natura 2000	Number	5	0	0	0	0	0	

outputs to be delivered by selected operations [forecast provided by beneficiaries]		sites in the border region with EU conform management plans									
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	0		
S=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	5	5		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	2		
S=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	4	4		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	2		
S=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	4	4		
F=Cumulative value — outputs delivered by operations [actual achievement]					0	0	0	0	4		
F=Cumulative value — outputs delivered by operations [actual achievement]	OI 4.1.1	No of performed evaluations of the programme	Number	2	0	0	0	0	1	Not cumulative.	
S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries]			Number		0	0	0	0	0	0	Not cumulative.

F=Cumulative value — outputs delivered by operations [actual achievement]	OI 4.1.2	Updated MIS system	Number	1	0	0	1	1	1	Not cumulative.
S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries]			Number		0	0	1	1	1	Not cumulative.
F=Cumulative value — outputs delivered by operations [actual achievement]	OI 4.1.3	No of Monitoring Committee meetings	Number	14	0	1	2	1	2	Not cumulative.
S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries]			Number		0	1	2	1	2	Not cumulative.
F=Cumulative value — outputs delivered by operations [actual achievement]	OI 4.1.4	No of publicity events for beneficiaries	Number	4	0	12	8	3	13	Not cumulative.
S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries]			Number		0	12	8	3	13	Not cumulative.
F=Cumulative value — outputs delivered by operations [actual achievement]	OI 4.1.5	Number of employees (full time) whose salaries are co-financed by technical assistance	Number	8	0	5	12	28	27	Not cumulative. 9 BG FL controllers, 5 MA experts, 6 JS experts in Sofia, 4 JS experts in Nis, and 3 SR FL controllers.
			Number		0	5	12	28	22	Not cumulative. 9 BG FL controllers, 6 JS experts in Sofia, 4 JS experts in Nis, and 3 SR FL controllers.

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

Table 3

Information on the milestones and targets defined in the performance framework

Priority axis	Ind type	Id	Indicator	Measurement unit	Milestone for 2018 total	Final target (2023) total	2018	2017	2016	2015	2014	Observations
1	F	1	Eligible certified expenditure of the priority axis 1 "Sustainable Tourism"	EUR	734 770	10 145 420,00	2 012 900,30	105 202,86	0	0	0	Total certified amount 2 419 450,92 EUR (IPA + national funding)
1	I	1.1.2	Number of projects contracted related to small scale technical infrastructure, encouraging the visits to the tourist attractions	number	8	9	11	11	8	0	0	Signed contracts
1	O	1.1.2	Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions	number	4	15	8	1	0	0	0	Based on the project contracted and their duration
1	O	1.2.3	Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area	number	4	8	7	0	0	0	0	Based on the project contracted and their duration

2	F	2	Eligible certified expenditure of the priority axis 2 "Youths"	EUR	524 836	7 246 729,00	1 980 434,54	205 579,49	0	0	0	Total certified amount 2 329 923,04 EUR (IPA + national funding)
2	I	2.1.1	Number of projects contracted related to youth-related small-scale infrastructure, training and information facilities	number	9	9	8	8	8	0	0	Signed contracts
2	O	2.1.1	Total number of supported youth-related small-scale infrastructure, training and information facilities	number	2	15	12	1	0	0	0	Based on the project contracted and their duration
3	F	3	Eligible certified expenditure of the priority axis 3 "Environment"	EUR	629 803	8 696 074,00	1 828 420,99	111 520,38	0	0	0	Total certified amount 2 154 067,07 EUR (IPA + national funding)
3	I	3.1.1	Number of projects contracted addressing joint early warning and disaster management systems	number	5	6	5	5	5	0	0	Based on the project contracted and their duration
3	O	3.1.1	Total number of joint activities aimed at	number	2	6	3	0	0	0	0	Based on the project contracted and their

			establishing joint early warning and disaster management systems										duration
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*Member States submit cumulative values for output indicators. Values for financial indicators are cumulative. Values for the key implementation steps are cumulative if the key implementation steps are expressed by a number or percentage. If the achievement is defined in a qualitative way, the table should indicate whether they are completed or not.

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 17 of the Programme)

As set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 (Model for transmission of financial data) and table 17 of model for cooperation programmes under IPA.

Priority Axis	Calculation basis	Total funding	Co-financing rate	Total eligible cost of operations selected for support	Proportion of the total allocation covered with selected operations	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries	Number of operations selected	Total eligible expenditure incurred by beneficiaries and paid by 31/12/2018 and certified to the Commission
1	Total	11,935,790.00	85.00%	7,435,620.90	62.30%	7,318,794.76	3,611,141.95	30.25%	15	2,012,900.30
2	Total	8,525,565.00	85.00%	4,559,854.22	53.48%	4,427,697.97	2,887,849.37	33.87%	12	1,980,434.54
3	Total	10,230,676.00	85.00%	6,503,691.23	63.57%	6,499,251.28	3,206,954.96	31.35%	12	1,828,420.99
4	Total	3,410,225.00	85.00%	1,784,882.00	52.34%	1,784,882.00	412,825.72	12.11%	8	
Grand total		34,102,256.00	85.00%	20,284,048.35	59.48%	20,030,626.01	10,118,772.00	29.67%	47	5,821,755.83

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	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic priority dimension	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
1	075	01	03	07	d	24	BG415	566,403.14	566,403.14	0.00	1
1	094	01	01	07	d	24	BG311	185,984.61	178,983.20	115,958.52	1
1	094	01	01	07	d	24	BG414	598,501.52	598,501.52	492,824.58	1
1	094	01	01	07	d	24	RS	732,253.92	667,634.15	86,611.29	2
1	094	01	02	07	d	24	BG312	589,136.62	589,136.62	0.00	1
1	094	01	02	07	d	24	BG412	300,166.43	300,166.43	154,508.07	1
1	094	01	02	07	d	24	RS	1,667,234.28	1,667,234.28	602,432.29	3
1	094	01	03	07	d	24	BG312	588,460.10	543,255.14	533,994.18	1
1	094	01	03	07	d	24	BG313	556,028.60	556,028.60	352,079.51	1
1	094	01	03	07	d	24	BG414	504,406.27	504,406.27	369,841.72	1
1	094	01	03	07	d	24	RS	574,359.04	574,359.04	366,088.21	1
1	095	01	02	07	d	24	RS	572,686.37	572,686.37	536,803.58	1
2	055	01	02	07	e	24	BG312	596,646.73	596,646.73	246,626.65	1
2	055	01	02	07	e	24	RS	1,592,463.14	1,547,745.74	897,513.96	3
2	109	01	01	07	e	24	BG311	148,128.40	136,130.73	141,583.74	1
2	109	01	02	07	e	24	RS	144,493.53	131,955.94	139,401.97	1
2	118	01	02	07	e	24	BG312	144,763.19	131,666.96	136,116.94	1
2	118	01	02	07	e	24	BG412	790,675.44	752,415.84	345,629.79	2
2	118	01	02	07	e	24	RS	959,891.37	959,891.37	830,664.81	2
2	118	01	03	07	e	24	BG412	182,792.42	171,244.66	150,311.51	1
3	085	01	01	07	b	24	BG311	729,871.75	729,871.75	662,269.84	2
3	085	01	02	07	b	24	BG312	563,395.85	558,955.90	376,382.61	1
3	087	01	01	07	b	24	BG311	547,711.82	547,711.82	256,438.11	1
3	087	01	01	07	b	24	BG411	1,169,015.78	1,169,015.78	339,077.85	2
3	087	01	01	07	b	24	RS	585,459.69	585,459.69	144,312.96	1
3	087	01	02	07	b	24	BG312	579,499.83	579,499.83	13,486.94	1
3	087	01	02	07	b	24	BG412	581,345.46	581,345.46	559,466.89	1
3	087	01	02	07	b	24	BG415	590,306.06	590,306.06	437,887.22	1
3	087	01	02	07	b	24	RS	583,731.42	583,731.42	399,766.50	1
3	087	01	03	07	b	24	RS	573,353.57	573,353.57	17,866.04	1

4	121	01				BG	1,041,440.00	1,041,440.00	85,595.32	4
4	121	01				RS	743,442.00	743,442.00	327,230.40	4

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 ⁽²⁾ 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 ⁽³⁾	1 226 757,74	4,00 %	341 142,05	1,11 %

² ERDF support is fixed in the Commission decision on the respective cooperation programme.

³ 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)

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, including the name and reference period of the evaluation reports used.

NAME	FUND	FROM MONTH	FROM YEAR	TO MONTH	TO YEAR	TYPE OF EVALUATION	THEMATIC PRIORITY	TOPIC	FINDINGS
Implementation evaluation of Interreg - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria	IPA(e)	8	2018	3	2019	Process	d, e, b	<p>The overall objective of the evaluation of the implementation of the 3 (three) Interreg - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria in terms of assessment of the current programme progress and providing recommendations for further improvement of the overall management and implementation of each of the programmes, which could contribute towards successful achievement of their objectives, results and outputs.</p>	<p>The Programme has a well elaborated indicator system, which allows provision of information for the achievement of results and outputs. Most indicators are measurable and time bound, with achievable target values for year 2023.</p> <p>The changed mechanism for selection of project proposals under the Second Call has significant positive impact on the projected achievement of relevant Programme targets. Data shows that all 23 OIs will reach their target values, if the projects proposed for financing under the Second Call are contracted and implemented as planned.</p> <p>There is a high level of coherence between the envisaged communication activities and the objectives set in the Communication strategy of the Programme.</p> <p>Overall, implemented communication activities were adequately tailored to different target groups.</p>

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)

FOR EACH PRIORITY AXIS — Assessment of the information provided above and progress towards achieving the objectives of the programme, including the contribution of the ERDF to changes in the value of result indicators, when evidence is available from evaluations

The Managing Authority has launched an online survey for monitoring of the result indicators to measure the achievement of the programme specific objectives, targeted at programme stakeholders. The questionnaires were also published in Bulgarian and Serbian.

For Priority Axis 1 - Sustainable tourism, a total of 17 projects have been either under implementation or have concluded by the end of 2018. The recapitulation for the achievement of the three Result Indicators under the priority axis, according to Table 1 are as follows:

RI 1.1.1 Increased visitors to the cross-border region – with the achievement of 916 236 the target value for 1% increase of the baseline of 642 269 visitors is overachieved by the end of 2018.

RI 1.2.1 Increased level of joint and integrated approaches to sustainable tourism development in the border area – the target value of 2.50 due until 2023 has already been overachieved by the end of 2018.

RI 1.3.1 Increased level of community involvement and awareness about sustainable use of cross-border tourist resources – the target value of 3.50 remains slightly underachieved at 3.05 by the end of 2018.

For Priority Axis 2 – Youths, a total of 12 projects have been either under implementation or have concluded by the end of 2018. The recapitulation for the achievement of the Result Indicators under the priority axis are as follows:

RI 2.1.1 Level of young people's satisfaction as regards opportunities for professional and social realization in the border area (composite indicator) – the target of 3.00 due until 2023 remains slightly underachieved at 2.84 by the end of 2018.

RI 2.2.1 Increased level of youth involvement in networks across the border - the target of 3.00 due until 2023 remains slightly underachieved at 2.55 by the end of 2018.

For Priority Axis 3 – Environment, a total of 12 projects have been either under implementation or have concluded by the end of 2018. The recapitulation for the achievement of the Result Indicators under the priority axis are as follows:

RI 3.1.1 Increased level of preparedness to manage risks of transnational dimension – the target value of 2.50 due until 2023 remains slightly underachieved at 2.33 by the end of 2018.

RI 3.2.1 Increased capacity for nature protection and sustainable use of common natural resources in the border region – the target value of 2.50 due until 2023 remains slightly underachieved at 2.34 by the end of 2018.

For Priority Axis 4 – Technical Assistance - Not applicable.

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)

An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination, including, where relevant, depending on the content and objectives of the cooperation programme, an overview of specific actions taken to promote equality between men and women and to promote non-discrimination, including accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations

Project applicants under the Programme are invited to explain in their application form how their project will comply with and possibly even strengthen gender equality. At the end of the project the partners are asked to report how their project activities and outputs actually contributed to this horizontal principle. Based on the aggregated contributions reported by the projects, the Programme will be able to monitor and demonstrate how concretely contributed to equality between men and women. However, no specific selection criteria are foreseen to favor the development of projects dealing with this issue. The application of the horizontal principles at project and programme level is monitored, assessed, and reported in the Annual Implementation Reports as well as in the evaluations done during the programming period, such as implementation evaluations, mid-term evaluation, evaluations capturing the effects of priorities and looking into their theory of change which will occur at a later stage. Reports are adapted to the variety of different readers and a feed-back to beneficiaries will be sought to enhance the quality and use of an evaluation process including for dissemination and sharing of best practices in the application of horizontal principles by project beneficiaries and the Programme as a whole.

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)

Sustainable development is one of the main pillars of IPA CBC Programme Bulgaria-Serbia (2014-2020). The Programme supports several Priority Axes and specific objectives that focus fully on sustainable development, notably: Priority Axis 1 – Sustainable Tourism (Specific Objective 1 – Tourism attractiveness and Specific Objective 2 – Cross-Border Touristic Product) and Priority Axis 3 – Environment (Specific Objective 2 – Nature Protection).

There are three result indicators which are relevant to the level of success of the implementations of actions related to sustainable development:

RI - 1.2.1 - Increased level of joint and integrated approaches to sustainable tourism development in the border area;

RI - 1.3.1 - Increased level of community involvement and awareness about sustainable use of cross-border tourist resources;

RI - 3.2.1 - Increased capacity for nature protection and sustainable use of common natural resources in the border region;

By the end of 2018 Result Indicator 1.2.1 has been overachieved. Result Indicators 1.3.1 and 3.2.1 achieve approximately 90% of the target value which is due to 2023. In this regard, it is expected that the indicators will be achieved with the financing of project proposals under the 2nd Call for proposals.

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

Figures calculated automatically by the SFC2014 based on categorization data.

The challenges related to climate change, environmental risks, and loss of biodiversity are addressed by PA 3 Environment. For instance, eligible activities under SO 3.2 include joint initiatives towards the protection and enhancement of biodiversity, nature protection and green infrastructure.

In addition, annually, in compliance with 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 MA prepared Annual monitoring report (SEA compatibility report) on the environmental effects of the Programme. The SEA compatibility report is coordinated and approved by the Ministry of Environment and Water of the Republic of Bulgaria (MOEW). The main conclusion of the report is that all specific measures and requirements to prevent, reduce and eliminate as much as possible the negative consequences following the Programmes implementation are duly fulfilled during the application phase, as well as during the projects' assessment process.

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 Programme is managed under the shared management mode. The functions of the Managing Authority (MA) for the Programme are under the Territorial Cooperation Management Directorate at the Bulgarian Ministry of Regional Development and Public Works, having as counterpart the Department for cross-border and transnational cooperation programmes and cooperation with local and regional authorities and organizations for more efficient use of funds – Ministry of European Integration the National Authority (NA). Joint secretariat (JS) is established with main office in Sofia and a branch office in Niš.

As regards fulfilment of the requirements of Article 50(4) of Regulation (EU) No 1303/2013, the role of partners is demonstrated through their participation in the Programme Joint Monitoring Committee (JMC), composed of representatives from Bulgaria and Serbia, 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.

During the JMC meetings, partners get acquainted with the latest development of the Programme. They are actively involved at every stage of programme implementation and could participate in elaboration of the Programme documents (such as the Guidelines for applicants) by providing texts and remarks.

Partners' active participation is also demonstrated in the assessment and selection of project proposals to be financed under the specific call for proposals.

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

During 2018 was carried out Implementation evaluation, with the overall objective to assess the current programme progress and to provide recommendations for further improvement of the overall management and implementation, which could contribute towards successful achievement of its objectives, results and outputs. The evaluation focused on four main topics: evaluation of effectiveness and efficiency of the Programme management system; evaluation of effectiveness and efficiency of the Programme; evaluation of relevance, consistency and complementarity of the objectives of the Programme; and evaluation of effectiveness and efficiency of the Communication strategy of the Programme.

The implementation evaluation of the Interreg-IPA CBC Bulgaria – Serbia Programme 2014-2020 was carried out by Ecorys South East Europe Ltd., in the period August 2018 - March 2019, pursuant to Service Contract No. PД-02-29-288/23.08.2018, "Implementation evaluation of Interreg-IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria".

The main sources of information of the evaluation included desk research and primary data collection. The desk research included review of European and national strategic documents, Programme management documents, project documents and monitoring databases. Primary data was collected through various qualitative and quantitative methods, including in-depth interviews, on-the-spot visits to a sample of projects, and a focus group.

The Final Report of the implementation evaluation provides the main findings and answers to the evaluation questions, presented as follows:

Effectiveness and efficiency of the programme management system:

The application packages under both Calls were reviewed. The application package under the First Call was assessed as well elaborated, and the Guidelines for Applicants (GfA) were fairly exhaustive in content. Full coherence with Programme objectives was ensured through listed eligible activities, applicants and expenditures, and the cooperation criteria that project partners need to comply with. The GfA under the Second call addressed some minor deficiencies identified under the First call – the assessment and complaint procedures were streamlined and more details were provided about the measurement of the OIs. The selection criteria under the Second call were adapted, so that projects that contribute significantly to achievement of the target values of the OIs.

The reporting and monitoring processes are structured in such a way as to ensure timely and realistic follow-up of Programme achievements. A smooth reporting process is underpinned by the detailed structure of progress reports and the relatively short deadlines for submitting them. In this way, the JS has high capability of capturing at an early stage various issues concerning achievement of planned project results. The various supportive measures offered to beneficiaries regarding project

implementation have been adequate, timely and complementary. The content of all Programme manuals, guideline documents, and training materials reflect to a significant extent the most frequently asked questions and issues raised by beneficiaries. In addition, interviewed beneficiaries expressed very high satisfaction with the direct, ad-hoc support and assistance provided by the JS at different stages of project implementation.

Effectiveness and efficiency of the Programme:

The Programme has a well elaborated indicator system, which allows provision of information for the achievement of results and outputs. Most indicators are measurable and time bound, with achievable target values for year 2023. Identified potential for improvement of the indicator system concerns mainly consistency of measurement units used, clear formulation, and simplification of definitions.

The Programme's progress toward achievement of the targets of the output indicators is uneven, based on data as of end-2018. OIs under PA1 are with a generally good achievement rate, with the exception of SO 1.3 "People-to-people networking", where no projects contribute to the achievement of OIs. The level of achievement of targets under PA2 is also not balanced, as OIs related to "Skills & Entrepreneurship" are overachieved, while the one under SO 2.2 is lagging behind. Similarly, OIs under SO 3.1 "Joint risk management" progress steadily, while those under SO 3.2 "Nature protection" are lagging behind. Overall, the OIs with weakest achievement rate are those related to soft measures projects. Result indicators under all three axes seem to be progressing at a good pace.

With regard to the next programming period, there is identified potential for improvement of the indicator system. Main recommendations relate to the elaboration of methodological guidelines for the measurement and calculation of output indicators, the simplification of definitions, consistency in measurement units used, and fine-tuning of the measurement methodology for result indicators. In addition, a mixed approach to project generation, which combines strategic projects and grants schemes in the next programming period is suggested. Such an approach would ensure a closer link between Programme results and national priorities in the regional development sector, while at the same time preserving the people-to-people approach, one of the strongest and most sustainable impacts of the Programme over the years.

Relevance, consistency and complementarity of the objectives of the Programme:

Although the socio-economic situation on both sides of the border has improved since the start of the Programme implementation, the development of the BG-RS cross-border region is still lagging behind other regions of both countries, and the core challenges remain the same. Hence, the needs identified through the SWOT and Situation Analysis, are still relevant to the current socio-economic and environmental conditions in the area.

There is a high level of coherence between the goals of the Programme and the goals set in strategic documents at European, macro-regional, national and regional level. The activities carried out during the implementation of the Programme have significant contribution towards the achievement of the priorities of relevant strategic documents. Most notably, there is a strong synergy between the Programme and European Strategy for the Danube Region (EUSDR), as implemented activities directly complement the actions envisaged in the EUSDR Action Plan.

Effectiveness and efficiency of the Communication strategy:

Overall, the methods envisaged for dissemination and capitalization of projects' and Programme results, are very adequate and effective. A very good method, which should be applied for the rest of the implementation period of the Programme, is the presentation of best practices at appropriate events such as European Cooperation Day celebrations, exhibitions and festivals.

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

Interreg-IPA Cross-border Cooperation Bulgaria-Serbia Programme information and publicity measures were set in accordance with the Programme's Communication strategy, version 2.0 approved by the Joint Monitoring Committee on 17.08.2017.

The communication activities were focused in two main directions: awareness-raising and absorption capacity. Therefore, the purpose of communication activities can be defined as follows:

- To highlight the role of the EU and to ensure that assistance from the IPA Funds is transparent by proactively disseminating information and providing platforms that stimulate exchanges of experience in order to raise the awareness with the general public, and
- To create the premises for high absorption of EU funds in the eligible area of the Programme by ensuring that all relevant information reaches the beneficiaries.

The information and communication materials are coordinated between the relevant Programme institutions, especially MA, NA and JS.

The communication themes have been established following each target group: potential beneficiaries, direct beneficiaries, other stakeholders, European Union's institutions and bodies, national/regional/local media from both countries, general public, internal public.

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

- Programme web site – <http://www.ipacbc-bgrs.eu> visited 8994 times in 2018, 87,4% new visitors and 12,6% returning visitors; New potential project partners registered in the database/Partners' search facility for the Second Call for project proposals is 22. Announcements, news and important information are also published on the web-sites of MA and NA (www.mrrb.bg; www.mei.gov.rs; www.evropa.gov.rs);
- MIS – as a tool for e-governance and communication. MIS, including its section "Beneficiary portal" has been fully operational and maintained during 2018. The system ensures electronic exchange of information with applicants and beneficiaries;
- Social Media – Facebook <https://www.facebook.com/bgrsipacbcceu/> and Twitter <https://twitter.com/ipacbcgbrs> 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 2018, Facebook page reached 3015 subscribers and Twitter 169 followers;

- Mass Media Campaign was organized for the purposes of informing general public and potential beneficiaries of the Second call for project proposals events – Info days, Partner Search Forum; and for attracting general public and media attention for the EC Day 2018.
 - Print media campaign/Press releases/Press Advertisements - 2 publications in newspapers Konkurent and Struma, both done on 22.01.2018;
 - TV/Radio Campaign - 2 radio spots 30 seconds each, in Darik radio - Sofia and Vratsa branches. 2 TV interviews in Agrotema, 18.01.2018, duration 10:10 min. (http://www.agroTV.bg/p_11165_Agrotema:-Programa-za-transgranichno-sytrudnichestvo-mezhdu-Bylgariq-i-Syrbig,-avtor-Danail-Andreev.html) and TV Vratsa, 15.02.2018, duration 02:22 min. (<http://www.tv-vratsa.bg/bg/nabirane-na-proektni-predlozheniya/>)
- Info days for potential beneficiaries:
 - Six Info days - in the period 17.01-15.02.2018, in Sofia, Kyustendil, Pernik, Vidin, Montana and Vratsa, attended by 326 participants.
 - Five Info days - in the period 23.02-01.03.2018 in Nis, Zajecar, Blace, Vranje and Donji Milanovac, attended by 311 participants.
- Partner Search forum was organized in Bozuriste on 15.03.2018 and had 135 participants.
- EC Day celebration was held for a 7th consecutive year. Art festival “Painting our future together” was organized on 21.09.2018 in Knjazevac, Serbia. The organizers of the event gathered artists, musicians, singers, painters, schoolchildren and citizens from the cross-border region, as well as partners from 10 successful projects from the region, implemented in the scope of the Programme, official guests, and representatives of local and regional authorities, media and general public. The event had more than 300 participants.
- Joint Monitoring Committee meetings organized in 2018:
 - On 17.01.2018, in Sofia, Bulgaria - approved the Application package including Guidelines for Applicants and criteria for selection of operations for the Second Call for proposals and the Assessment rules for the Second Call for Proposals.
 - On 26.11.2018 in Pirot, Serbia - provisionally approved the list of 41 projects to be financed under the Second Call pro project proposals.
- Project implementation manual with the detailed guidelines to project partners in terms of reporting obligations, public procurement procedures, payments, publicity measures, etc. has been operational as well as 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.
- In 2018, Compendium for the First Call was in the process of preparation and will be completed in 2019 and published on the Programme’s website immediately after its completion.
- Promotional materials have been elaborated and partially disseminated: USBs, laptop bags, conference/shopping bags, table flag sets, promotional t-shirts, umbrellas, mugs and small promotional materials.

As a main result of the information and publicity measures carried out can be identified the number of project proposals received under the 2st Call (2018) – 235 proposals. The 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. For the currently active Call, 72% of submitted project proposals passed the minimum threshold of 65 points.

The implementation of the communication strategy was set on the general principles of flexibility, synergy with other Programmes and the horizontal themes of sustainable development, equal opportunities and non-discrimination and equality between men and women. Since these principles had a defining role in the development of the strategy and in establishing information and publicity measures, it is justified to consider the communication strategy as properly established and relevant, as well as effective and efficient in fulfilment of the Programme's communication objectives.

The purpose of information and publicity measures in awareness-raising and absorption capacity and in disseminating key Programme messages has been in overall achieved.

11. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME (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

In relation to reinforce the capacity of Managing Authority, National Authority and beneficiaries to administer and to use the EU funds several capacity building trainings were conducted. Eleven Info Days for Applicants/Potential Beneficiaries within the Second Call for Proposals were held in Sofia, Kyustendil, Pernik, Vidin, Montana and Vratsa (Republic of Bulgaria) and in Nis, Zajecar, Blace, Vranje and Donji Milanovac (Republic of Serbia). Representatives of local authorities and potential beneficiaries were trained in preparation of project proposals. Special focus was given to on-line submission of project proposals/documents via Management Information System (MIS), section "Beneficiary portal". The biggest event in terms of participation, resources spent and impact was the Partner Search forum organized in Bozuriste. Training for the selected external assessors for the Second call of proposals was organized in Sofia.

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

The INTERREG-IPA Bulgaria - Serbia CBC Programme contributes to the achievement of the European Strategy for the Danube Region (Danube strategy). The main needs identified in the Danube strategy are structured within the following areas: mobility, energy, environment, risks prevention and mitigation, socio-economic development, and security.

At the stage of assessment and selection of projects under the Second Call of the Programme, coherence with the Danube strategy is ensured by a separate selection criterion in Section II of the

Technical and Quality Assessment grid. The highest possible score under the criterion (4 points) is obtained when a project envisages activities which are coherent with the strategy. Other possible scores are 2 points, when some measures for coherence are envisaged but justification is insufficient, and 0 points, when the project does not demonstrate coherence.

At the implementation stage, the CBC Programme is closely coordinated with the Danube strategy, as its priority axes contribute to different pillars and priority areas. More specifically, activities supported under PA 1 Sustainable Tourism are fully coherent with Pillar A: Connecting the Danube Region, Priority area 3: To promote culture and tourism, people to people contacts. One of the projects with direct contribution to this priority area is CB007.1.11.349 “Creating preconditions for better accessibility to touristic attractions in Pantelej and Lom by improving the touristic infrastructure and increasing the number of tourists”. PA 1 also partially contributes to Pillar C: Building Prosperity in the Danube Region, Priority area 8: To support the competitiveness of enterprises.

Activities supported under PA 2 Youths contribute to the achievement of the aims of Pillar C: Building Prosperity in the Danube Region, and Priority area 9: To invest in people and skills. For instance, eligible activities under SO 2.1 include support to youth entrepreneurship schemes and initiatives. A relevant example of a project with direct contribution is CB007.1.21.378 “Virtual enterprises”, which simulated real business environment for young entrepreneurs. PA 2 also partially addresses two priority areas under Pillar C of EUSDR: To develop the knowledge society through research, education and information technologies; and To support the competitiveness of enterprises, including cluster development.

Activities supported under PA 3 Environment are fully coherent with Pillar B: Protecting the Environment in the Danube Region. For instance, eligible activities under SO 3.2 include cooperation and networking initiatives tackling water pollution, including Danube pollution. Some of the projects funded under the First Call of the Programme contribute to Priority area 5 of the EUSDR: To manage environmental risks. A relevant example is project CB007.1.31.304 “Prevention and mitigation of consequences of man-made cross-border disasters in the region Vidin – Zajecar”. Other projects contribute to Priority area 6 of the EUSDR: To preserve biodiversity, landscapes and the quality of air and soils. A relevant example is project CB007.1.32.224 “Clean and Green Life”, which is designed to stimulate nature protection in the Kula-Knjazevac area through joint initiatives for removal of unregulated dumpsites.

11.4 Progress in the implementation of actions in the field of social innovation

Not applicable.

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

For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2018 and 2023, table 4 of Part A of this Annex shall have two additional columns (13 and 14):

The financial allocation of the priority axis						Cumulative data on the financial progress						Data for the purpose of the performance review and performance framework	
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	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013	Total eligible expenditure incurred and paid by beneficiaries by 31/12/2023 and certified to the Commission Article 22(7) of Regulation (EU) No 1303/2013
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13. ⁴	14. ⁵
Priority axis 1	IPA	Less developed	Total	11 935 790	84,99 %	7 435 620,90	62,30 %	7 318 794,76	3 491 990,12	29,26 %	15	2 419 450,92	<i>Applicable only for the Final IR</i>
Priority axis 2	IPA	Less developed	Total	8 525 565	84,99 %	4 559 854,22	53,48 %	4 426 648,56	2 887 655,87	33,87 %	12	2 329 923,04	<i>Applicable only for the Final IR</i>
Priority axis 3	IPA	Less developed	Total	10 230 676	84,99 %	6 503 691,23	63,57 %	6 499 251,28	3 182 539,51	31,11 %	12	2 154 067,07	<i>Applicable only for the Final IR</i>
Priority axis 4 TA	IPA	N/A	Total	3 410 225	85,00 %	1 784 882,00	52,34 %	1 784 882,00	412 763,24	12,10 %	4*	326 061,99	<i>Applicable only for the Final IR</i>
Total	IPA	NUTS III or equivalent		34 102 256	84,99 %	20 284 048,35	59,48 %	20 029 576,60	9 974 948,74	29,25 %	43	7 229 503,02	<i>Applicable only for the Final IR</i>

⁴ For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2018, column 13 shall be added only for report submitted in 2019

⁵ For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2023, column 14 shall be added only in the final implementation report.

PART C

REPORTING SUBMITTED IN YEAR 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(5) of Regulation (EU) No 1303/2013)

13. SMART, SUSTAINABLE AND INCLUSIVE GROWTH

The Interreg - IPA CBC Programme Bulgaria - Serbia 2014-2020 relates to several main EU strategic documents, macro-regional, national, and regional strategies. The coherence of the Programme with these documents and the contribution of its priority axes to their respective goals is analysed below, and could be found summarised in Annex 5.

Europe 2020 is the overarching strategy of the European Union for the 2010-2020 period. The strategy has broad, interrelated and mutually reinforcing goals, which form a reference framework for activities at EU level and at national and regional level. Europe 2020 defines three main priorities: Smart growth – developing an economy based on knowledge and innovation; Sustainable growth – promoting a more resource efficient, greener and more competitive economy; and Inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion.

The needs defined in the CBC programme have a high level of coherence with the needs addressed by EU 2020. The Programme contribution to EU 2020 is especially strong through the actions supported under SO 2.1 Skills and entrepreneurship:

- Development of youth-related small-scale infrastructure, and training and information facilities;
- Development of small-scale “entrepreneurship” infrastructure;
- Support to youth entrepreneurship schemes and initiatives;
- Development of the entrepreneurial competences in the formal educational system.

Through these activities the Programme supports the adaptability of the labour force, the employability skills of students and graduates, and the cross-border knowledge networks. In this way, it contributes strongly to the Europe 2020 goals related to employment, education, research and development, and social exclusion (with regard to young people). Projects with direct contribution to these Europe 2020 goals are those implemented under SO 2.1, for example CB007.1.21.343 “Grounds for better future of our youth”, with activities such as elaboration of a local policy guide on youth entrepreneurship and establishment of a shared workspace for young entrepreneurs.

Actions supported under PA 3, related to environment protection, risk prevention and management, are in line with the EU2020 goals within the areas of climate change and energy. In this way, the Programme promotes a greener and resource efficient economy. Projects with direct contribution to these EU2020 goals are those implemented under SO 3.1, for instance CB007.1.31.217 “Joint management of risks in the region - Niska Banja and Kostenets” and CB007.1.31.348 “Forest Fire Fighters (FFF)”.

Similarly, actions supported under PA1 Sustainable tourism are coherent with the EU2020 goals concerning employment and poverty. Through innovative approaches in the area of tourism, the programme promotes economic growth and contributes to the overall poverty reduction in the region.

14. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN - PERFORMANCE FRAMEWORK (Article 50(2) of Regulation (EU) No 1303/2013)

The Programme's progress toward achievement of the targets of the output and result indicators is quite good, based on data as of end-2018. Proper level of achievement of all milestones set out in the performance framework has been ensured as a result from the execution of the projects financed under the First Call for Proposals (contracts were signed in the end of November 2016). The positive outcome in numbers is based on the Programme structures' common efforts in contracting quality projects proposals and firmly supporting their successful implementation afterwards.

Initially, under the First Call for proposals was distributed financial allocation for 3 years (2015, 2016 and 2017) and due to the large number of projects of good quality received under the Programme, JMC approved to be transferred financial allocation for 2018 to the First Call in order to be financed more projects and to ensure final achievement of OIs. On the other hand, thus speeding up the use of funds by beneficiaries resulted to overachievement of the set milestones and financial indicators. It is expected that in the next years, the achievement of the financial indicators under all PAs will follow the targets with normal deviation as result of the project implementation.

The thorough assessment of the Programme progress made up to 2018 as regard to the planned milestones could be summarized as follows:

PA 1 "Sustainable Tourism"

All indicators and key implementation steps under PA1 are achieved at satisfactory level. Both planned OIs, OI 1.1.2 "Total number of small scale technical infrastructure, encouraging the visits to the tourist attractions" and OI "1.2.3 Tools developed and/or implemented for marketing and promoting tourist products in the eligible border area" are overachieved, respectively with additional 100% and 75% of their set targets. By contracting 8 projects under SO 1.1 "Tourist Attractiveness" in 2016 and 3 additional in 2017, the level of achievement of the KIS 1.1.2 "Number of projects contracted related to small scale technical infrastructure, encouraging the visits to the tourist attractions" reached 11, compared to the initially planned 8, forming a fulfilment of 137,5% of the designed target for 2018. The overachievement could be explained with the high level of interest of beneficiaries towards PA 1 and number of the contracted projects. In addition, based on previous experience, MA considered it appropriate to finance more projects in order to ensure final achievement of OIs, because at the contracting stage (at the end of 2016) it was not certain that that all financed projects will be successfully implemented and all planned outputs will be delivered. In addition, the selection under the First Call for proposals was solely based on the quality of the submitted proposals, and they were ranked and contracted on general grounds. Hence, the values of the financial indicator "Eligible certified expenditure of the priority axis 1 "Sustainable Tourism" is achieved at high rate - EUR 2 012 900,30 were certified, compared to the planned EUR 734 770, since the projects were timely implemented and reported compared with previous programming period where the beneficiaries have not experience in project implementation.

PA 2 "Youth"

The results of the analysis show that there is also high rate of overachievement of the OI 2.1.1 "Total number of supported youth-related small-scale infrastructure, training and information facilities", with target value of minimum 2, and achieved value of 12 small-scale youth-related infrastructure and/or training and information facilities. The overachievement could be explained with the higher number of

contracted infrastructure projects and timely implementation of the projects (until end of the 2018). Thus, the calculated rise of the level of achievement of this OI is 5 times, i.e. 500%, while the respective KIS 2.1.1 "Number of projects contracted related to youth-related small-scale infrastructure, training and information facilities" is achieved at level 8, instead of the set value of minimum 9 projects. Here it could be observed that despite of the slightly unattained value of the planned KIS, due to the fact that one project has been contracted but terminated, in fact the respective OI 2.1.1 is overachieved, mainly because of the great contribution of these contracted projects towards the achievement of the set value of the OI. The designed FI is also achieved at high rate - EUR 1 980 434,54 were certified, compared to the planned EUR 524 836, since the projects were timely implemented and reported compared with previous programming period where the beneficiaries have not experience in project implementation.

PA 3 "Environment"

All set milestones under Priority Axis 3 have been reached in 2018, with satisfactory ratio of achievement, which actually is a result of reasonable planning. 3 projects contributing towards the achievement of the OI 3.1.1. "Total number of joint activities aimed at establishing joint early warning and disaster management systems" were successfully completed in 2018, instead of the planned 2. The respective KIS 3.1.1. "Number of projects contracted addressing joint early warning and disaster management systems" has reached in full its milestone for 2018, while the FI "Eligible certified expenditure of the Priority axis 3 Environment" is overachieved - EUR 1 828 420,99 were certified, compared to EUR 629 803, since the projects were timely implemented and reported compared with previous programming period where the beneficiaries have not experience in project implementation.

The positive outcome in numbers is based on the Programme structures' common efforts in contracting quality projects proposals and firmly supporting their successful implementation afterwards. Within the scope of the First Call, 35 projects were funded in the late 2016. However, 2 subsidy contracts were terminated later on, in 2017, due to high risk identified on their overall implementation. In order to ensure full absorption of the allocated programme resources, 6 more subsidy contracts were concluded in December 2017. As a result, the total number of the projects financed under the Call reached the limit of 39, at the total contracted amount of EUR 18 499 166. Only 2 projects were completed in 2017 and 37 continued their implementation phase throughout the year 2018, until the end of November when 30 project were successfully accomplished. Also in 2018, the implementation periods of two contracts were suspended due to serious problems in their realization which were hindering the projects' successful completion of the expected results. Thus, 7 remaining projects shall be completed by the end of 2019. So far, smooth achievement of the contracted output indicators is observed based on the reported values in the Final Project Progress Reports, which are subsequently verified by the Joint Secretariat during the final on-the-spot visits to project partners.

Common efforts of the MA/NA

In order to ensure achievement of all targets, the Managing Authority decided to apply new approach for selection of applicants under the Second Call for project proposals, launched in January 2018. The approach suggests creating separate rankings of project proposals under each OI. Therefore, as per the newly established Guidelines for applicants, preference is to be given to quality project proposals that contribute to OIs, which have not yet been achieved, and contracting as many projects from each

separate ranking list as necessary for reaching the set OI target. Projects fulfilling only OIs that have already been achieved through the already implemented projects from the First Call shall only be contracted in case of available funding. Since the contracting of the projects under the Second Call shall be done in 2019, no new targets could be set out in 2018.

Nevertheless, one of the main challenges on Programme level is to ensure fulfilment, in the following years, of the targets for the underachieved OIs. The analysis of the expected level of achievement of the output indicators contracted under the First Call, shows that: 7 OIs are estimated to be overachieved; 7 OIs are expected to reach achievement from 60% to 88% of their targets; 5 OIs are expected to achieve less than 50% of their planned values; 4 OIs have not been addressed at all (due to the high specificity of the indicators concerned and therefore, the lack of beneficiaries interest). Their achievement will be reported in 2019.