



Republic of Bulgaria

ANNUAL IMPLEMENTATION REPORT 2012

Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-border
Programme CCI No: 2007CB16IPO007

June 2013





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PREFACE

This report is elaborated in accordance with provisions of Article 112 of Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA). The Annual report (2012) on the implementation of the Bulgaria- the former Yugoslav Republic of Macedonia IPA Cross-border programme (2007-2013) encompasses information related to progress in programme implementation, achievements measured by relevant indicators at the level of priority axis, financial implementation, monitoring and evaluation, summary of significant problems encountered and measures taken to resolve the respective problems, issues related to technical assistance, measures taken to provide information and publicity, to be transparent and to facilitate stakeholders as well as to make activities more visible, etc.





1. IDENTIFICATION

The Annual Implementation Report (AIR) for the Bulgaria–the former Yugoslav Republic of Macedonia IPA Cross-border Programme CCI No: 2007CB16IPO007 is drawn up in accordance with the provisions under Article 112 of the Commission Regulation № 718/2007.

The current report is the fifth AIR for the Bulgaria - the former Yugoslav Republic of Macedonia IPA Cross-Border Programme, CCI Number 2007CB16IPO007 and is covering the period from 1st of January 2012 till 31st of December 2012.

The Managing Authority for the Programme is the Bulgarian Ministry of Regional Development and Public Works having as counterpart the Ministry of Local Self Government of Republic of Macedonia as National Authority (NA).

Objective concerned:	IPA Cross-border Cooperation	
Programming period:	2007 - 2013	
Programme:	Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-border Programme	CCI No. 2007CB16IPO007
Eligible area concerned:	On the Bulgarian side (NUTS III regions): Blagoevgrad district (14 municipalities) and Kyustendil district (9 municipalities)	On the former Yugoslav Republic of Macedonia side (NUTS III regions): North-East statistical region (6 municipalities), East statistical region (11 municipalities) and South-East statistical region (10 municipalities)
Reporting year:	2012	

Coordinated with the National Authority (<i>period</i>)	20 th – 24 th of May 2013
Date of approval of Head of MA:	28 th of May 2013
Date of approval of the annual report by the Joint Monitoring Committee:	21 st of June 2013





2. OVERVIEW OF THE IMPLEMENTATION OF THE PROGRAMME

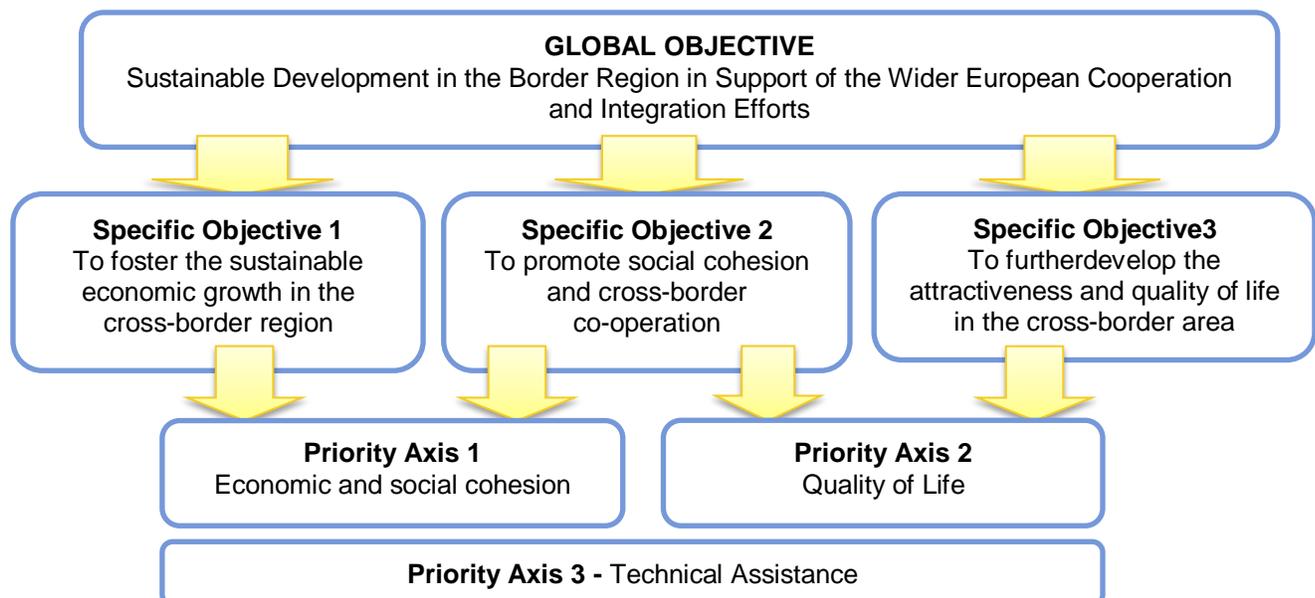
The Bulgaria - the former Yugoslav Republic of Macedonia IPA Cross-border programme (2007-2013) was approved by the European Commission with Decision C(2007) 6298 on 14 December 2007, amended with Decision C(2010) 3880 on 21 June 2010, Decision C (2012) 4936 on 17.07.2012 and Decision C (2012) 8373 on 14.11.2012. Following positive opinion on description of management and control systems (letter ref No DG REGIO E1 D(2010)) preconditions to intensify the implementation of the programme were in place.

Within the period till December 2012 three calls for proposals have been launched under the programme which attracted over 215 applications under First and Second calls for proposals (the Third call for proposals was launched on 3rd December 2012 with deadline for submission of project proposals on 4th of March 2013). This is positive sign for dynamics of bilateral collaboration and intensity of cooperation at stage of preparation of project proposals. At the same time it shows good will and increased interest in launching common cross-border initiatives which to contribute for sustainable development of the region.

The number of subsidy contracts signed till the end of 2012 is 56, involving more than 112 project partners both from Bulgarian and partnering country's side. The subsidized under the programme projects cover variety of thematic issues including small-scale infrastructure, knowledge sharing and education, innovation, science, cultural exchange, sustainable development through enhanced ecology, tourism, etc. Projects under the programme are often relatively small but create valuable cross-border partnership, influence territorial cohesion, contribute for sharing the European values and facilitating integration.

Within its implementation the programme respects requirements regarding equal opportunities and protection of the environment.

The objectives and priority axis of the programme are presented in the figure below:





2.1. ACHIEVEMENT AND ANALYSIS OF THE PROGRESS

2.1.1 Implementation progress

During 2012, there is a continuation of the progress made in 2011 regarding the contracting process. Under the 1st Call for proposals, 35 projects were contracted in 2011 of a total value of 6 367 992, 62 euro. In 2012 the MA in cooperation with the NA and JTS organized assessment and selection of the proposals received under the Second call for proposals. Thereupon, 21 projects with a total value of 5 354 317, 40 euro, which had been approved for funding with 2010-2011 Programme allocation, were contracted in 2012. On the session held on 30th March 2012 in Berovo (MK) the Joint Monitoring Committee approved the re-allocation of funds for 2012 to the Second call for proposals and took a decision 12 projects from the reserve list on the total amount of 2 849 375 euro to be contracted after conclusion of the Financing Agreement between the EC and the former Yugoslav Republic of Macedonia.

Status of the projects

1st Call for Proposals	No. 2007CB16IPO007-2009-1
Launched on 14th September 2009	Budget: € 6 980 436,00
93 project proposals received within the deadline	
Assessment	July 2010 – February 2011
Contracting	May 2011 – August 2011
35 project financed	Total amount € 6 367 922,62

Under the First Call for Proposals of the Bulgaria - the former Yugoslav Republic of Macedonia Cross-border Programme 35 projects were financed in 2011 on the total amount of 6 367 922,62 euro, from which 3 Subsidy contracts (ref.No2007CB161PO007-2009-1-33, ref.No2007CB161PO007-2009-1-34 and ref.No2007CB161-PO007-2009-1-76) have been terminated due to withdrawal of project partners.

Consequently, during 2012, thirty two (32) projects funded under the 1st Call for Proposals were on-going on the total amount of 6 172 803.68 euro from which 25 projects (14 of them are soft projects and 11 investment projects) have been completed with approved final reports. At the end of year 2012, seven (7) investment projects were at their final stage of implementation (with end date January - June 2013). List of finalised projects under the First Call for Proposals is presented in Part A of the Annex I attached to the current report.

The achievement of projects objectives and results are mainly checked during the final monitoring visits by the JTS. Based on the final visits conducted to the abovementioned 25 projects, it could be assessed that the planned projects activities have been successfully implemented in accordance with the provisions of the Subsidy contracts. The cross-border character of implementation of the projects is evident in the constant and active communication and exchange of information between the project partners in terms of developing: Detailed action plans of the projects; Project Procurement Plans; Project Progress Reports; Implementation of





joint activities. A lot of partnership relations have been created or prolonged during implementation of joint projects, organised meetings, seminars, conferences, events, etc.

In relation with the financial implementation of the projects under 1st Call for proposals, some general information as of 31st of December 2012 (in euro) is presented in the table below:

Priority axis	Contracts	Total contracts amount	Advance payments	Interim and final payments	Total payments
		(IPA + national co-financing)			
PA 1	17	2 824 290,95	549 980,94	1 099 942,70	1 649 923,64
PA 2	15	3 432 132,01	684 579,79	1 288 464,86	1 973 044,65
TOTAL	32	6 256 422,96	1 234 560,73	2 388 407,56	3 622 968,29

Comprehensive financial information is presented in p.2.1.3 and 2.1.4 of the current report.

2 nd Call for Proposals	No. 2007CB16IPO007-2011-2
Launched on 14 th June 2011	Budget: € 5 869 638
122 project proposals received within the deadline	
Assessment	October 2011 – February 2012
Contracting	July 2012
21 project financed	Total amount € 5 354 317,40¹

The Second call for proposals has been launched and the respective assessment process has been started in 2011. The administrative and eligibility checks were performed simultaneously during four (4) assessment sessions, held between 3rd of October 2011 and 8th of December.2011. As a result, 94 applications have been assessed as compliant with the administrative and eligibility criteria set up in the Applicant’s Guide.

The technical and quality assessment sessions took place between 21st of December 2011 – 17th of February 2012 at the premises of JTS Kyustendil and the conclusions could be summarized as follow:

- *Priority Axis 1 “Economic Development and Social Cohesion”*

The total available budget for this Axis is 2 608 728 euro. According to the JMC Decision – 80 % (2 086 982, 40 euro) – for investment projects and 20 % (521 745, 60 euro) – for soft projects.

Number of applications proposed for approval/financing: **10** (5 investment; 5 soft).

Total amount of applications proposed for approval/financing: **2 443 223, 38 euro**.

- *Priority Axis 2 Improvement the Quality of Life*

¹ Total amount after budget negotiations with the projects approved for financing





The total available budget for this Axis is 3 260 910 euro. According to the JMC Decision – 80 % (2 608 728 euro) – for investment projects and 20 % (652 182 euro) – for soft projects. In addition up to 20 % of the budget of Priority Axis 2 could be allocated for Sphere of intervention 2.2. (652 182 euro)

Number of applications proposed for approval/financing: **11** (5 investment; 6 soft).

Total amount of applications proposed for approval/financing: **2 995 233, 41 euro**.

Totally 65 applications put on a reserve list:

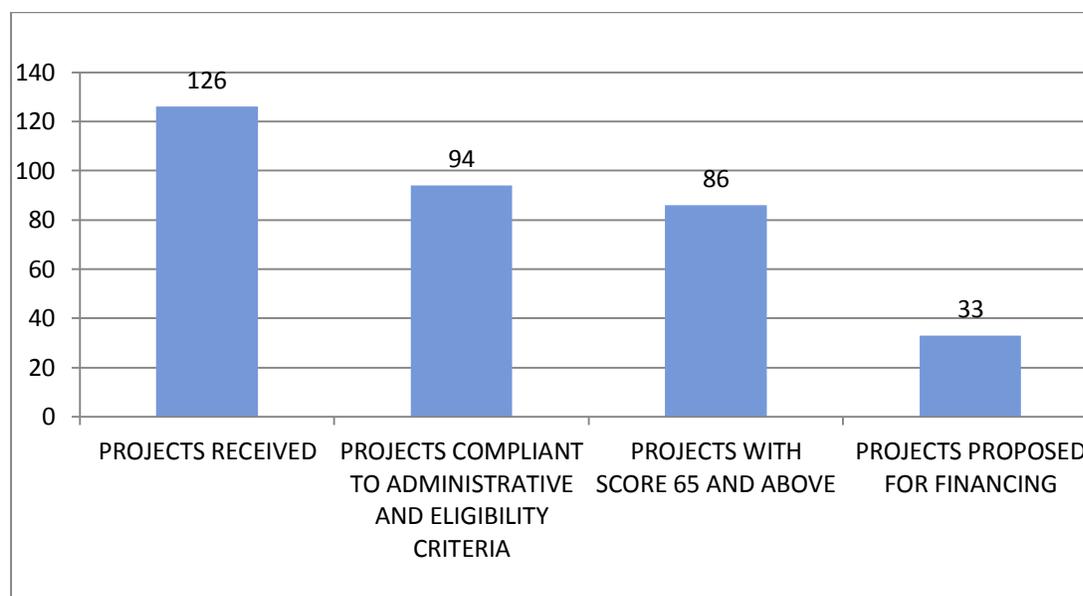
- Priority Axis 1 Economic Development and Social Cohesion - 45 (22 investment; 23 soft);
- Priority Axis 2 Improvement the Quality of Life – 20 (9 investment; 11 soft).

With respect to the results of the quality assessment of the projects submitted under the Second Call for Proposals, namely the fact that a lot of project of very good quality cannot be funded due to lack of funds, the MA and NA proposed the funds allocated to 2012 for Priority Axes 1 and 2 (3 023 153 Euro) to be re-allocated to the Second Call, 12 more projects to be approved for funding and the subsidy contracts for those 12 projects (on the total amount of 2 849 375,38 euro) of 2012 re-allocation to be signed after conclusion of Financing Agreement between Former Yugoslav Republic of Macedonia and European Commission.

Based on the decision of the Joint Monitoring Committee (JMC) on 30th March 2012, 33 (thirty-three) project proposals were approved for financing under the 2nd Call for proposals.

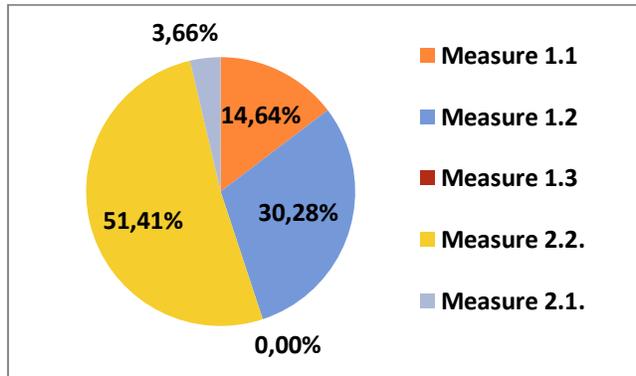
The charts below present additional information on the results of the 2nd Call for Proposals

Results after administrative, eligibility and technical evaluation of project proposals

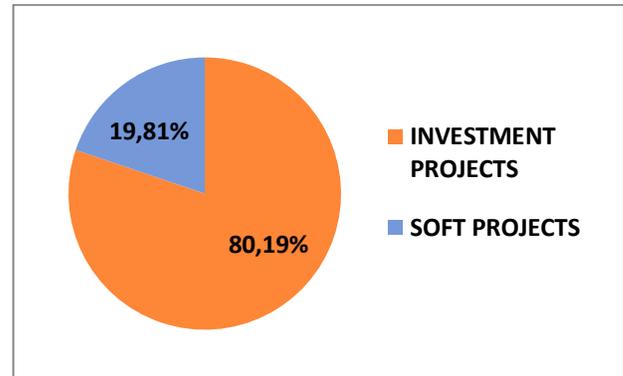




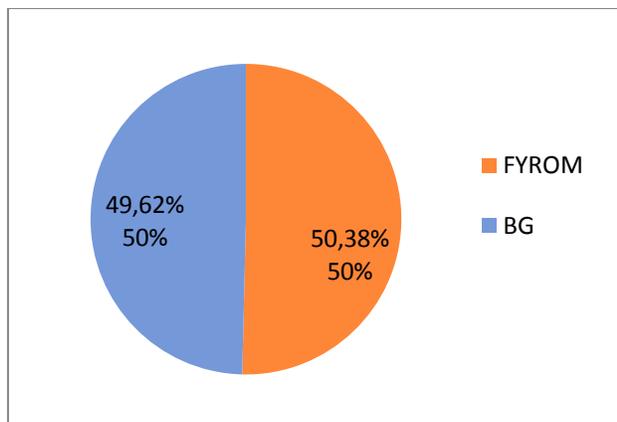
Distribution of projects by measures:



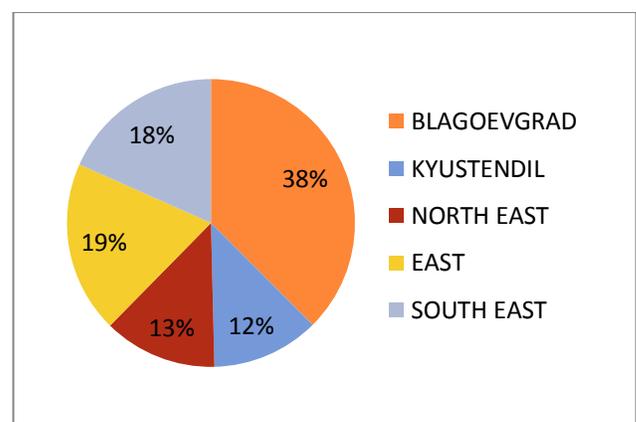
Distribution of projects by type:



Distribution of projects by budget by country of the partners:



Distribution of projects by budget by regions of the partners:



The JMC gave a mandate to the MA, NA and JTS to carry out pre-contracting visits, including negotiations on the budget revisions for the provisionally selected projects for financing under 2st Call for Proposals. Pre-contracting site visits and negotiation procedures were conducted during the period 23rd – 27th of April 2012, where 16 partners from Bulgarian site and 16 partners from the former Yugoslav Republic of Macedonia site were visited in order the actual status of the investment sites envisaged to be financed under the Second call for proposals to be monitored.

Budget negotiation procedures with 14 LPs from Republic of Bulgaria and 17 LP from the former Yugoslav Republic of Macedonia were held by the appointed Negotiation Committee. The purpose of the negotiation procedures was to optimize project partners' budget breakdowns, based on the specific recommendations provided by the external assessors and on the good practices for sound financial management applied by the MA.





As results of the pre-contracting site visits and the negotiation procedures, **thirty three (33) projects have been proposed for conclusion of subsidy contracts** under the Second call for proposals. The contracts with the allocation for 2010-2011 have been signed on 23rd of July 2012 on the total amount of **5 354 317,40** euro, from which:

Contracted projects under Second Call for Proposals (2010-2011 allocation)

Priority Axes:	Number of Projects	Amounts
Priority Axis 1: Economic development and social cohesion	10	€ 2 394 111, 35
Priority Axis 2: Improvement the quality of life	11	€ 2 960 206, 05
Total project contracted under Second Call for Proposals:	21	€ 5 354 317,40

Twelve projects financed with the allocation for 2012 are in procedure of contracting.

Approved projects under Second Call for Proposals (2012 allocation)

Priority Axes:	Number of Projects	Amounts
Priority Axis 1: Economic development and social cohesion	5	€ 1 290 242, 76
Priority Axis 2: Improvement the quality of life	7	€ 1 559 132, 62
Total project contracted under Second Call for Proposals:	12	€ 2 849 375, 38

In relation with the financial implementation of the projects under 2st Call for proposals, some general information as of 31st of December 2012 (in euro) is presented in the table below:

Priority axis	Contracts	Total contracts amount	Advance payments	Interim and final payments	Total payments
		(IPA + national co-financing)			
PA 1	10	2 394 111,35	478 492,27	0,00	478 492,27
PA 2	11	2 960 206,05	492 444,36	0,00	492 444,36
TOTAL	21	5 354 317,40	970 936,63	0,00	970 936,63

Comprehensive financial information is presented in p.2.1.3 and 2.1.4 of the current report.

List of awarded projects under the 2nd Call for Proposals is presented in Part B of the Annex I attached to the current report.



3rd Call for Proposals

No. 2007CB16IPO007-2012-3

Launched on 3rd December 2012

Budget: € 3 083 616

The **Third Call for proposals** under the Programme was launched on 3rd December 2012 with deadline for submission of project proposals on 4th of March 2013, 16:00 local time. The Third Call for Proposals was announced on the Programme web-page (<http://www.ipa-cbc-007.eu/page.php?c=62&d=119>), on the website of the Ministry of Regional Development and Public Works, on the Single information web-portal: <http://www.eufunds.bg> and in various electronic and press media.

Requests for extensions/modifications of the subsidy contracts under First and Second Calls for proposals:

During the project life-cycle, due to the certain reasons, the following modifications in the Subsidy Contract might be necessary concerning the project implementation:

1. Modifications requesting notification to MA;
2. Modifications requesting approval by JMC and signature of Addendum.

The requested minor modifications by the beneficiaries during year 2012 related to prior approval by MA, were:

- Modifications concerning the project's content - modifications of the approved Application form related to change of the approved action plan -Section 3.6 Duration and action plan of the Application Form. The approval was given together with approval of the respective Progress Report.
- Budget changes -modification related to Budget reallocation between budget lines/sub-lines in the limit of 10%. Exclusion of VAT in the separate budget line is another budget change approved by MA.
- Administrative changes- all modifications concerning the administrative part of the project (change of bank account, contact details, address for communication). Changes of the project team are the most frequently requested modification during project implementation. Great number of project members had been replaced in the beginning and during projects' implementation. In order to meet the criteria for replacement, the newly-proposed project members had to demonstrate the qualifications and competences relevant to the ones the members proposed for replacement had.

All the aforementioned minor modifications became effective after written approval by MA.

Modifications concerning the extension of the implementation period always need the approval of the JMC, as well as addendum to the Subsidy Contract. During year 2012, addenda for extension of implementation periods to eight (8) projects under 1st Call for Proposals have been concluded with prior approval by JMC.

The requests for extension of implementation period are mainly related to delays in projects implementation due to accumulated delays in the verification process from the late set off of Macedonian FLC system and delays in payments of Macedonian national co-financing, and/or due to difficulties by the project partners to ensure on time the financial resources for the implementation costs under the projects.



**Risk assessment of the subsidy contracts under 1st and 2nd Calls for proposals:**

Risk assessment is a continuous, forward-looking process and should address issues that could endanger achievement of the planned objectives. A continuous risk management approach is applied to effectively anticipate and mitigate the risks that have critical impact on each project, as well as the cumulative effect of all risks on Programme level.

The risk assessment under the programme is carried out by a Risk Management Group (RMG) consisting of MA and JTS representatives. The main task of the RMG is to perform risk assessment through determination a baseline categorization of potential risks events and subsequent analysis and assessment. The RMG prioritizes the identified risks and provide a Risk response plan to reduce the likelihood or consequences of the risk impact. The Scope of the assessment covers the following main aspects:

✓ **Institutional Risks.** Assessment of the project partners' technical capacity to manage the project (incl. leadership, structures, human resources, formal and informal management systems, contractual commitments, assignment of responsibilities, quality of work product, communications between the partners, etc.);

✓ **Operational Risks.** Review and assessment of whether the performance characteristics (i.e. planning and organization of project activities; implementation procedures, methods, standards and systems; measurable estimates of project outcomes; coordination of activities between groups; documenting the project, etc.) are in line with accepted project management practice;

✓ **Procurement Risks.** Assessment of the risks related with subcontracting management, i.e. whether subcontracting was well defined and planned; whether the procurement processes were documented properly and the selection process was carried out objectively; and whether the procurement rules were well understood and strictly applied;

✓ **Financial Risks.** Assessment of the financial liabilities associated with the project, including operational and maintenance costs, PPs' own contribution, financial reporting, etc.

Based on the results from the monitoring site visits carried out and the information provided in the quarterly projects progress reports, during the reporting period, the RMG has conducted several risk assessment sessions for the projects under 1st call for proposals. In addition, the initial risks' identification was performed by JTS during the first monitoring visit of the contracted projects under 2nd Call for proposals.

The most common risk events identified as a constant in the projects implementation cycle, are as follows:

- *financial risk* – risk the project partners to face problems to meet current expenditures on the projects implementation within the planed time schedule;
- *operational risk* – delays in the implementation, due to non-proper planning and starting of the project activities, poor communication between the project partners, changes in the project teams and/or in





the project content, delays in sub-contracting, problems with documentations and language of the programme.

The common risk event identified in the beginning of the project implementation is usually the procurement risk, which is related to beneficiaries without experiences in procurement procedures under PRAG rules. As a new identified common risk event could be outlined an institutional risk related to the overall project management and coordination by the LP; internal partnership communication and the risk related to unexpected partnership changes which could become serious obstacles for the projects implementations.

In order to mitigate the ascertained risks and untimely completion of the planned project activities, MA and JTS undertook several measures to observe the project progress and to support the beneficiaries. In relation to the Risk Response plan, during 2012 the JTS took the following measures:

- strict monitoring of the projects progress with identified risks, and discussing measures with the LP /PPs to overcome the problems in the implementation process;
- monitoring visits, and day-to-day consultations related to preparation of PPR, implementation of the procurement plan, project timetable, etc.
- participation (as observers) in opening sessions of specific procurement procedures for the projects with procurement risks.

According prepared Summary Project Risk Assessment Report in total 16 projects (9 projects under the First call for proposals and 7 under the Second call for proposals) have been assessed with high/medium risky events. In relation to the risky projects it was envisaged the JTS/MA to implement close monitoring of projects implementation in order all the deadlines for reporting and verification of payment to be respected. Furthermore, the Plan laid down mitigation measures that JTS has to provide consultations to the project teams in order to avoid further delays in the project implementation or insuperable problems with implementation of the project activities with a view accomplishment of all project objectives.

2.1.2 Information on the physical progress of the Programme:

The programme indicators are vital to the efficient and effective implementation of the Programme, and they serve to monitor and evaluate the extent to which the Programme has achieved its objectives, and the efficiency with which it has done so. The table below presents the result indicators which are used to monitor the progress at programme level with baselines and achievements till 2012, calculated in compliance with the elaborated by the MA Methodology of Programme output and result indicators assessment.

Programme Result Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Joint information services established	Achievement	0	0	0	0	0	7					
	Target 2016	2										
	Baseline*	8										





<i>Increased cross-border movement of people and exchange of goods and services in the region</i>	Achievement	0	0	0	0	0	6					
	Target 2016	1.5%										
	Baseline*	46										
<i>New Social Economic enterprises created</i>	Achievement	0	0	0	0	0	4					
	Target 2016	2										
	Baseline*	20										
<i>Improved environment for development of relationships across the border</i>	Achievement	0	0	0	0	0	3					
	Target 2016	3%										
	Baseline*	18										
<i>Projects actually applied</i>	Achievement	0	0	0	0	0	3					
	Target 2016	3%										
	Baseline*	1										
<i>Decreased pollution in the region</i>	Achievement	0	0	0	0	0	1					
	Target 2016	2%										
	Baseline*	1										
<i>Awareness –raising on environmental protection</i>	Achievement	0	0	0	0	0	2					
	Target 2016	2.5%										
	Baseline*	32										
<i>Increased attractiveness of the region based on preservation of natural resources and cultural heritage</i>	Achievement	0	0	0	0	0	9					
	Target 2016	2%										
	Baseline*	8										
<i>Increased common cultural capital</i>	Achievement	0	0	0	0	0	6					
	Target 2016	2%										
	Baseline*	37										

* The above presented indicators had been calculated on the base of the elaborated Methodology of Programme output and result indicators assessment. Source of data are Interim and Final project reports of the successfully finalized projects till the end of 2012.

The above table represents summarized data for the achievement of the result indicators for the year 2012, achieved by the implementation of the projects. During 2012 the subsidy contracts signed within the First call for proposals were in final stage of implementation, out of which 25 projects were successfully finalized till the end of the reporting period (end of 2012).

For year 2012 there are reported data for the whole scope of defined result indicators. For 3 (three) of the defined result indicators there are reported figures for achieved results which exceeded the targeted figures for year 2016 (result indicators: “Projects actually applied” under measure 1.3; „Decreased pollution in the region” under measure 2.1 and “Increased attractiveness of the region based on preservation of natural resources and cultural heritage” under



measure 2.2) . For 1 (one) result indicator (*Joint information services established* under measure 1.1), the targeted figures for 2016 are almost achieved within 2012.

All details related to the achieved results could be found in the database of the MIS of the programme (<https://mis-007.mrrb.government.bg>).The information is also available in the relevant project progress reports.

2.1.3 Financial information (All financial data is presented in euro)

The total value of the IPA CBC Programme Bulgaria – the former Yugoslav Republic of Macedonia the period 2007 - 2013 is 20 490 793 euro out of which 17 417 174 euro are European funding and 3 073 619 euro national co-financing from state budgets by both partnering countries. The division of financial support between priorities 2007-2013 is shown in the table below:

Breakdown of priority axes by source of funding:

Priority	Community Funding	National Public funding	Total funding	Co-financing rate (%)
	(a)	(b)	c=a+b	a/c*100:b/c*100
Priority Axis 1 Economic development and social cohesion	6 966 870	1 229 448	8 196 318	85:15
Priority Axis 2 Improvement the quality of life	8 708 587	1 536 809	10 245 396	85:15
Priority Axis 3 - Technical Assistance	1 741 717	307 362	2 049 079	85:15
Total	17 417 174	3 073 619	20 490 793	85:15

**The table above represents data for the period 2007-2013 according to the approved by the JMC on 12th of October 2011 amendment related to new financial allocations covering the period 2012 and 2013 of the Bulgaria-the former Yugoslav Republic of Macedonia IPA Cross border programme which follows the adoption by the EC of the Multi-annual Indicative Financial Framework 2012-2013 and approved Programme amendment related to the de-commitment procedure for 2011 (Decision C (2012) 8373 on 14.11.2012).*

N+3 Rule (pursuant to Article 166 of the Council Regulation №1605 of 25th of June 2002 on the Financial Regulation applicable to the general budget of the European Communities)

The significant delay in completing the compliance process of the Programme and afterwards late contracting of the projects under the 1st Call for proposals resulted in financial de-commitment of funds in the end of year 2012 (due to failure to achieve N+3 target). Despite of the all measures taken by the MA aiming at minimizing the risk of decommitment at programme level at the end of 2012 the level of submitted request for payments by the final beneficiaries was not sufficient. Although the measures taken by the MA for speeding up the verification process (possibility for additional verifications of expenditures, trainings for beneficiaries, individual consultations etc.) the level of absorption of the funds by the project partners during 2012 was not sufficient and below the expected target. MA has been notified by EC for the amount of resources representing the reducing of the obligation of EC for the amount of 464 180 euro. In this regard the





MA has to provide amended financial plan until 22 May 2013. In collaboration MA and NA elaborated detailed analysis which in comprehensive manner covers financial implementation, forecast for Second call subsidy contracts, breakdown for each of priority axes in order to ensure smooth financing and functioning related to the FLC, subsidy contracts in process of implementation, timeschedules for Second and Third call subsidy contracts, amounts forecasted to be spent for preparation for the new programming period 2014-2020, etc.

Based on the analysis performed by the MA the main reasons for the current decommitment could be summarized as follows: serious delay in contracting process and late starting of project implementation, identified many problems at the stage of projects implementation at beneficiaries level, serious delay in projects implementation reflecting on overall absorption of the funds under the projects, time consuming process for adoption of relevant Financial Agreements between former Yugoslav Republic of Macedonia and EC, insufficient number of submitted requests for payment compared to number of implemented projects, etc.

In the table below it is shown the accomplishment status of n+3 rule by 31st of December 2012:

Programme Payment targets*				EC advance payments 2007-2009	EC reimbursements 2007-2012**	Total advance + reimbursements	Amounts to be included in application for payment in order to avoid N+3 Risk		
2009	2010	2011	2012				2013	2014	2015
0	0	605 798	2 690 518	3 296 316	2 345 627	5 641 943	2 744 330	2 799 216	2 855 200

*** Cumulated amounts 2007-2012*

Considering the low amount declared to the Commission for 2011, the de-commitment situation for 2012 and targets for the next years represent challenge in order to overcome shortcomings and to accelerate the overall proceedings, amounts to be certified, number of request for payments, dynamics in absorption of funds, etc.

The MA and JTS (both main and branch offices) have therefore taken a proactive approach by providing consultations, additional guidance and day-to-day support to the project partners.

In addition, besides the existing measures for monitoring the projects progress (progress reports, monitoring visits), quarterly analyses of the projects implementation have been introduced. These quarterly analyses encompass detailed analysis for each contract and relevant conclusions categorised in three main categories – (1) contracts without identified problems, (2) contracts with insignificant problems (for instance changes in the schedule of activities which has not a negative impact on project implementation) and (3) contracts with significant problems in the process of implementation. The subsidy contracts covered by category 3 are





subject to regular meetings and there are elaborated concrete steps which could be undertaken in compliance with approved Action plan.

In order to avoid further losses of funds the MA and JTS are still continuing to provide additional efforts to support the project beneficiaries, including performance of individual consultations, publishing additional guidance and templates of the most frequently used project documents, tender dossiers and day-to-day communication.

Under the First call for proposals, 25 subsidy contracts out of 32 were completed by the end of December 2012 on the total amount of 2,16 million euro (IPA contribution). Investment projects are in their final phase of implementation and final requests for payments from all the first call projects are expected in the first half of 2013. In addition, 22 subsidy contracts under the Second Call for Proposals were signed in August 2012 and first interim payments are expected to be made by the MA in May - June 2013. In order to mitigate future de-commitment risk, the MA proposed to the JMC to increase the available amount under the Second Call for Proposals with financial allocation for year 2012 and to finance additional 12 projects amounting to around 2 849 375, 38 euro. The contracts with those 12 projects are going to be signed most probably until the end of April 2013, after signature of Financing Agreement between the EC and the former Yugoslav Republic of Macedonia. Furthermore, aiming to increase the absorption rate under the programme, in December 2012 the MA launched Third Call for Proposals. It is expected the contracts under this last call to be signed in the second half of 2013.

The abovementioned measures shall contribute for intensifying of process of contracting and enhance absorption of funds. The range of measures is undertaken in order to increase the quality level of the submitted documents by the project partners, to reduce the duration for processing of requests for payments (by simplifying of procedures by appropriate amendments in Programme manual, flexibility in terms of reporting periods, simplifying coordination and duration of process through conducting procedures within one unit/department), to enhance awareness (for instance about possibility the municipalities to use the Fund for local authorities and governments - FLAG), to ensure proper implementation of the projects and to have early identification of problems and timely launch of appropriate corrective measures.

Beside measures taken till now, the MA is continuing its efforts in order to increase the quality level of the submitted documents by the project partners as well to ensure proper implementation of the projects.

Regarding the forecast for the 2013 amounted to 2 744 330 euro (see the table above) and based on the quarterly analyses (all the projects under the First call for proposal will be finalised, mainly covering investment projects, foreseen good dynamics in terms of payments under Second call subsidy contracts, including interim payments), the expectation is that the target for 2013 could be reached.





Data from quality check performed by the Certifying Authority

Within the year 2012 the “National Fund” Directorate at the Ministry of Finance of Republic of Bulgaria, acting as Certifying Authority (CA) for the Bulgaria-the former Yugoslav Republic of Macedonia IPA Cross border programme 2007-2013 has conducted regular on the spot checks before certification. As part of the checks performed during 2012 an examination was conducted on 19th of December 2012 at the premises of MA and in compliance with the adopted procedures for performing on-the-spot checks by the CA. Subject to this examination was the procedures for appointment of first level controller, submitted on behalf of the controllers certificates for verification of expenditures, control procedures regarding controllers performance, etc. Within submitted report by the CA regarding the performed on-the-spot check, there were no defined significant findings.

As a result of the common efforts of the joint management structures – Managing Authority, National Authority and Joint Technical Secretariat four certification report were submitted to CA in 2012 amounting at 2 226 337 euro (IPA funding). Based on the results from on-the spot checks, desk-based checks of the submitted MA’s reports on certification, as well as on assessment of other available information by the Certifying Authority, no expenditures were excluded from the total amount proposed for certification to EC by the CA.

2.1.4 Information about the breakdown of use of the Funds

The table below presents actual financial data for year 2012. As it is evident from the presented information for year 2012 the project beneficiaries submitted to the MA requests for interim payment amounted to 2 557 882 euro.

Priority axes by source of funding (EUR)

	Expenditure paid out by the beneficiaries included in payment claims sent to the MA	Corresponding Community and Public contribution (IPA + National public)	Private expenditure	Expenditure paid by the body responsible for making payments to the Beneficiaries (IPA + National public)	Total payments Received from the Commission (excluding adv. payment)
PRIORITY AXIS 1	1 216 773	1 216 773	1 102	1 099 943	1 093 052
PRIORITY AXIS 2	1 341 109	1 341 109	0	1 288 465	1 152 917
PRIORITY AXIS 3	0,00	0,00	0	117 245	99 658
GRAND TOTAL	2 557 882	2 557 882	1 102	2 505 653	2 345 627

The financial figures in 2012 in comparison with 2011 present that advanced numbers of payments for 2012 (2 557 882 euro) in comparison with data reported for 2011 (148 639 euro), following proactive measures





implemeted in order to enhance performance and intensify procedures within the framework of programme implementation, financial management, etc.

The projects under implementation within the First and Second calls for proposals are 53 for the total amount of 11 610 740 euro (respectively: under the First call for proposals – 6 256 422, 96 euro and under the Second call for proposals – 5 354 317 euro). Within the period till 31st of December 2012 the expenditures paid out by the beneficiaries, included in payment claims sent to the MA amounted to 4 593 904 euro (incl. under the First call for proposals – 3 622 968,29 euro and under the Second call for proposals – 970 936,63 euro), representing 39,6% from the total amount of contracted projects. In relation with the financial implementation of the projects under the First and Second call for proposals, the information as of 31st of December 2012 (in euro) is presented in the table below:

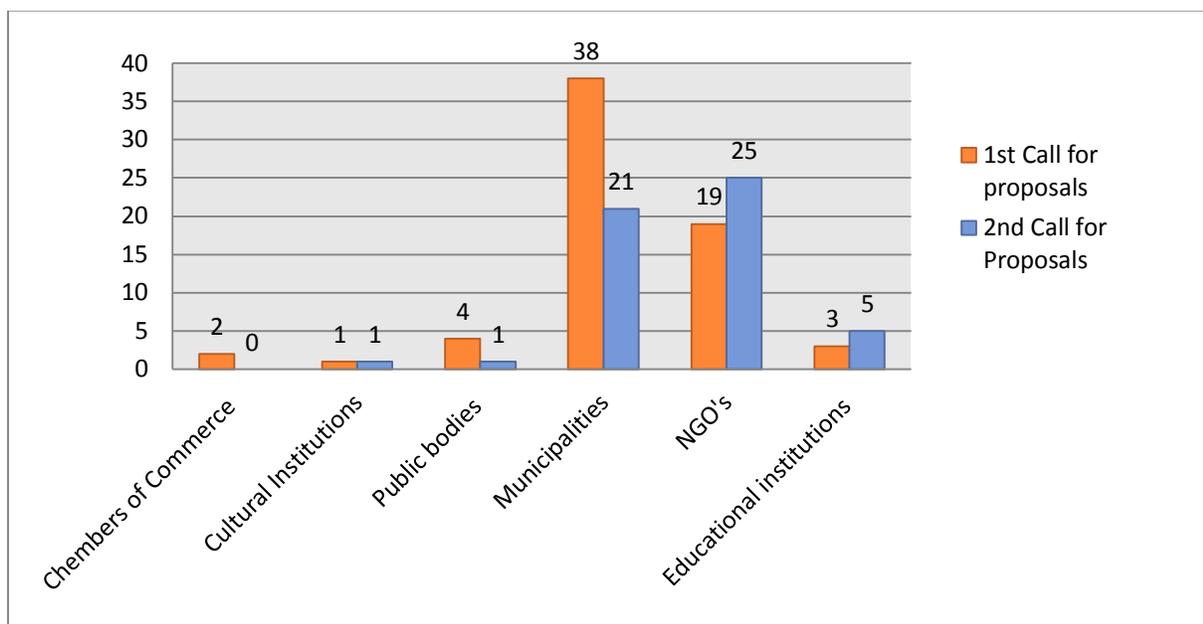
Calls for proposals	Contracts	Total contracts amount	Advance payments	Interim and final payments	Total payments	Comparison total payments to total contracts amount
		<i>(IPA + national co-financing)</i>				
1st Call for Proposals	32	6 256 422,96	1 234 560,73	2 388 407,56	3 622 968,29	57,91%
2nd Call for Proposals	21	5 354 317,40	970 936,63	0	970 936,63	18,13%
Total	53	11 610 740,36	2 205 497,36	2 388 407,56	4 593 904,92	39,57%

The data above show that expenditures and relevant requests for payments for a half of the contracted funds under the First call of for proposals will be submitted during 2013.

2.1.5 Assistance by target groups

Wide range of target groups are involved in implementation of subsidy contracts funded within the programme. Variety of entities (Municipalities, District administrations, NGO's, cultural and educational institutions, etc.) carry out activities for implementation of the relevant subsidy contracts. The number of entities implementing projects under the Programme, classified by target groups (state of play as of 2012) is shown in the next chart:





2.1.6 Assistance repaid or re-used

Not applicable

2.1.7 Qualitative analysis

From a programme management point of view, during 2012 the efforts were concentrated on ensuring a sufficient speed in the implementation of the programme in order to avoid de-commitment and to forward the dissemination activities. At the end of 2012, the total contracted amount was 13.28 million euro or 63.04% of the Programme budget for the period 2007-2013. The contracting rate could be considered as satisfactory and the Programme is expected to contract the allocated budget by the end of 2013.

The significant delay in starting of Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme affects absorption of the funds, and thereupon the current financial status still shows slow progress of the programme. Till the end of 2012, the certified amount was 2.35 million euro or 13,49% of the Programme budget (IPA funding) for the period 2007-2013. The payment rate is on low level due to the late contracting of the projects under the First call for proposals, some delays in the execution of some of the contracts and in the verification of expenditure because of the late setting of the FLC system in the former Yugoslav Republic of Macedonia. Due to the low payment rate, 950 688 euro of IPA Funds has been decommitted so far, accounting to 5.31% of the total IPA allocation for the period 2007-2013. During 2012, major steps were taken in order the accumulated delay to be overcome and the de-commitment to be avoided. The absorption of funds from the projects side was apparently increased in 2012, but additional efforts are still required concerning the FLC system and quality of the request for payment submitted by beneficiaries.





The projects under the thematic priorities of the Programme are selected by open calls for proposals, to which public bodies and non-profit organisations from the border region can apply. Towards the end of 2012, three calls for proposals were launched.

The first two calls for proposals attracted sufficient number of good quality applications. The total number of applications amounted to 220, out of which 160 meeting the minimum quality standards. The number of the applications in the Second call has risen with 34%, indicating an increasing interest to the Programme. About 250 different organisations from the cross-border region have cooperated in the preparation of joint proposals for the Programme under the First and the Second call for proposals, of which 140 Bulgarian and 110 Macedonian.

The Third call for proposals was launched in the end of 2012 with deadline for submission of project proposals: 4th of March 2013. This final call for proposals is open to restricted number of supported activities.

By the end of the reporting year, 56 subsidy contracts were signed, out of which 3 contracts were terminated; 25 projects were completed and 28 projects are ongoing.

The contracted projects are almost equally distributed between the two programme's Priority axes. The investment projects supported under both calls for proposals comprise about half of all financed projects, and to these projects was allocated about 80% of the Programme funding. This reflects the demand for support and the priority given to investment projects by JMC.

The distribution of the support by partner country is quite equitable. Out of the total value of the contracted projects by the end of 2012, 5.86 million euro is allocated to Bulgarian partners and 5.78 million euro to Macedonian. In total, 82 organisations are partners (lead partners or partners) in the contracts under the first two calls for proposals, 44 Bulgarian organisations and 38 organisations from the partnering country.

The supported projects have quite wide regional scope. Out of 50 eligible municipalities, projects are implemented on the territory of 39. The total population of the municipalities, which benefit from the Programme, is 90% of the target region population. The distribution of funding by eligible target region is to a large extent proportionate to the regional population and territory.

The horizontal themes are also taken into consideration through the standard format of the application form developed in the context of the Programme. The environmental horizontal priority is integrated within Priority axis 1 projects through actions for raising awareness on environmental issues and training on EU environmental policies, and in Priority axis 2 in sustainable tourism development actions. The projects comply with the gender equality and non-discrimination principles, although projects directly targeting gender equality and/or non-discrimination are not directly supported under the First and Second Call for proposals.

The MA procedures for ensuring compliance and integration of the horizontal priorities are in line with the established best practices. In the selection process, priority is given to projects contributing to horizontal





objectives and in implementation, compliance and integration to the horizontal priorities is reported by beneficiaries and verified by the controllers and JTS.

2.2. INFORMATION ABOUT COMPLIANCE WITH COMMUNITY LAW

The Programme has been prepared in accordance with Community Strategic Guidelines 2007 – 2013 priorities – especially in the area of improving of the attractiveness of the cross-border region and further developing of the human resources.

The Programme is compliant with the main EU strategic documents, notably with the Lisbon and Gothenburg strategies, targeting sustainable development, equal opportunities and cross-border partnership.

The overall strategic goal and the priority axes of the Programme are fully compliant with main Bulgarian and the former Yugoslav Republic of Macedonia national strategies and programmes, which are indicated in the Programme document. In order to ensure sound financial management of the Programme, the MA initiated a respective procedure and Decree No 221 of Council of Ministries for eligibility of expenditures was adopted on 11th of September 2009.

There are no problems encountered relating to the compliance with Community law in the implementation of the Programme.

The **Memorandum of Understanding** between Republic of Bulgaria and the former Yugoslav Republic of Macedonia for the implementation of the IPA Cross-border Programme with CCI Number: 2007 CB16IPO007 was signed on 31st August 2010. The document lays down the general rules for the implementation and financial management of the Programme as well as defines the bodies involved in the management and control and allocation of functions (responsibilities and rights) within each body involved into the implementation of the Programme.

2.3. SIGNIFICANT PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

Within the programme implementation, the following main problems were encountered:

- Risk of decommitment;
- Accumulated delay in tendering and contracting phase;
- Initial delay in process of establishing and functioning of FLC system;
- Delays in starting projects implementation by the beneficiaries;
- Low absorption of funds by the project partners;
- Problems at Project partners level – problems related to timely providing of financial resources; problems in preparation of tender documentation; inexperienced project staff; frequent changes of project team members; insufficient quality of the submitted documentation, etc.





In order to overcome the shortcomings described above a number of measures were undertaken as follows:

The summary of main measures for limiting and avoiding decommitment

✓ Related to appropriate coordination and management

- Setting up coordination between different programme authorities;
- Conducting regular meetings between the different authorities of the programme;
- Elaborate scenario for risk of de-commitment, relevant analysis.
- Allocation of funds for additional 12 projects from the reserve list of the Second Call for Proposals;

✓ Related to possibilities to speed up relevant procedures

- Establishment of schedule for submission of declarations of expenditure and financial claims;
- Speed up the contracting procedures;
- Speed up the verification process;
- Reduced time for administration of requests for payments;
- Continues monitoring and timely dissemination of necessary information.

✓ Related to timely identification of possible problems

- Identification of projects and themes at risk;
- Continuation with applied measure for elaboration of quarterly analysis which encompass detailed analysis for each contract and relevant conclusions categorised in three main categories – (1) without identified problems, (2) with insignificant problems and (3) with significant problems in the process of implementation. The subsidy contracts covered by category “3” to be subject to regular meetings and concrete steps for overcoming of problems to be undertaken in compliance with relevant action plan;
- Adapting and using adequate monitoring instruments;
- Ad hoc visits in order to identify potential shortcoming and to provide appropriate assistance to project partners who face difficulties in implementation;
- Awarding appropriate external evaluations with relevant independent opinion and recommendations in order to optimize procedures and performance;
- Adopt well drafted subsidy contracts.





✓ Related to awareness

- Rising awareness among all partners;
- Assistance and regular raising awareness of Lead partners and ensuring dissemination of relevant information to all project partners;
- Providing specific information and trainings; clarifying the link between eligibility of expenditures and automatic decommitment.

The whole range of measures listed above related to timely identification of possible problems, possibilities to speed up relevant procedures for contracting and payments, developing appropriate coordination and management, awareness rising and appropriate trainings, etc. are in place. In this context the MA and NA put efforts to optimize programme performance and to facilitate beneficiaries, including in terms of enhancement of capacity and knowledge sharing.

Regarding issues related to facilitation and problems solving at project partners level main measures undertaken encompass:

- Training sessions for beneficiaries regarding all aspects of project cycle management;
- Appointment of regional experts in the JTS in order to intensify the processes for review of requests for payments and financial consultations with beneficiaries;
- Open days for beneficiaries;
- Carrying out *ad hoc* visits and conducting joint meetings;
- Participating as observers at tender opening sessions;
- Providing day to day consultations to the project teams in project implementation issues (main topics: tender procedures, eligibility of expenditures, preparation of documents for reporting the status of implementation, etc.);
- Improvements of the MIS system – more information, easy access and better maintenance of the data bases;
- Improvements of the programme website in order to facilitate stakeholders; introducing module for JMC members for easy search of documentation, coordination, submission of comments, etc.
- Updating Questions & Answers section on the programme web site;
- Providing templates of the most frequently used documents, such as various reporting documents, Tender dossiers for PRAG procurement procedures, templates related to project changes etc.

2.4 CHANGES IN THE CONTEXT OF THE PROGRAMME IMPLEMENTATION

The **Programme document** drafted jointly by the two countries through a large partnership with national, regional and local stakeholders was approved by the European Commission with Decision C(2007) 6298 on





14 December 2007, amended with Decision C(2010) 3880 on 21 June 2010, Decision C (2012) 4936 on 17.07.2012 and Decision C (2012) 8373 on 14.11.2012. It sets out the general framework of intervention of IPA in the Programme cross-border area.

After the approval of the Programme by the European Commission, the following facts appeared requiring changes in the text of the Programme in 2012:

Decision C (2012) 4936 on 17.07.2012 - regarding the approved by the JMC on 12th of October 2011 amendment, related to the new financial allocations covering the period 2012 and 2013 of the Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross border programme, the breakdown of priority axes by source of funding has to be updated in the Programme financial tables. Following the adoption by the EC of the Multi-annual Indicative Financial Framework 2012-2013, the acknowledgement for receipt via SFC2007 system of the financial tables covering the period 2012-2013 of the programme has been received on 14th October 2011.

Decision C (2012) 8373 on 14.11.2012 – in line with Article 166 of Council Regulation (EC, EURATOM) 1605/2001 and Article 5 of the Financial Agreement between the European Commission and Government of the former Yugoslav Republic of Macedonia, the European Commission has started the procedure for automatic de-commitment of funding of total amount of 486 508,22 euro from the Instrument of Pre-Accession Assistance under the Programme. Based on the implementation of the projects under the First call for project proposals, the Managing Authority prepared revised financial plan and amended Bulgaria – the Former Yugoslav Republic of Macedonia IPA Cross-border Programme. In addition to the financial plan, MA proposed additional changes regarding responsibility of Managing and National Authorities regarding signing of framework contracts and contracts with external assessors and controllers and the staff of Joint Technical Secretariat.

2.5 COMPLEMENTARITY WITH OTHER INSTRUMENTS

The complementarity of Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-border Programme with other instruments has been thoroughly analysed already in the programming phase and it is discussed in detail in Chapter 4.7 of the Operational Programme Document.

Complementarity with other financial instruments will be ensured through mechanisms foreseen in the programming document. The coordination of the Programme with other plans / programmes financial instruments will be done by the national coordination structures in both participating countries.

The representatives of national coordination structures participate in JMC sessions. Representatives from ministries managing sectoral programmes also participate as observers in JMC sessions ensuring coordination and avoiding overlapping. Another useful tool for this purpose is the Management Information System of the Programme.





Coherence of the Programme with the EU Strategy for the Danube Region

The EU Strategy for the Danube Region is a macro-regional strategy, adopted by the European Commission in December 2010 and endorsed by the European Council in 2011, aiming at addressing the common challenges of the region by creating synergies and coordination between existing policies and initiatives, taking place across the Danube Region, while Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-border Programme was approved in 2007. The Programme defines a cross-border strategy for a common future development of the border region and after the adoption of the EUSDR it is one of the many financial sources that can support priorities of the Danube Strategy (insofar their priorities coincide) only on the limited programme territory.

Geographically, the Bulgarian part of the cross-border region, eligible under the Bulgaria- the former Yugoslav Republic of Macedonia IPA Cross-Border Cooperation Programme 2007 – 2013 is within the target areas of the EU Strategy for the Danube Region, while the former Yugoslav Republic of Macedonia part is outside it. The projects supported under the Programme target cross-border regional development effects. Thus, the Programme contribution to the Strategy for the Danube Region is mainly through establishing of good practices and synergy with the interventions under the Strategy in concern.

The Bulgaria – the former Yugoslav Republic of Macedonia IPA CBC Programme has never been amended in view of better matching the EUSDR priorities, but still (according to estimations of the on-going evaluation of the Programme – service contract No PД-02-29-307/13.11.2012) the projects supported under the Programme are coherent to the objectives of the three of the pillars and seven of the priority areas of the EU Strategy for the Danube Region.

In total, 17 of the contracted projects, amounting to 4.4 million euro are coherent to the objectives of *Pillar A 'Connecting the Danube Region'*, the majority of which (15 projects amounting to 3.5 million euro) support the objectives of the Priority area 3 'To promote culture and tourism, people to people contacts' and the remaining relate to Priority area 2 'To encourage more sustainable energy' (see Table 1).

To the Strategy for the Danube Region *Pillar B 'Protecting the environment'*, 9 of the supported projects have relevance, amounting to 2.0 million euro by contributing to the management of environmental risks (Priority area 5) and preserving biodiversity and landscapes (Priority area 6).

To the objectives of *Pillar C 'Building Prosperity'* are relevant 27 projects, supported under the first two calls for proposals, amounting to 5.2 million euro. Of these, 5 projects are coherent with the objectives of priority area 7 'To develop the Knowledge Society', 11 projects – Priority area 8 'To support the competitiveness of enterprises', and 11 projects – Priority area 9 'To invest in people and skills'.





Table 1 Distribution of Supported Projects under the Programme by Pillars and Priority areas of the Strategy for the Danube Region

Danube Region2	Danube Region	No of projects	%	Total value of the projects in EUR
A. Connecting the Danube Region		17	32%	4 409 302
	2) To encourage more sustainable energy	2	4%	890 900
	3) To promote culture and tourism, people to people contacts	15	28%	3 518 402
B. Protecting the environment		9	17%	2 000 436
	5) To manage environmental risks	1	2%	299 414
	6) To preserve biodiversity, landscapes and the quality of air and soils	8	15%	1 701 022
C. Building Prosperity		27	51%	5 222 317
	7) To develop the Knowledge Society through research, education and information technologies	5	9%	601 282
	8) To support the competitiveness of enterprises	11	21%	2 061 745
	9) To invest in people and skills	11	21%	2 559 291
Grand Total		53	100%	11 632 056

Example of projects, which add value by establishing good practices in the fields relevant for the EU Strategy for the Danube Region are given below.

Pillar A ‘Connecting the Danube region’

Priority Area 3 ‘To promote culture and tourism, people to people contacts’

- **Action - “Cultural Bridges for Sustainable Regional Development”.** It aimed at promotion of cultural tourism in the border regions and valorisation of cultural heritage through bilateral partnership. It created favourable conditions so that cultural itineraries integrate cultural values, spiritual and economic connections into cultural and tourist systems.





The project supported concrete joint actions for the development of religious tourism, as part of cultural tourism, by creation of joint services and products in the regions, information networks presenting the common cultural heritage, exchange of best practices and know-how for its revival and preservation, consolidation of cultural sites and their promotion as tourist ones, marketing and promotional activities: exhibitions, seminars, website (Heritage trail web), multimedia products (the Tourist guide to the religious sites of the two countries is the fruit of several months of research on the history of these places of worship, and their wealth of art - paintings, icons). The project (2007CB16IPO007-2009-44) was completed in 2012.

Pillar B ‘Protecting the Environment in the Danube Region’

Priority Area 6 ‘To preserve biodiversity, landscapes and the quality of air and soils’

- **Action – “Joint Applicable Research for Natural Recourses Preservation and Environmental Protection in the Cross-border Region”.** The project aims to foster capacities for natural recourses preservation and environmental protection in the CB region by using high-tech information technologies, GIS, GPS and satellites data. It supports joint research studies, inventories, data collection, information and know-how exchange on CB area’s natural resources protection; development of joint early warning systems for prevention of natural disasters; and joint public awareness campaigns for environmental protection and nature-friendly behaviour: joint conferences, workshops etc. The project (2007CB16IPO007-2011-2-106) will be completed in 2013.

Pillar C ‘Building Prosperity in the Danube Region’

Priority Area 7 ‘To develop the Knowledge Society through research, education and information technologies’

- **Action – “Bridging universities and business for enhancing employability skills for students”.** The project contributed to the improvement of employability skills of university students by establishment of University-Business Network in the border region, creation of two university business hubs in Blagoevgrad and Stip and development and piloting of on-line webinars, bridging students and young professionals with local businesses. Employability Map was created as an interactive tool for self-assessment of students and the university career centres. This project output was used as a basis of a certification program, currently jointly implemented by the university and business. The project 2007CB16IPO007-2009-19) was completed in 2012.

2.6 MONITORING ARRANGEMENTS

Monitoring of the Programme is focused on ensuring quality of implementation and compliance with applicable rules and procedures. The Description of management and control systems ensuring reliable accounting, monitoring and financial reporting system The European Commission issued a letter ref No DG





REGIO E1 D(2010) with positive assessment on the Description of management and control systems (in accordance with Article 115 and 116 of Commission Regulation (EC) No 718/2007) on Bulgaria- the former Yugoslav Republic of Macedonia IPA CBC Programme.

Implementation manuals

➤ **Programme Implementation Manual (PM)**

The legal basis for elaboration of the PM is, as a general rule, the EC regulations and decisions implementing the Instrument for Pre-Accession Assistance and the programming documents concerning the programme. The PM and its annexes and appendixes, describes in detail the specific rules and procedures for implementation of the Programme. It has been jointly developed by the MA, NA and Joint Technical Secretariat.

In order to improve the consistency and to facilitate the implementation of management and control procedures, the Managing Authority has elaborated a common manual (IPA CBC Manual) for the three IPA CBC Programmes, managed by the Bulgaria for the cross-border areas with Serbia, the former Yugoslav Republic of Macedonia and Turkey.

During the reporting period some amendments concerning specific rules, procedures, chapters and annexes have been made. The system for revisions, updates, modifications and development of the Programme Manual aims to tackle with amendments in the three IPA Programmes (where applicable), legislative modifications or unexpected socio-economic development, which has a direct impact on the implementation of the Programmes. During 2012, amendments to the IPA CBC Manual were approved in March and September 2012 related to optimization and clarification of the procedures; optimization of the procedures and reflection of the recommendations given by the CA and AA; improvement of the monitoring and risk assessment procedures, in order the distribution of tasks between responsible bodies (MA and JTS) to be clearly distinguished and to avoid delays in the management process, etc.

➤ **Project Implementation Manual (PIM)**

The Project implementation manual (PIM) is a guiding tool prepared by the MA, NA and JTS to help the beneficiaries in the process of project management and implementation. PIM is prepared as a guide-book, which consists of several main topics, as: Legal and Institutional Framework, Contracting and contract's modifications, Project's implementation, Procurement, Financial Management and Control, Information and Publicity, Monitoring and audit of the project, etc.

During the year 2012, some amendments and clarifications were made to the PIM for the First call for Proposals and its annexes, as reflected into version 3.1/April 2012. Due to a substantial revision in the PIM reflecting the amendments in PRAG rules (2012), a new version of the PIM for the projects under Second





call for proposals was introduced. The updated and improved Project implementation manuals are available at Programme's web-page: <http://www.ipa-cbc-007.eu/en/page.php?c=19>

Monitoring

➤ Programme level

The Managing Authority and the Joint Monitoring Committee (JMC) are responsible for monitoring the Programme implementation in accordance with the principle of sound financial management. The Joint Monitoring Committee observes the monitoring of the Programme implementation and ensures the achievement of the Programme objectives through a rational use of the allocated resources.

During the reporting period, one **JMC meeting** was carried out on the 30.03.2012 in Berovo (the former Yugoslav Republic of Macedonia) for approval of the projects to be funded under the Second call for proposals. Discussion on preparation and launching of the Third call for project proposals and presentation on the progress of the Programme implementation were other main topics of this meeting. Additionally, several **JMC written procedures** were organized on the following dates:

- 16th February 2012 - JMC written procedure concerning 2007CB16IPO007-2009-1-24 "Tourism without borders" with Lead partner Municipality of Kyustendil (BG).
- 12th April 2012 - JMC written procedure concerning extension of implementation period for the following projects: 2007CB16IPO007-2009-1-44 "Cultural Bridges for Sustainable Regional Development" with Lead partner Institute for Orthodox Values and Cultural Development Foundation – Gotse Delcev (BG); 2007CB16IPO007-2009-1-51 "Raising the quality of life in the municipalities of Belica (Bulgaria) and Makedonska Kamenica, FYROM through the preparation of technical investment projects for socially significant buildings" with Lead partner Community centre "Georgi Todorov" Belica (BG); 2007CB16IPO007-2009-1-52 "Encouragement of the social cohesion of the municipalities of Belica and Makedonska Kamenica" with Lead partner Municipality of Belica (BG); 2007CB16IPO007-2009-1-80 "Wise utilization of eco resources on the mountains Golak and Vlaina" with Lead partner Municipality of Delcevo (MK).
- 25th April 2012 - JMC written procedure concerning extension of implementation period for the project 2007CB16IPO007-2009-1-14 "Cross-border cooperation in the field of Renewable Energy Sources and Energy Efficiency" with Lead partner Alliance of the Producers of Ecological Energy – SOUTH Blagoevgrad (BG).
- 04th May 2012 - JMC written procedure concerning Proposed Programme financial revision;
- 10th May 2012 - JMC written procedure concerning proposed applicant's own co-financing for the following projects: 2007CB16IPO007-2009-1-61 "Building cross-border cultural cooperation" with Lead partner Municipality of Bansko (BG); 2007CB16IPO007-2009-1-84 "Business Incubator – Economic Development and Visibility of Border Region" with Lead partner Municipality of Berovo (MK).





- 08th June 2012 - JMC written procedure concerning approval of annual Programme implementation report;
- 20th July 2012 - JMC written procedure concerning approval of Instruction for the beneficiaries related to eligibility of expenditure and for extension of implementation period of project 2007CB16IPO007-2009-1-53 “Cultural Heritage – a Bridge to Joint Future” with Lead partner Municipality of Dupnitsa (BG);
- 17th October July 2012 - JMC written procedure – concerning approval of modification of budget under Priority Axis 3 “Technical assistance” for 2012;
- 09th November 2012 - JMC written procedure – concerning approval of Guidelines for Applicants’ Package under 3th Call for project proposals;
- 20th November 2012 - JMC written procedure – concerning extension of implementation period of project 2007CB16IPO007-2009-1-55 “Improvement of tourism infrastructure of Boboshevo and Kratovo” with Lead partner Municipality of Boboshevo (BG).
- 17th December 2012 - JMC written procedure – concerning approval of documents related to the Technical Assistance budget for 2013 of IPA Cross-border Programme CCI No 2007CB16IPO007.

In order to be discussed issues related to programme implementation, during the period under review the following **Joint technical meetings** between MA and NA were organized by JTS:

- On 8th March 2012 – MA/NA technical meeting in Strumica (the former Yugoslav Republic of Macedonia) concerning: Forthcoming JMC meeting; Implementation and risk assessment of the projects funded under the 1st Call; FLC system; Technical Assistance operational Agreement; Pre-contracting stage for the projects under the 2nd Call.
- On 25th June 2012 – MA/NA technical meeting in Kyustendil (BG) concerning: Status of implementation of the contracts financed under the Second call for proposals; Status of implementation of the activities under the 2nd Call; FLC system; Programme level issues.
- On 24th October 2012 – MA/NA technical meeting in Skopje concerning: Status of implementation of the contracts financed under the First call for proposals; Status of implementation of the activities under the Second call for proposals; FLC system; launching the Third call for proposals; TA budget, JTS office, Antenna office, staff issues etc.

A number of informal technical meetings were conducted within 2012 for discussion of different issues related to the smooth implementation of the programme and to enhanced performance. Issues related with the preparation of next programming period 2014-2020 were also discussed.

➤ **Project level**

The overall monitoring at the Projects level is carried out by the JTS for Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross border Programme with main office located in Kyustendil, Bulgaria and a





branch office placed in Strumica. The JTS implements the main monitoring tools – on the spot checks and checks of PPR, verifying the proper implementation of the projects in conformity with the provisions of the Subsidy Contract, objectives of the Application form and Programme rules.

During the reporting period, **Initial monitoring visits** were held in the period from 10th October 2012 to 26th October 2012 in the premises of the Lead partners of projects financed under the Second Call for proposals. The main purpose of the initial monitoring visits is to be checked the available resources for the project implementation, to be discussed the readiness for the tender procedures and the project implementation strategy; and to be performed the initial risk assessment and etc.

During the year 2012, on the basis of the Risk assessment analysis and Risk response plan 12 **ad-hoc monitoring visits** of the projects under the First call for proposals have been performed by JTS. The subject of the monitoring visit is the progress of the project to be checked in compliance with the terms and conditions set out in the implementation plan and the physical check to be performed of the investment activities and services delivered. In the period between 16th and 20th of July 2012, JTS has organized technical meetings in Kyustendil, with project beneficiaries from the First call facing delays in implementation. During these meetings it was discussed thoroughly the problematic issues as the appropriate resolving measures were formulated.

During the year 2012, on the basis of the Annual Working Plan for Monitoring, 18 **final monitoring visits** were performed.

Management Information System (MIS)

In order to facilitate the overall implementation of the Programme, at both programme and project level, the Management Information System is created as practical tool for performing the task of the relevant authorities (Managing Authority, National Authority, Certifying Authority, JTS). The information system is operational and under updating its functionality. The system's scope covers all joint programme and project level tasks as follows:

- *Programme and call for proposals management:* the adequately recorded programme data creates the basis for all sorts of further monitoring activities. Thus programme data like priority structure, budget, indicators etc. are recorded in order to facilitate programme-level monitoring and aggregations.

- *Project module:* functionality of the project section ensures tracking the whole life-cycle of projects including TA projects as the system facilitates the management and monitoring of a great number of project related tasks (contract and modification data, implementation data - management of progress reports and request for FLC, etc.).

- *Financial management:* the financial section is also a crucial part of the system's functionality. It ensures the sound management of Community funds.





▪ *Reporting:* in addition to the project applications and contracts data, a section for programme reporting and evaluation will be established during the current functionality's updating of the system.

Additionally in 2012 the following changes were implemented:

▪ Patch 1.1.02032012 – XLM export for UMIS (Unified Management Information System for management of the EU funds in Bulgaria) has been implemented insuring connection between the two systems and especially with the module for double financing checks in UMIS thus reducing the possibility of double financing between the Programme's projects and the projects, financed under the different Operational Programmes in Bulgaria.

▪ Patch 1.2.07052012 – New access rights definition and changes in modules "Contracts and changes" and "Implementation".

▪ Patch 1.3.25102012 – New web sites of the Programme has been deployed.

▪ Patch 1.4.21122012 – New functionality for Payments module, approval of the assessment grids for seconds and third calls has been implemented. Activation of irregularities module has been done.

First Level Control system

According to the Description of the Management and Control System, the MA implemented "quality checks" on the ongoing projects through First level control (FLC) system. The FLC system is developed in accordance with Art. 16 of Regulation (EC) 1080/2006 in order to make possible in the framework of the Bulgaria – the former Yugoslav Republic of Macedonia IPA CBC Programme (2007-2013) to verify: (1) the delivery of the products and services co-financed; (2) the soundness of the expenditure declared for operations or parts of operations implemented on the Bulgarian territory; (3) the compliance of respective expenditures and related operations with Community rules and applicable national rules.

The FLC entails the following checks:

- verification of the delivery of the products and services (as described in the approved Application Form which is the reference point for the approval decision regarding the activities and finance; and/or the project subsidy contract – which sets the legal background for the implementation of the project.);
- verification of the soundness of the expenditure declared;
- verification of the compliance of such expenditure with Programme, EC and national rules.

The Bulgarian side set up a decentralized FLC system and the same approach was adopted by the partnering country. In Bulgaria the First level control is carried out by Controllers selected by the DG "Territorial Cooperation Management" within the Ministry of Regional Development and Public Works in





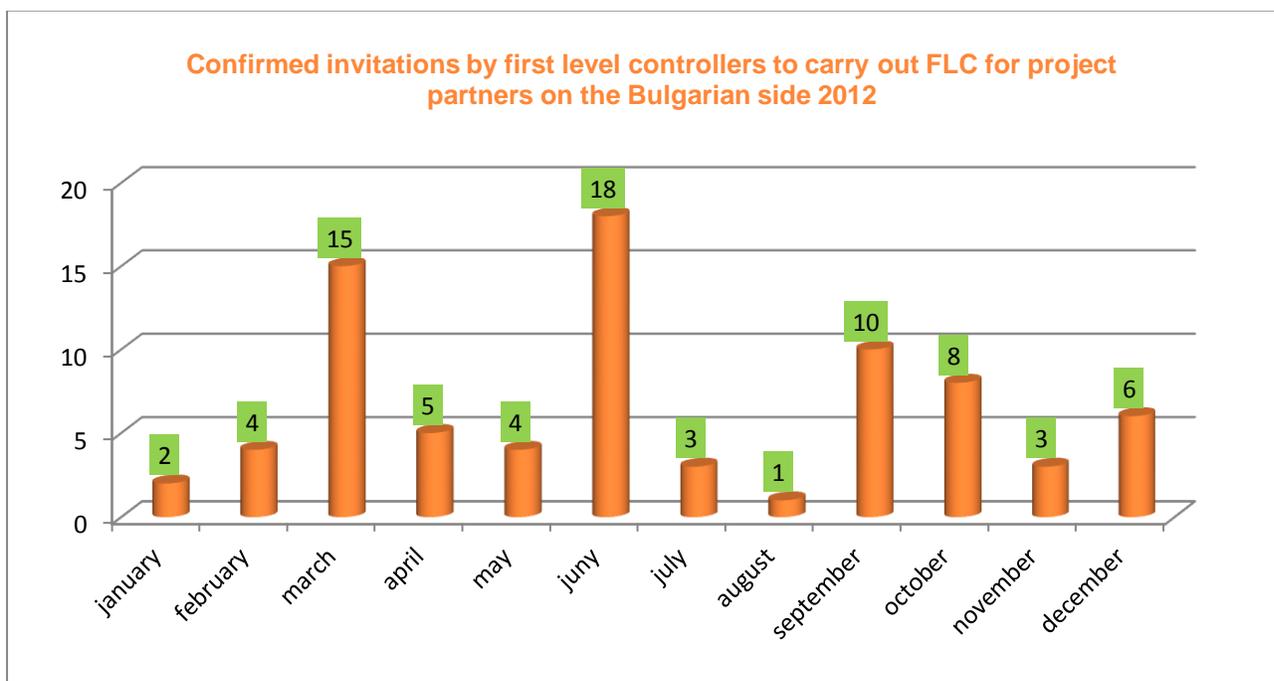
accordance with respective national rules from a list of external independent Controllers (established on state level), authorized by the Ministry in its capacity of Managing authority for IPA CBC Bulgaria - the former Yugoslav Republic of Macedonia (2007-2013).

According to the Description of the Management and Control System, “quality control” over performance of the first level controllers is carried out on a “sample basis” in percentage of the number of the controllers who have executed FLC within quarterly period. The first level controllers covered by the sample are subject to on-the-spot quality checks. The quality control over performance of the first level controllers is carried out by documentary check, on-the-spot checks on a sample basis and on-the-spot checks in result of received notice/signal for potential irregularity and/or appeals from project partners.

During the year 2012, the FLC system was duly implemented for the purposes of verification of expenditures for amounts spend by the project partners implementing projects signed under the First and the Second call for proposals. Within the reporting period, the MA took measures for improvement of the system, based on the audit findings and in order to enhance effectiveness of the FLC controllers performing verifications for Bulgarian project partners. Within the established pool of external independent controllers there will be entered separation depending on the type of territorial cooperation programmes for which FLC is carried out, consequently there will be differentiated “IPA specialised” first level controllers in order to enhance performance and facilitate them in operating with single set of rules, procurement requirements, reporting templates, etc. The possibility to avoid rotation of first level controllers who carry out verifications for single subsidy contract will be reconsidered in order to enhance effectiveness taking into account that the first controller who is aware with the contract performing first on-the-spot visit will be in position to perform more efficient verifications on the same subsidy contract than another controller who need to get aware with the project at later stage of implementation. For the subsidy contracts under the Second and Third call for proposals the first level control will be performed on six months periods in order to optimise the efficient use of resources and simultaneously it will be allowed a request for FLC to be launched on three months basis depending on the spent amounts.

Within the year 2012, seventy nine (79) requests for First level of control were submitted by project partners. The chart below represents the flow of invitations to First Level Controllers on monthly basis for the Bulgarian side.

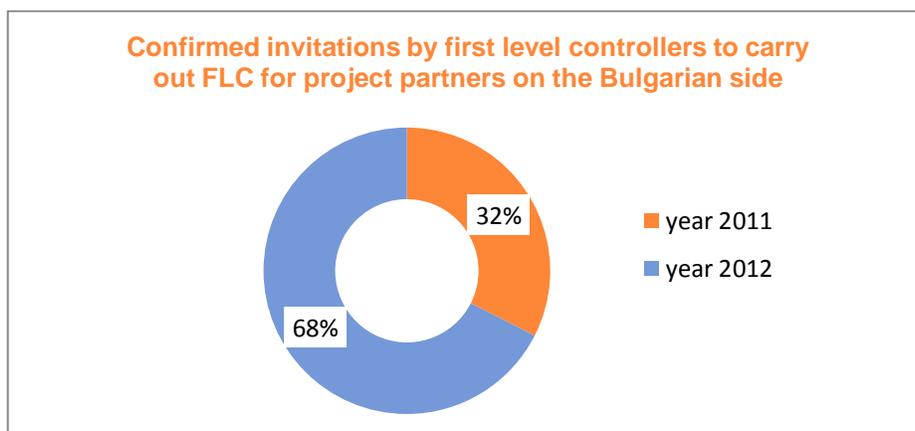




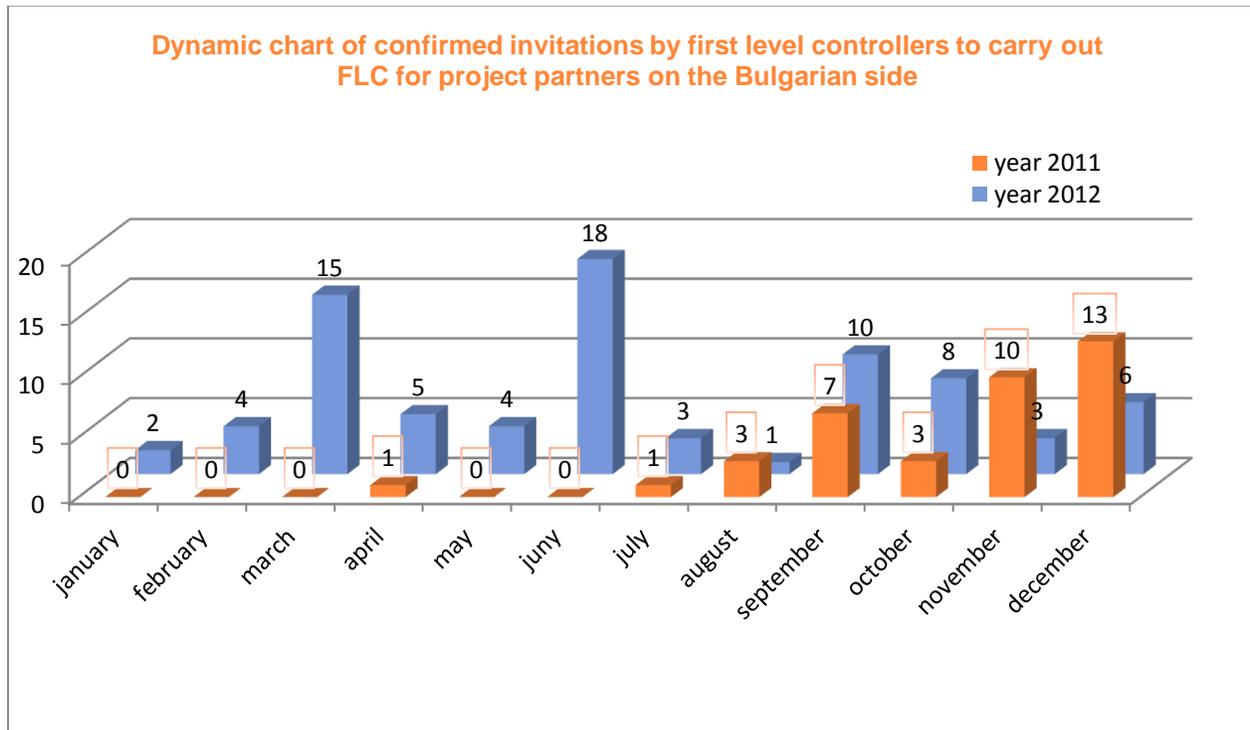
During 2012, the Bulgarian First Level Controllers encompassed 83 on-the-spot visits on the premises of respective project partners in Bulgaria which represented 32 projects.

Comparison related to intensity of the First level control workload

The confirmed invitations in 2012 for FLC for Bulgarian project partners within the programme are 79 which represents share of 68%.



The summarized data related to confirmations by First level controllers for performing FLC on Bulgarian project partners under the programme show dominated share for year 2012 in comparison with 2011.



In terms of sufficient increase of workload the development is positive but regarding the rhythm of financial absorption on quarterly basis the trends are not on the expected level and there is no sufficient level of predictability regarding the number of submitted requests for FLC on behalf of the respective lead partners implementing subsidy contracts.

Audits under the Programme

➤ **System audit**

In accordance with the Annual audit plan of AEUFEA, the AA performed the second system audit under the Programme in the period August – December 2012. The system audit objective was to obtain reasonable assurance about the effective functioning of the management and control systems of the Managing Authority, National Authority, FLC system and JTS under the Programme in accordance with the requirements of Regulation (EC) 718/2007 and Regulation (EC) 1828/2006. The audit was carried out at the Managing Authority – General Directorate “Territorial Cooperation Management” at the Ministry of Regional Development and Public Works of the Republic of Bulgaria and in National Authority - Ministry of Local Self-Government of Republic of Macedonia.

The audit activities were performed by auditors from AEUFEA and Audit Body - AA for audit of instrument for pre-accession assistance - for the checks on the territory of Republic of Macedonia. The scope of the audit includes all seven key requirements to the management and control systems. The audit





team examined the respective control activities undertaken by the MA during the period from 30th of June 2011 to 30th of July 2012.

The preliminary results of the checks of the NA, FLC system and JTS Antenna on the territory of Republic of Macedonia were communicated with NA's management and sent to the Audit authority on 12 December 2012. The Audit Body gave an assessment of the management and control systems at the NA, the FLC system and the JTS Antenna, according to the four-level scale, at level 2 – (Works, but some improvements are needed).

According to the preliminary results of the checks the management and control systems in MA, NA, FLC system and JTS are evaluated as effectively worked.

➤ **Audit of operations**

Within the 2012 the AEUFEA has conducted audit of operations for assurance that the certified expenditures are correct and the underlying transactions are legal and regular. During the audit mission expenditures certified in the period 1.01.2007-31.12.2011 were checked. The AA has underlined one finding with financial impact, for which the relevant corrective measures have been undertaken by MA. The findings have been considered closed in the final report dated 1st of November 2012.

Evaluations under the Programme

Multi-annual Evaluation Plan for Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme 2007 - 2013 was elaborated and approved by JMC on 11th of May 2011. The Evaluation Plan defines and explains the overall coordination arrangements for the on-going evaluation process under the programme. Following the evaluation plan, the Programme is subject to three evaluations aiming to improve the quality, effectiveness and consistency of the assistance and the strategy and implementation of the Programme, taking due attention to sustainable development issues and horizontal objectives.

➤ **Evaluation of the communication plan**

The first programme evaluation was performed in 2011 and aimed at examination of the level of achievement of the objectives set out in the Communication plan for the period of 2007 - 2010. Detailed information about the findings and recommendation from the internal analysis was presented in the previous Annual implementation report.

➤ **On-going evaluation of the Programme**

On 13th of November 2012 a service contract was signed with external consultant for elaboration of On-going evaluation of Bulgaria- the former Yugoslav Republic of Macedonia IPA CBC programme (2007-2013). The tender dossier was elaborated in collaboration between MA and NA following PRAG rules and was launched on 4th of July 2012.





The deadline for submission of offers was 2nd of August 2012. Evaluation report with results of the evaluation process was approved by Head of MA on 10th of October 2012.

The objectives of on-going evaluation encompass the following main dimensions: (1) assessment of current performance (interim results) and review likely impacts of the Programme as a whole in terms of relevancy, efficiency, effectiveness, consistency of the management and the implementation of the programme, identification of ways for improvement of activities; (2) measurement of effectiveness of the FLC system, the programme's and project indicators, the budget allocations to priorities, the planning and launching the call for proposals, quality of the application forms, timeliness and effectiveness of the selection procedures, timeliness and effectiveness of the contracting procedures, effectiveness of the monitoring procedures, beneficiaries awareness with the implementation rules, project developments and results, potential for optimization and facilitation, etc.; (3) presenting an independent opinion and recommendations/proposals for enhanced performance in order to ensure high absorption capacity during the programme implementation as well as providing recommendations for improvements which could contribute for successful implementation of the programme, decision-making process and potentially for the new programming period.

The kick off meeting was held on 27th of November 2012 on which the evaluation team performed detailed presentation regarding methodology to be followed within the on-going evaluation, approach and phases of evaluation, calendar of activities, evaluation themes and questions, sources of information, outline of the evaluation report, evaluation team, etc.

The first version of the Inception report for on-going evaluation of the programme was submitted on 13th of December 2012. The report encompasses information about the overall vision for organization of implementation of the whole range of evaluation tasks, the work programme, methodology, time schedule for implementing the activities, use of resources to achieve the intended results, evaluation instruments, etc.

According to approved timeframe the interim report is scheduled within three months following inception report and the final report of On-going evaluation of Bulgaria- the former Yugoslav Republic of Macedonia IPA CBC programme will be submitted by 14th of July 2013.

➤ **Examination of output and results indicators which are going to be achieved in result of project implementation under 1st and 2nd Call for proposals**

After the first internal analysis of the output and result indicators in 2011, a Methodology for output and result indicators under the Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme (CCI Number 2007CB16IPO007) was uploaded to the Programme web-page: (http://www.ipa-cbc-007.eu/upload/docs/Methodology_Programme_Indicators_BG_FYROM_IPA_Programme.pdf) and recommendation for using the methodology during the preparation of the Application Form was incorporated in the Guidelines for applicants under the Second call for proposals.





During 2012 the MA performed internal analysis of the programme output and result indicators, based on the information presented in the Application Forms of the approved for financing projects under First and Second calls for proposals and the Application Forms of selected projects during the evaluation of the offers for the Second call for proposals. In particular, the outputs and results indicators' quantities provided by the applicants have been compared to the relevant Programme ones, in order to assess the extent of achievement of all Programme output and result indicators after successful completion of respective projects.

In general, based on the conclusions from both internal analyses, it could be summarized that almost all output and result indicators could be gained after successful completion of projects under the First and Second Call for proposals. Under the Second Call for proposals there is increased interest by the applicants on Priority Axis 2 "Improvement the quality of life". Indicator "Decreased pollution in the region" could be well overachieved and thus fulfills one of the requirements of the Europe 2020 strategy. Based on examination performed, there is a possible risk for non-fulfillment of target values for some of the Programme output and result indicators. In that connection it should be underlined that due to the nature of information analyzed (provided by project applicants in their application forms), possible technical mistakes and inaccurate conclusions are likely to be outlined.

Based on the analyses carried out, the following measures were taken by the MA:

- Methodology of Programme Output and Result Indicators Assessment under the Bulgaria – fYRoM IPA Cross-Border Programme (CCI Number 2007CB16IPO007) was uploaded to the Programme web-site (<http://www.ipa-cbc-007.eu/en/page.php?c=35>) and recommendation for using the Methodology during the preparation of project proposals was incorporated in the Guidelines for applicants under the Third Call for proposals. Presentations with special focus on the importance and way of applying the methodology of output and result indicators, containing examples from the completed projects during the information days and trainings for potential beneficiaries under the Third Call for proposals.
- Risk assessment on a quarterly basis was introduced in order to take timely and adequate measures to mitigate and overcome any shortcomings during implementation of the subsidy contracts.
- In the Guidelines for Applicants for the Third call for proposals there is an exhaustive list of eligible activities, to achieve concentration of resources to priorities, which were not sufficiently well addressed by the projects, funded under the first two calls for proposals. The list of eligible activities is targeted according to indicators that were identified as underachieved, for example: eligible projects under the Third call for proposals will be with focus on ICT and knowledge economy under Priority Axis 1 and with focus on protection and management of environment – under Priority Axis 2.





The detailed information for carried out examination of output and results indicators which are going to be achieved in result of project implementation under the First and Second Call for proposals is presented in Annex II to this report.

More precise and reliable examination of the state of achievement and relevance of all Programme output and result indicators will be given in the Draft Final Report for on-going evaluation of the Programme in May 2013.

3. IMPLEMENTATION BY PRIORITY

3.1 PRIORITY AXIS 1 ECONOMIC DEVELOPMENT AND SOCIAL COHESION

Objective

To increase the overall competitiveness of the cross border economy and to improve social development and social cohesion

Sphere of intervention 1.1 “Economic Development”

Sphere of intervention 1.2 “Social Cohesion”

Sphere of intervention 1.3 “Project Preparation”

3.1.1 Achievement of targets and analysis of the progress

Information on the physical and financial progress of the priority

According to the financial plan for the period 2007-2013 funds available for Priority axis 1 amounted to 8 196 318 euro (out of which 6 966 870 euro - Community funding and 1 229 448 euro - National co-financing).

First and second call projects under Priority axis 1 were selected in open calls for proposals, to which public bodies and non-profit organisations from the border region could apply. Priority axis 1 attracted a high number of good quality applications and in total 27 projects were financed.

17 First call projects were implemented under Priority Axis 1, out of which 9 were under the Sphere of intervention 1.1 “Economic development”; 7 - under Sphere of intervention 1.2 “Social cohesion” and 1 project - under the Sphere of intervention 1.3 “Project preparation”. Value of the contracts amounted to 2,83 million euro.

In 2012, 10 Second call projects under Priority Axis 1 (amounting to 2,39 million euro) started their implementation. Additionally, 5 projects at the total amount 1,29 million euro were approved for financing by the JMC (allocation for 2012) and will be contracted in 2013.





The majority of contracted projects cover measures 1.1 and 1.2, while under measure 1.3 there are quite a few contracted projects.

Financial progress of projects under Priority axis 1, as of 31st of December 2012 (in euro):

Call for Proposals	Contracts	Total contracts amount	Advance payments	Interim and final payments	Total payments
		(IPA + national co-financing)			
1 st Call for proposals	17	2 824 290,95	549 980,94	1 099 942,70	1 649 923,64
2 nd Call for proposals	10	2 394 111,35	478 492,27	0,00	478 492,27
TOTAL	27	5 218 402,30	1 028 473,21	1 099 942,70	2 128 415,91

➤ **Sphere of intervention 1.1 Economic development**

The objective of this sphere of intervention is to use and mobilize all opportunities in the field of economy, to enlarge the field of actions, to increase market possibilities and to create new steady partnerships. This sphere has a key role for enhancement of the innovative development, through development of research and technology, cooperation and marketing. Creation of networks and clusters as flexible instruments for cooperation among research, development, qualification and other institutions will contribute for economic growth of the region.

Indicators which will be used to measure the progress of this sphere of intervention are shown in the table below:

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
		Business and educational linkages created	Achievement	0	0	0	0	50	136			
	Target 2016	15										
	Baseline	9										
Communities & institutions participating in knowledge economy	Achievement	0	0	0	0	1	5					
	Target 2016	7										
	Baseline	0										
Awareness campaigns of the benefits of ICT and new media	Achievement	0	0	0	0	2	12					
	Target 2016	20										
	Baseline	9										
ICT training	Achievement	0	0	0	0	0	10					
	Target 2016	10										





	Baseline	9										
Access to and usage of new technology	Achievement	0	0	0	0	1	32					
	Target 2016	10										
	Baseline	0										
SMEs involved/ addressed in CBC projects	Achievement	0	0	0	0	130*	6138*					
	Target 2016	7										
	Baseline	50										
Institutions/ bodies benefiting of programme activities	Achievement	0	0	0	0	11	136					
	Target 2016	50										
	Baseline	194										
New jobs created	Achievement	0	0	0	0	0	52					
	Target 2016	50										
	Baseline	30										

The table above represents data on the grounds of contracted projects level and successfully finalized activities

*The information is presented by the beneficiaries in PPR. The number consists of 4900 SMEs included in a business catalog under project 2007CB16IPO007-2009-32, financed under 1st Call for Proposals.

➤ **Sphere of intervention 1.2 Social Cohesion**

Objective of this sphere of intervention is to overcome the separating effect of the border and to promote correlations between the two sides. The activities in this sphere are aiming to contribute to the increase of social cooperation growth through strengthening of connections and cooperation between different actors serving as a backbone to various cross-border initiatives.

The indicators which will be used to measure the Progress of this sphere of intervention are shown in the table below:

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Joint cooperation projects on development of skills and knowledge	Achievement	0	0	0	0	7	6					
	Target 2016	10										
	Baseline	15										
Training places created	Achievement	0	0	0	0	2	5					
	Target 2016	3										
	Baseline	7										
Management and job-related training courses	Achievement	0	0	0	0	1	19					
	Target 2016	5										
	Baseline	51										
People participating in training	Achievement	0	0	0	0	26	679					
	Target 2016	350										
	Baseline	1460										
People with	Achievement	0	0	0	0	0	326					





enhanced skills	Target 2016	200										
	Baseline	1460										
Business to education linkages	Achievement	0	0	0	0	2	13					
	Target 2016	10										
People from vulnerable groups trained	Baseline	3										
	Achievement	0	0	0	0	0	105					
Scientific exchange and transfer of know-how	Target 2016	20										
	Baseline	26										
Networking structures created/ developed	Achievement	0	0	0	0	8	16					
	Target 2016	3										
Joint plans for cooperation in sphere of human management	Baseline	11										
	Achievement	0	0	0	0	1	2					
	Target 2016	3										
	Baseline	13										

* The table above represents data on the grounds of contracted projects level and successfully finalized activities.

➤ Sphere of intervention 1.3 Project preparation

Objective of this sphere of intervention is to prepare mature projects to apply under other EU and national financial sources. The indicators which will be used to measure the progress of this sphere of intervention are shown in the table below:

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Feasibility studies	Achievement	0	0	0	0	0	1					
	Target 2016	5										
	Baseline	0										
Preliminary and detailed design works	Achievement	0	0	0	0	0	3					
	Target 2016	7										
	Baseline	1										
Project environmental assessments	Achievement	0	0	0	0	0	0					
	Target 2016	2										
	Baseline	0										



Qualitative analysis

Majority of projects were based on balanced and adequate partnerships and demonstrated clear link between activities and results. There was a variety of activities that could be financed under Priority axis 1, which resulted in broad range of outputs.

Irrespective of their delayed start, which led to multiple project changes (project staff, budget or duration), majority of the projects under the First call for proposals were successfully implemented and the planned outputs were delivered. Envisaged activities were realized with the involvement of the target groups.

The objective for the development of business co-operation, clustering and networking was addressed by six projects, which delivered economic surveys, joint strategies and technical and business infrastructure rehabilitated. Programme targets of outputs related to this objective were overachieved already by the First call projects.

Few projects under the First call targeted the objective for boosting innovation and knowledge economy in the border region, and Programme targets on indicators related to innovation are greatly underachieved. For that reason, the list of eligible activities under the Third call for proposals was designed to target knowledge economy and ICT. Overall, the supported First call projects created joint information services and business and educational linkages, having some contribution to innovation and knowledge economy.

The objectives for human resource development were addressed by four projects, which improved employability skill and rehabilitated educational infrastructure. The Programme targets on indicators related to human resource development are overachieved by the First call project only, though indicators are numerous.

The objectives for integration of vulnerable groups were addressed by four projects. The Programme has one indicator related to this objective (training of vulnerable groups), which is overachieved at about 50%.

All details related to the achieved outputs could be found in the database of the MIS of the programme (<https://mis-007.mrrb.government.bg>). The information is available in the relevant progress reports.

3.1.2 Significant problems encountered and measures taken to overcome them

No significant problems could be encountered in implementing the priority.





3.2 PRIORITY AXIS 2 - IMPROVEMENT THE QUALITY OF LIFE

Objective

To stipulate cooperation for protection of nature and specific fields of environment, protection of historical and cultural heritage as well as provision of assistance in emergency cases.

Sphere of intervention 2.1 "Utilisation of eco resources"

Sphere of intervention 2.2 "Utilisation of cultural resources"

3.2.1. Achievement of targets and analysis of the progress

Information on the physical and financial progress of the priority

Following the financial plan for the period 2007-2013 the funds available for the Priority axis 1 amounted to 10 245 396 euro (incl. 8 708 587 euro Community funding and 1 536 809 euro National funding).

The projects under the Priority axis 2 are also selected by open calls for proposals, to which public bodies and non-profit organisations from the border region can apply. Under the First call for proposals, the contracts under implementation in Axis 2 are 15, of which 3 under the Sphere of intervention 2.1 Utilisation of eco-resources and 12 under the Sphere of intervention 2.2 Utilisation of cultural resources. The value of the contracts amounts to 3,43 million euro.

Under the Second call for proposals, 11 contracts have been concluded under Axis 1 in 2012 and they are currently under implementation on the total amounts to 2, 96 million euro. Additionally, 7 projects on the total amount 1,56 million euro have been approved by JMC for financing (allocation for 2012) and to be contracted in 2013.

The contracted projects under the first two calls for proposals equally cover the both measures.

Financial progress of projects under Priority axis 2, as of 31st of December 2012 (in euro):

Priority axis	Contracts	Total contracts amount	Advance payments	Interim and final payments	Total payments
		(IPA + national co-financing)			
PA 2	15	3 432 132,01	684 579,79	1 288 464,86	1 973 044,65
PA 2	11	2 960 206,05	492 444,36	0,00	492 444,36
TOTAL	26	6 392 338,06	1 177 024,15	1 288 464,86	2 465 489,01





➤ **Sphere of intervention 2.1 Utilisation of eco resources**

The objective of this sphere of intervention is to contribute to the preservation of natural resources biodiversity by applying environmental friendly approaches in all fields and increasing awareness to secure the sustainable use of resources. On the other hand there is cooperation potential in the field of eco-resources use for the development of the region (eco-, green-, rural-tourism, etc.).

The indicators which will be used to measure the progress of this sphere of intervention are shown in the table below:

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of joint environmental friendly projects	Achievement	0	0	0	0	3	10					
	Target 2016	20										
	Baseline	6										
Joint Eco-itineraries created/ developed	Achievement	0	0	0	0	1	3					
	Target 2016	10										
	Baseline	8										
Joint tourist services created/ developed	Achievement	0	0	0	0	0	1					
	Target 2016	10										
	Baseline	7										
Partnerships for cases of natural disasters established	Achievement	0	0	0	0	0	2					
	Target 2016	2										
	Baseline	1										
Joint environmental management plans	Achievement	0	0	0	0	0	3					
	Target 2016	2										
	Baseline	15										
Permanent networks for environmental protection and reasonable utilization of resources	Achievement	0	0	0	0	0	3					
	Target 2016	5										
	Baseline	1										
Environmental awareness campaigns	Achievement	0	0	0	0	0	7					
	Target 2016	15										
	Baseline	18										

* The table above represents data on the grounds of contracted projects level and successfully finalized activities

➤ **Sphere of intervention 2.2 Utilisation of cultural resources**

The objective of this sphere of intervention is to foster the cross-border cooperation in the field of cultural affairs and thus contribute to the improvement of quality of life in the region. The development of cultural tourism potential will also lead to a reasonable and sustainable use of the opportunities of the region.





The indicators which will be used to measure the progress of this sphere of intervention are shown in the table below:

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of projects concerning common cultural heritage	Achievement	0	0	0	0	12	16					
	Target 2016	20										
	Baseline	37										
Tourist destinations created/ developed	Achievement	0	0	0	0	0	43					
	Target 2016	10										
	Baseline	33										
Tourist services created/ developed	Achievement	0	0	0	0	0	24					
	Target 2016	10										
	Baseline	37										
Surrounding area of cultural spots improved	Achievement	0	0	0	0	0	41					
	Target 2016	7										
	Baseline	26										
Joint cultural events carried out	Achievement	0	0	0	0	6	48					
	Target 2016	15										
	Baseline	20										
Events popularizing intangible cultural heritage and traditions	Achievement	0	0	0	0	0	38					
	Target 2016	15										
	Baseline	21										
Awareness campaigns	Achievement	0	0	0	0	5	38					
	Target 2016	15										
	Baseline	55										

* The table above represents data on the grounds of contracted projects level and successfully finalized activities

Qualitative analysis

The majority of the interventions of the First call projects under Axis 2, have a clear link between activities and results. They address mainly the investment needs of the target region.

Most of the projects have not had serious implementation problems, threatening project results. Changes referring to extension of project duration and modification in the timetable of activities were not problematic on project level, but on Programme level led to later absorption of funds. During 2012 almost all planned outputs have been delivered or it is expected to be delivered in 2013.

There are only two projects supported under the First call for proposals, targeting improved protection and environmental management. The reasons for such low number of projects are the relatively small number of submitted good quality projects under the First call for proposals. That is why the achievement of Programme output targets related to this objective is still not sufficient enough. Based on these lower figures the MA and





the JMC took the decision to give a strong priority to these specific objectives within the Second call for proposals.

The objective for eco, rural and cultural tourism development was addressed by several projects from the both call for proposals (mainly investment projects), which contributed to improvement of tourism attractiveness of the region by reconstruction of museums, construction of centres for interpretation of cultural heritage, improvement of surrounding of the cultural sites and their accessibility. These projects contributed as well to the development of 24 tourism services in 43 tourist destinations and 52 joint cultural and popularising events. By the end of 2012, almost all programme output indicators related to tourism development were achieved by the implementation of the projects under the First call for proposals.

The objective for cultural cooperation strengthening was targeted by several projects, five of which investment projects, referring to cultural infrastructure improvements. Apart from the investment components, under the supported projects were conducted twenty four joint cultural events and ten events, popularising cultural heritage and traditions (concerts, planners, festivals, music and theatre performances, exhibition, etc.). All projects implemented under priority axis 2 are expected to deliver their planned outputs. The projects have clear contribution to improving the access of people in the cross-border region to cultural services. According to the preliminary findings by the external evaluator, all outputs indicators related to this objective are expected to overachieve their targeted values for the whole Programming period.

3.2.1. Significant problems encountered and measures taken to overcome them

No significant problems could be encountered in implementing the priority.

4. MAJOR PROJECTS (IF APPLICABLE)

Not applicable – no major projects were financed under the Programme during the reported period.

5. TECHNICAL ASSISTANCE (PRIORITY AXIS 3)

The aim of the Technical Assistance (TA) is to ensure an effective and efficient programme management and information flow, thus improving the quality of cross-border cooperation and management tools. The priority axis “Technical Assistance” finance the preparatory, management, monitoring, evaluation, information and control activities of the programme as well as activities to reinforce the administrative capacity for implementing the programme, promotion of the Programme, awareness raising, pro-active project generation, etc.

➤ Sphere of intervention 3.1 Overall administration and evaluation of the Programme





The objective of this sphere of intervention ensures:

- Support to the MA and JTS for tasks related to preparation of the necessary documents, appraisal and selection of projects, monitoring and evaluation of activities, control and audit of the Programme including daily allowances, travel accommodation costs covering the expenses for the participants from both countries (representatives of the MA, JTS, CA, AA, JMC, persons who are not directly involved, for example interpreters, drivers etc.) in events concerning the programme.
- Determine administrative costs concerning the JTS (Main and Branch offices) including rent of premises, repair works furniture and equipment, expenditures for electricity, heating, phones, water, consumables etc. and also staff remuneration costs for the JTS (Main and Branch offices).

➤ **Sphere of intervention 3.2 Publicity and communication**

The objective of this sphere of intervention ensures:

- Preparation, translation and dissemination of the Programme related information and publicity materials including but not limited to the programme website, official Programme documents, procedure manuals, bulletins, brochures, posters, etc.; as well as expenses for consumables as paper, files, folders, cases, diskettes, compact disks, etc.
- Organisation of public events as conferences, seminars, workshops, round table discussions, trainings for beneficiaries, networking and awareness-raising events, partner search forums etc. including rent of halls and equipment (audio-, video-, translation- equipment), expenses for interpreters, lecturers, trainers (should not be persons involved in the programme); expenses for coffee breaks, refreshments, business diners and lunches for all participants in the events;
- Purchase of advertising materials, such as CDs, USBs, hats, bags, note books, folders etc. as well as expenses for publications on media: radio, TV and press.

For the period 2007-2013 amounts of 1 741 717 euro Community Funding is available for this Priority axis “Technical Assistance”.

In order to implement the activities under Priority axis 3 – Technical assistance, an Annual technical assistance plan is prepared by the MA, together with the other structures involved in the Programme implementation. The Annual Technical Assistance Plan is designed to provide detailed information about the Programme related activities envisaged to be carried out by the Managing Authority (MA), the National Authority (NA) and the Joint Technical Secretariat (JTS) under Priority axis 3 - Technical assistance of Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme and is subject of approval by the JMC.





Total budget forecast for 2012 is amounted to 594 290 euro, from which 447 850 euro allocated for MA and 146 440 euro for NA. The detailed indicative breakdown of budget for 2012 was approved by JMC on 21.12.2011.

The 2012 TA budget encompasses administrative expenditures, travel and accommodation expenditures, meetings, trainings, promotional events, information and publicity, external expertise, supply, maintenance of equipment and other expenditures.

The main activities carried out under priority axis “Technical assistance” within 2012 are as follows:

✓ **Trainings for the Programme staff:**

During 2012, MA, NA and JTS staff attended to various thematic seminars and training events organized by INTERACT in order to acquire practical knowledge and information, to share their experience with colleagues from other European territorial cooperation programmes in the field of management techniques, financial issues, European regulations, communication, strategic orientation, policy development, etc.

✓ **Trainings for First Level Controllers, which took place in Sofia, Bulgaria three times during 2012:**

- On the 3rd of February 2012 in Sofia, Bulgaria at the premises of the “City” hall of the Best Western hotel. Training sessions encompass three main modules related to requirements regarding documentations, check-lists and reporting of activities carried out by First level controllers, financial issues, frequent errors and lessons learnt, public procurements and PRAG rules, etc.
- On 20th and 21st of March 2012 in Sofia, Bulgaria a number of First level controllers attended the training sessions of the INTERACT seminar conducted in Sofia. The training modules encompass issues related to FLC tasks and responsibilities, control procedures, public procurements, analysis on irregularities, recoveries and decommitment, etc.
- On the 4th of May 2012 in Sofia, Bulgaria at the premises of the Ministry of Regional Development and Public Works of Bulgaria. Training sessions encompass six main modules covering information about the cross-border cooperation programmes, main principles of the FLC, FLC system, verification process, public procurements, procedures under PRAG rules, irregularities, etc.

✓ **Regarding expenditures for external expertise**

- Tenders for two global price service contracts were launched within 2012: (1) Lot 2: Elaboration of On-going evaluation of Bulgaria - the former Yugoslav Republic of Macedonia IPA CBC programme (2007-2013) with budget of maximum 60 000 euro; and (2) for preparation of IPA Cross-border cooperation programmes 2014-2020 for which the Bulgarian side will be a Managing authority – Lot 2: Preparation of Bulgaria – the former Yugoslav Republic of Macedonia IPA cross-border programme 2014-2020, with budget of maximum
-





70 000 euro;

- Maintenance and upgrade of the new programme website, maintenance of MIS;
- Supply of IT equipment to facilitate activities of the JTS;
- Promotional materials, participation in various events, information and awareness rising, publicity etc. (detailed information is presented in part 6 “Information and publicity” and annex III of this report).

✓ **Programming for the period 2014-2020**

Regarding the new programming period 2014-2020 the MA undertakes activities in order to award contract (to be co-funded by priority axis “Technical assistance”) to external consultant for preparation of IPA Cross-border cooperation programmes 2014-2020 for which the Bulgarian side will be a Managing authority.

The information was announced in transparent manner and published on the TED website with Ref. No.EuropeAid/133413/D/SER/Multi. The tender forecast was published on 29th of August 2012, tender notice was published on 2nd of October 2012, short list notice was published on 27th of November 2012 and contract award is foreseen for 2013.

The main objectives of the consultancy activities encompass elaboration of Bulgaria – the former Yugoslav republic of Macedonia IPA Cross-border Programme 2014 – 2020 in compliance with requirements for cooperation programmes as set out in the relevant EU regulations and taking into account the specificities of the programme area and respecting the principle of multi-level governance. The consultancy tasks cover elaboration of situation analysis of the eligible programme area; drawing up the SWOT analysis of the eligible programme area; laying down the strategy of the future cross-border programme; elaboration of indicator table of the programme, financial plan; examining and referencing the potential links of the Programme with other development programmes and policies of the 2014-2020 financial perspective; description of appropriate application of horizontal principles; participation within Joint Working Group meetings; organization of regional consultations to programme stakeholders; ensure compliance with recommendations of the ex-ante evaluation and the strategic environmental assessment.

6. INFORMATION AND PUBLICITY

The focus of the information and publicity strategy is centred on increasing the awareness and promoting the positive work of the Bulgaria – the former Yugoslav Republic of Macedonia IPA Cross Border Cooperation Programme. For the purposes of implementation of the information and publicity strategy, a detailed Communication Plan is elaborated and approved simultaneously with programme approval. The aim of the Communication Plan is to ensure broad dissemination of the information about the programme, to guarantee the transparency of the programme’s implementation and to increase the awareness of the local





stakeholders about the programme's possibilities. The implementation of the Communication plan is responsibility of the Managing Authority, National Authority and JTS.

During 2012 various tools for information and publicity were used to reach the wide audience:

- Programme website
- Promotional materials
- Information seminars
- Mass media campaign
- Active training

Programme Website

During 2012 the official website of the Programme www.ipa-cbc-007.eu was one of the main publicity tools used to promote the Programme and disseminate the relevant information. In 2012 it appeared with a new structure and user-friendly interface. The whole range of information concerning the Programme (e.g. general information, priority axes, documents, questions and answers etc.) was presented in a user-friendly version of the sitemap structure, which allow the users to find the necessary information more easily. One of the most important improvements on the website, which is integrated with the MIS system is the Project Database established for funded projects (displaying an interactive region map of the Programme) and which ensure the transparency and it is a prerequisite for raising awareness of positive contributions by the European Union. A special access tools for the Joint Monitoring Committee (JMC) members from the website for sharing documents and information is also established, as well as a new calendar on the main page sorting the events on monthly basis and a special banner "Alerts on Irregularities".

The website has been regularly updated with relevant information on the Programme. The Joint Technical Secretariat is responsible for the maintaining and updating of the Programmes web site with the relevant information about the Programme. The "News" section was particularly useful to both general public and the potential beneficiaries since it was continuously updated with information on all relevant events, trainings, info-days, and news in general.

In order to ensure broad publicity, information on the Programme has been also disseminated through regional and national websites as well as on the websites at the European level:

- www.mrrb.government.bg - Bulgarian Ministry of Regional Development and Public Works
- www.eufunds.bg – EU Structural Funds website

The website partners search tool is also very useful in facilitating the integration among actors and promoting joint activities and ideas.





The new Programme website interface is presented below



Promotional materials

In 2012 tender procedure for elaboration and preparation of a great variety of promotional materials was conducted. As a result high number of leaflets, brochures, cardboard folders, conference business folders, binders, agenda organizers, pens, umbrellas, USB drives, calendars for 2013 and many others were produced.

The materials have been used for promotion the Programme on various occasions (trainings for beneficiaries, “Europe for us” exhibition and fair, the Joint Monitoring Committee meetings, European Cooperation Day 2012, etc.). All the materials follow the visual guidelines set in the Communication Plan as well as the “Communication and Visibility Manual for European Union External Actions” of EC. During the year more than 90% of all promotional materials have been distributed.

The “Visibility Rules of IPA CBC Programme CCI N-2007CB16IPO007” is one of the main visibility tools created during 2012 for the purpose of helping the beneficiaries in the process of project implementation and specifically communication and visibility. The manual is a comprehensive collection of rules, recommendations and best practices from a variety of sources, and is strictly in line with “Communication





and Visibility Manual for European Union External Actions” of EC and the basic “Project Implementation Manual” rules.

Information seminars

During the year the following big events have been organized and took place:

- The “Europe for us” (Sofia, Bulgaria - National Palace of Culture, 16 - 18 June 2012) second annual conference and exhibition, organized by the Bulgarian Economic forum in partnership with the Bulgarian Minister on management of EU funds and the EC Representation in Bulgaria. The purpose of the exhibition was to present European funded programmes and projects to the widest range of interested stakeholders.
- The Annual Coordination Meeting (Plovdiv, Bulgaria, 4 - 6 July 2012) of the European Information networks in Bulgaria. The conference was organized by the European Commission representation in Bulgaria and the general topic of the conference was “Communicating Europe Together – challenges and opportunities”.
- The official ceremony for award of subsidy contracts for successful beneficiaries under the 2nd Call for project proposals in the framework of IPA Cross-border Programme CCI Number 2007CB16IPO007 took place on 25th of July 2012 in the town of Strumica (MK). Deputy Minister of RDPW (BG) and Head of IPA Cross-border Programme Mr Nikolay Nankov and Deputy Minister of Local self-government (MK) Mr Sasho Lazarevski have jointly handed contracts to the successful beneficiaries.
- The European Cooperation Day was celebrated across Europe and in neighbouring countries for the first time ever on 21 September 2012. With 75 European Territorial Cooperation programmes on board, more than 100 local events were organized all over Europe during this week (17 - 23 September). The aim of the campaign which was coordinated by the INTERACT Programme in association with the European Commission and supported by the Committee of the Regions and the European parliament, was to celebrate the achievements of cooperation between European regions and countries.

The Joint Technical Secretariat, in cooperation with Directorate General "Territorial Cooperation Management", Ministry of Regional Development and Public Works of the Republic of Bulgaria (Managing Authority) and the Ministry of Local Self Government of (National Partner Authority), has organized a bilateral event - Cross border projects fair. The fair was organized on 21st of September 2012 on Velbuzd square in Kyustendil, Bulgaria, when 32 successful projects from the 1st call for proposals had the opportunity to present their projects in front of the programme implementation structures and general public. In the same time, they have shared their project results and project promotional materials as well as their experience in cross border cooperation programme. Performers and artists from Bulgaria and FYROM have presented music, songs and dances from both countries.





These events were an excellent opportunity for promotion of the Programme in general and also for exchanging experiences and best practices.

Additionally, the JTS communication officer has participated in the Annual Communication officers meeting, 27-28th of February 2012, Sofia.

Publicity (mass media) campaign

In addition to the promotion through the Programme website and the websites of the official institutions directly related to the Programme, both the Programme and the projects funded received a good deal of media attention through specific Programme press-releases (in all the three languages), online publications (other than on the Programme website), radio advertisements, video and television clips, publicities in local and national newspapers.

Active training

Two trainings for lead partners of the financed under 2nd Call for proposals and two trainings for First Level Controllers have been organized during 2012. **Trainings of the lead partners** were organised by the JTS and took places in Strumitca (MK) on 25th of July 2012 and in Sandanski (BG) on 27th of July 2012. All lead partners were trained on all the aspects of project implementation, when the main topics were:

- Financial and technical implementation of the financed projects;
- Contract modifications;
- Sub-contracting procedures;
- Financial implementation and irregularities.

Open days for individual consultations for the project partners were organized during 16 – 19 July 2012. Several meetings with all risky projects under the 1st Call for proposals has been conducted by JTS experts, consulting the beneficiaries for resolving of detected problems on smoothly project implementation.

During 2012 variety of activities included in the Communication plan have been organized and performed accordingly: various types of promotional materials have been disseminated to the target audience, the Programme Web site has been redesigned and maintained, and trainings for beneficiaries have been successfully organized. The mass media campaign and the participation of different events greatly contributed to the successful promotion of Programme and the Call for proposals. The Programme' visual identity and graphics standards have been maintained and widely disseminated to all the Programme's stakeholders. Detailed information is presented in Annex III to this report.





Indicators for communication and publicity measures

	Activity	Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total	
Programme website	General Information	Number of web-site visits	0	0	8190	8731	29 009	29350						
		Target 2016	2000 per year											
		Baseline	0											
	Partners' search facility	Number of web-site visits	0	0	8190	8731	29 009	29350						
		Target 2016	2000 per year											
		Baseline	0											
		Number of new potential PPs in the database	0	0	0	0	20	111						
		Target 2016	20 per call											
		Baseline	0											
	Contact details	Number of web-site visits	0	0	8190	8731	29 009	29350						
		Target 2016	2000 per year											
		Baseline	0											
Information for mass media	Number of press releases	0	0	0	0	6	6							
	Target 2016	2 per year												
	Baseline	0												
Promotional materials	Leaflets	Number of leaflets produced	0	0	0	0	0	1000						
		Target 2016	500 per call											
		Baseline	0											
		Number of leaflets disseminated	0	0	0	0	0	90%						
		Target 2016	80% of leaflets produced											
		Baseline	0											
	Brochures	Number of brochures produced	0	1000	0	0	0	500						
		Target 2016	500 per year											
		Baseline	0											
		Number of brochures distributed	0	25%	55%	20%	0%	89%						
Target 2016		80% of brochures produced												
Baseline		0												





	Posters & Banners	Number of official events	0	2	0	0	2	3						
		Target 2016	Min. 2											
		Baseline	0											
	Other promotional materials (gadgets)	Number of materials prepared for promotion of the programme	0	1050	0	0	300	300						
		Target 2016	200 per call											
		Baseline	0											
		Number of materials distributed	0	60%	0	0	33%	95%						
Target 2016		80% of the materials produced												
Baseline		0												
Information seminars	Info-days	Number of organizations/bodies represented	0	0	227	0	110	0						
		Target 2016	40 per call											
		Baseline	0											
		Number of persons attended	0	0	76	80	199	0						
		Target 2016	Min.60 per call											
		Baseline	0											
		Increase in the number of proposals submitted	0	0	0	0	29.7%	0						
	Target 2016	Min.3% compared to previous call												
	Baseline	0												
	Thematic seminars/ workshops	Number of organizations/bodies attending	0	0	76	80	74	73						
Target 2016		20 per event												
Baseline		0												
Publicity campaign	Print media campaign	Number of newspapers publishing issue(s) concerning the programme	0	1	2	2	2	2						
		Target 2016	4 per year											
		Baseline	0											
	Press conferences	Number of press conferences held	0	1	2	0	1	1						
		Target 2016	2 for the duration of the Programme											
		Baseline	0											
Press releases	Number of press releases	0	1	5	4	6	6							





		Target 2016	1 per call									
		Baseline	0									
	Press Advertisements	Number of press advertisements published	0	0	16	0	2	2				
		Target 2016	2 per call									
		Baseline	0									
	Internet media advertisement	Number of advertisements/eBanners	0	0	0	0	2	2				
		Target 2016	2									
		Baseline	0									
	eNewsletter	Number of eNewsletters	0	0	0	0	0	0				
		Target 2016	2									
		Baseline	0									
	Publication in regional initiatives and fora	Number of events	0	0	0	0	0	1				
		Target 2016	1									
		Baseline	0									
	TV campaigns	Number of TV advertisements aired	0	0	0	0	0	0				
		Target 2016	1 for the duration of the Programme									
		Baseline	0									
	Radio campaigns	Number of radio advertisements aired	0	0	0	0	0	1				
Target 2016		1 per country for each Call										
Baseline		0										
Active training	Training for beneficiaries	Number of participants	0	0	0	0	105	52				
		Target 2016	20									
		Baseline	0									
		Number of trainings	0	0	0	0	1	2				
		Target 2016	Min 1									
	Baseline											





	Training of the MA/NA/JTS	Number of participants	0	0	0	0	16.6% of the JTS staff	33,3% of the JTS staff						
		Target 2016	min 50% of the total staff											
		Baseline	0											
	Controllers performing FLC trainings	Number of participants	0	0	0	0	55	94						
		Target 2016	min 30											
		Baseline	0											
		Number of trainings	0	0	0	0	3	3						
		Target 2016	min 1											
	External assessors trainings	1) Number of participants	0	0	0	0	0	10						
		Target 2016	min 10											
		Baseline	0											
		Number of trainings	0	0	0	0	0	1						
Target 2016		min 1												
		Baseline	0											



Attachments:

ANNEX I to the Annual Report 2012

The annex provides lists of completed* projects under the 1-st Call for Proposals and the financed projects under the 2nd Call for Proposals on Bulgaria - FYRoM IPA Cross border programme CCI 2007CB16IPO007

ANNEX II to the Annual Report 2012

The annex provides summarized information of the internal examination of output and results indicators which are going to be achieved in result of project implementation under 1st and 2nd Call for proposals, performed by the MA.

ANNEX III to the Annual Report 2012

The annex encompasses a comprehensive list on communication and information activities during 2012.

Promotional materials

Programme web site

Programme trainings in 2012

Technical meetings and JMC meeting in 2012

* *Projects with project activities completed and final reports approved*





ANNEX I List of completed* projects under the 1-st Call for Proposals on Bulgaria - fYRoM IPA Cross border programme
Part A CCI 2007CB16IPO007-2009-1 (as of 30 December 2012)

	Project №	Project name	Lead Partner	Partner 2	Partner 3 / 4	Area of intervention	Type of project (investment/IB)	Total value of the project	EU funding	% of EU funding
1	2007CB16IPO007-2009-1	Contribution to the Cross-border Fire Protection	<i>Municipality of Rankovce (MK)</i>	Evro-Slavyanska Obshtnost Association (BG)	N/A	2.1	investment	299 413,82	254501,74	85,00
2	2007CB16IPO007-2009-6	Establishment of Cross-border Network among the Municipal Experts on Projects and Programmes in the Cross-border Region	<i>Association of South Western municipalities (BG)</i>	Centre for development of the South-East planning region - Strumica (MK)	N/A	1.2	IB	65 135,26	55449,97	85,00
3	2007CB16IPO007-2009-11	Electronic challenge for modern education	<i>Alliance for Regional and civil initiatives (ARCI) - Blagoevgrad</i>	Citizen association HANDICAP – support group for people with disabilities - Kriva Palanka (MK)	N/A	1.2	IB	99 980,84	84983,72	85,00
4	2007CB16IPO007-2009-12	Cross-border Business networking for sustainable growth	<i>Association business information and consulting centre - Sandanski</i>	Centre for development of the East planning region - Shtip (MK)	N/A	1.1	IB	99 984,27	84 986,63	85,00

* Projects with project activities completed and final reports approved





5	2007CB16IPO007-2009-13	Promotion of rural and mountain hiking/bicycle tourism between Bulgaria and Macedonia	<i>Woman's Organization Stip</i>	Chamber of Commerce and Industry - Blagoevgrad (BG)	N/A	1.1	IB	99 768,42	84 803,16	85,00
6	2007CB16IPO007-2009-14	Cross-border cooperation in the field of Renewable Energy Sources and Energy Efficiency	<i>Alliance of the Producers of Ecological Energy – SOUTH Blagoevgrad</i>	Foundation for local and IT Development - Gevgelija (MK)	N/A	1.1	IB	99 944,33	84 952,68	85,00
7	2007CB16IPO007-2009-16	Improving quality of life through promotion and development of cultural resources of the Gotse Delchev and Kratovo region and turn into attractive Art center	<i>Tourist Fund Pirin Foundation - Blagoevgrad</i>	Municipality of Kratovo	N/A	2.1	IB	91970.60	78175,01	85,00
8	2007CB16IPO007-2009-19	Bridging universities and business for enhancing employability skills for students	<i>American University in Bulgaria</i>	Goce Delchev University - Stip (Mk)	N/A	1.2	IB	87 952,63	74759,74	85,00
9	2007CB16IPO007-2009-24	Tourism without borders	<i>Kyustendil Municipality</i>	Stip Municipality (MK)	Kriva Palanka Municipality	1,1	investment	299 648,42	254 701,16	85,00
10	2007CB16IPO007-2009-31	Equal Opportunities for People with Intellectual Difficulties	<i>"Chance" non-profit association for persons with intellectual disabilities - Razlog</i>	Center for support of persons with intellectual disabilities "Poraka" - Kumanovo (MK)	N/A	1,2	IB	91 578,95	77 842,11	85,00
11	2007CB16IPO007-2009-32	Shared Knowledge - Investment in the Future	<i>Municipality of Kyustendil</i>	Municipality of Kyustendil	N/A	1.1	investment	289 289,16	245 895,78	85,00





12	2007CB16IPO007-2009-38	The tourism-our common future from Struma to Bregalnica	<i>Municipality of Simittli</i>	Municipality of Karbinci (MK)	N/A	2.2	investment	286 884,64	243 851,95	85,00
13	2007CB16IPO007-2009-39	Balkan Workshop For Theatre	<i>Dramatic Theatre - Kyustendil</i>	Municipality of Stip (MK)	N/A	2.2	IB	73 731,97	62 672,17	85,00
14	2007CB16IPO007-2009-44	Cultural Bridges for Sustainable Regional Development	<i>Institute for Orthodox Values and Cultural Development Foundation – Gotse Delcev</i>	Center for development and promotion "Promo Idea" - Strumica (MK)	N/A	2.2	IB	97 693,70	83039,64	85,00
15	2007CB16IPO007-2009-47	Transforming the lines of division into a point of cohesion	<i>Municipality of Dojran</i>	Municipality of Kyustendil (BG)	NI Institute and Museum - Strumica (MK)	2.2	investment	294 575,81	250389,44	85,00
16	2007CB16IPO007-2009-49	Fostering capacity for Joint economic cooperation of Kyustendil region / Republic of Bulgaria / and NorthEast planning region /Republic of Macedonia/	<i>Center for development of the Third - Northeast planning region - Kumanovo</i>	Regional Authority - Kyustendil (BG)	N/A	1,1	IB	99 983,16	84985,68	85,00
17	2007CB16IPO007-2009-51	Raising the quality of life in the municipalities of Belica,Bulgaria and Makedonska Kamenica, FYROM trough the preparation of technical investment projects for socially significant buildings	<i>Community centre "Georgi Todorov" Belica</i>	Municipality of Makedonska Kamenica (MK)	N/A	1.3	IB	48 296,76	41 052,25	85,00
18	2007CB16IPO007-2009-52	Encouragement of the social cohesion of the municipalities of Belica and Makedonska Kamenica	<i>Municipality of Belica</i>	Municipality of Makedonska Kamenica (MK)	N/A	1.2	investment	288 027,17	244 823,09	85,00





19	2007CB16IPO007-2009-61	Building cross-border cultural cooperation	Municipality of Bansko	Municipality of Vinica (MK)	N/A	2,2	investment	294 891,94	250 658,15	85,00
20	2007CB16IPO007-2009-73	The cross-border region Bulgaria – Macedonia – a good place for manufacturing of clothes-today and tomorrow	<i>Association textile and Clothes Branch organization of Southwest Bulgaria – Kyustendil</i>	Textile trade association - Stip (MK)	Chamber of Commerce and Industry of Kyustendil (BG)	1,1	IB	98 540,71	83 759,60	85,00
21	2007CB16IPO007-2009-77	Under the same sky	<i>Municipality of Kriva Palanka</i>	Municipality of Dupnica (BG)	N/A	2,2	investment	296 594,17	252 105,04	85,00
22	2007CB16IPO007-2009-78	Identical in cultural differences	<i>Municipality of Rila</i>	Municipality of Kochani (MK)	N/A	2,2	investment	243 167,63	206 692,49	85,00
23	2007CB16IPO007-2009-79	Modern infrastructure-successful business	<i>Municipality of Kocani</i>	Municipality of Rila (BG)	N/A	1.1	investment	299 981,24	254 984,06	85,00
24	2007CB16IPO007-2009-80	Wise utilization of eco resources on the mountains Golak and Vlaina	<i>Municipality of Delcevo</i>	Municipality of Blagoevgrad (BG)	N/A	2.1	IB	76 347,37	64 895,26	85,00
25	2007CB16IPO007-2009-90	Culture opens doors to enabling development	Municipality of Konce	Municipality of Yakoruda (BG)	N/A	2.2	investment	297 933,68	253 243,63	85,00
								Priority Axes 2		Priority Axes 1





ANNEX I List of financed projects under the 2nd Call for Proposals on Bulgaria - fYRoM IPA Cross border programme

Part B CCI2007CB16IPO007-2011-2 (as of 30 December 2012)

Project №	Project name	Lead Partner	Partner 2	Other partners	Area of intervention	Type of project (investment/Soft)	Duration	Total value of the project
2007CB16IPO007-2011-2-26	Together in the traditions and future	"St. St. Ciril and Methodius" Secondary School, Kyustendil, Bulgaria	Municipal Elementary School "Nikola Karev", Probistip	Bratstvo 1869 Community Centre - Kyustendil	2,2	Soft	12	99 702,70
2007CB16IPO007-2011-2-101	Traditional knowledge for sustainability - a cross border network for utilization and protection of wild and cultivated plant diversity of East Macedonia and South_West Bulgaria	Agricultural Association Machinery Ring - Probishtip	"European Institute" Foundation - branch Blagoevgrad	N/A	2,1	Soft	12	99 989,05
2007CB16IPO007-2011-2 - 12	Social cohesion through investments in Human resources	Alliance for regional and civil initiatives-ARCI - Blagoevgrad	Foundation for small and medium enterprises development - Kumanovo	NA	1,2	Soft	12	82 381,05





2007CB16IPO007-2011-2-4	Promoting and preserving the biodiversity of Maleshevska mountain	Association Business Information and Consulting Center - Sandanski	Centre for Development of the East Planning Region	NA	2,1	Soft	18	99 953,79
2007CB16IPO007-2011-2-21	Business has no borders	Bulgarian Management Association -Blagoevgrad	SPECTAR-Kriva Palanka	STRATOS FOUNDATION - Simitly	1,1	Soft	12	96 926,13
2007CB16IPO007-2011-2-92	e-Commerce in support of exports from the cross-border region Strumica - Kyustendil	Center for Development and Promotion Promo Idea (PI) - Strumica	National Association of Small and Medium Business - NASMB	NA	1,1	Soft	12	99 866,41
2007CB16IPO007-2011-2-86	Savoring Unique Nature – Bicycle-tourism in support of nature	Center for Rural Development "Bujrum" - Kumanovo	European Integration Agency - Branch Kyustendil	PP3 Association Business Information and Consulting Centre - Sandanski PP4 "We the Women Movement" Association	2,1	Soft	12	99 600,00





2007CB16IPO007-2011-2-94	Efficient usage of solar energy for better future	Centre for development of the South-East planning region - Strumica	Municipality of Strumica	PP3 Association of South Western municipalities PP4 Municipality of Petrich	2,1	Investment	24	440 216,61
2007CB16IPO007-2011-2-48	Development of Interregional partnership between Bulgaria and Macedonia for development of labour market and quality in the trans-border region	Confederation of Independent Trade Unions in Bulgaria - Kyustendil	NGO "Eko Slavishki" - Rankovce	N/A	1,2	investment	22	293 207,37
2007CB16IPO007-2011-2-90	Networking and transfer of knowledge for sustainable economic tourism development	Foundation for local and IT development- Gevgelija	Business Incubator Gotse Delchev, Entrepreneurship Promotion Center (BI-GD)	NA	1,1	Soft	12	99 751,13
2007CB16IPO007-2011-2-54	Improvement of health and Social Infrastructure and the Cooperation between Bansko and Pehchevo municipalities	Helth Center Pehchevo	Municipality of Bansko	Municipality of Pehchevo	1,2	investment	24	499 351,54





2007CB16IPO007-2011-2-112	Better life for children in cross border region	Kinder Garden "Detelinka" - Gotse Delchev	PMS "Vanco Prke" - Delchevo	Municipality of Gotse Delchev	2,1	Investment	24	460 098,72
2007CB16IPO007-2011-2-63	To keep the youth in the cross border region - new-Y4Y	Municipality of Staro Nagoricane	Rila Municipality	N/A	1,2	investment	24	491 782,95
2007CB16IPO007-2011-2-62	Further encouragement of the social cohesion of the municipalities of Belitsa and Makedonska Kamenica	Municipality of Belitsa	Municipality of Makedonska kamenica	N/A	1,2	investment	18	167 402,26
2007CB16IPO007-2011-2-34	Restoration of Nature for Good Quality of Life	Municipality of Berovo	Municipality of Sandanski	NA	2,1	investment	24	499 999,96





2007CB16IPO007-2011-2-109	Sustainable economic development through improvement of the social infrastructure in cross-border region Garmen - Bosilovo	Municipality of Bosilovo	Municipality of Garmen	N/A	1,2	Investment	24	305 499,72
2007CB16IPO007-2011-2-46	Bike Lanes for Citizens and Visitors to Kyustendil and Kriva Palanka	Municipality of Kyustendil	Municipality of Kriva Palanka	N/A	2,1	investment	15	496 684,00
2007CB16IPO007-2011-2-61	Improvement quality and accessibility to natural attraction in the Municipality of Belitsa and Municipality of Makedonska Kamenica	Municipality of Makedonska Kamenica	Municipality of Belitsa	N/A	2,1	investment	18	499 863,26
2007CB16IPO007-2011-2-106	Joint Applicable Research for Natural Resources Preservation	Municipality of Pehchevo	Municipality of Simitli	N/A	2,1	Soft	12	99 536,84





2007CB16IPO007-2011-2 - 8	AgrSoftusiness without borders	Municipality of Sandanski	Municipality of Novo Selo	NA	1,1	investment	24	499 720,74
2007CB16IPO007-2011-2-104	Hand in Hand: Little Bulgarians and Macedoniand	Municipality of Vasilevo	Municipality of Strumyani	N/A	1,2	Investment	24	499 933,68
2007CB16IPO007-2011-2-39	Cultural Heritage of Our Ancestors – Spiritual Mainstay of Our Common European Future	Regional History Museum "Academician Yordan Ivanov " - Kyustendil	Municipality of Kriva Palanka	NA	2,2	Soft	12	99 588,48
2007CB16IPO007-2011-2 - 10	European Knowledge and Cualification Network in the Cross-border region Bulgaria - fYRoM	Social Integration and Mutual Aid Association - Kyustendil	Association Alpha Club To Survive - Blagoevgrad Branch	Municipality of Gevgelija	1,2	Soft	12	99 959,31
Priority Axis 1 - Economic Development and Social Cohesion				Priority Axis 2 - Improvement of Quality of life				





ANNEX II Examination of output and results indicators which are going to be achieved in result of project implementation under 1st and 2nd Call for proposals

The current analysis includes the examination of the information concerning indicators, presented in the Application Forms of the approved for financing projects under First Call for proposals and the Application Forms of selected projects during the evaluation of the offers for the Second Call for proposals. In particular, the outputs and results indicators' quantities provided by the applicants have been compared to the relevant of the Programme ones, in order to assess the extent of achievement of all Programme's indicators (output and result indicators) after successful completion of the projects.

The **table below** presents the summarized data of the output and result indicators envisaged to be reached after successful implementation of the projects financed under the 1st and 2nd Call for proposals. During the examination, the information from the expected values of project output and result indicators was compared with the relevant Programme indicators – 2016 target values, accumulated with baseline. The percentage of the rate of achievement of each output and result indicator is arithmetically calculated between the expected and target quantities. During the examination, the elaborated by MA Methodology for output and result indicators was the ground for setting up the real achievement of programme indicators quantities.

As a result of the examination, it could be summarized that almost all output indicators could be gained after successful completion of projects under the First and Second Call for proposals.

It was found out that there are several output and result indicators, which significantly exceed the targets (over 100%), such as:

- **Under priority axis 1** (*Economic development and Social Cohesion*) - Business and educational linkages created, Communities & institutions participating in knowledge economy, Access to and usage of new technology, SMEs involved/ addressed in CBC projects, Training places created, Business to education linkages, People from vulnerable groups trained, Networking structures created/ developed, Joint information services established, Projects actually applied.

- **Under priority axis 2** (*Improvement the quality of life*) - Partnerships for cases of natural disasters established, Permanent networks for environmental protection and reasonable utilization of resources, Environmental awareness campaigns, Tourist destinations created/ developed, Surrounding area of cultural spots improved, Joint cultural events carried out, Events popularizing intangible cultural heritage and traditions, Decreased pollution in the region, Increased attractiveness of the region based on preservation of natural resources and cultural heritage.

On one hand this overachievement can be explained by misunderstanding of some of the applicants about the essence of the indicators and the applicants' provisions of overestimating values. On the other hand, as a result of gaps in programming process resulted in lower target values and absence of clear baseline values.





OUTPUT INDICATORS									RESULT INDICATORS (according application forms)						
Priority	Area of Intervention	Programme Outputs	Target 2016	Baseline 2003 - 2005	Programme indicators' target 2016 (accumulated with baseline)	Quant after 1st Call	Quant after 2nd Call	Achievement of the programme's indicators (in %)	Programme Results	Baseline 2003 - 2005	Target 2016	Programme indicators' target 2016 (accumulated with baseline)	Quant after 1st Call	Quant after 2nd Call	Achievement of the programme's indicators (in %)
Priority Axis 1. Economic development and social cohesion	1.1 Economic development	Business and educational linkages created	15	9	24	140	1065	5021%	Joint information services established	8	2	10,00	9	5	140%
		Communities & institutions participating in knowledge economy	7	0	7	9	25	486%							
		Awareness campaigns of the benefits of ICT and new media	20	9	29	9	1	34%							
		ICT training	10	9	19	10	2	63%	Increased cross-border movement of people and exchange of goods and services in the region	46,00	1,5%	46,69	8	6	30%
		Access to and usage of new technology	10	0	10	32	8	400%							
		SMEs involved/ addressed in CBC projects	7	50	57	5981	527	11418%							
		Institutions/ bodies benefiting of programme activities	50	194	244	106	88	80%							
		New jobs created	50	30	80	62	10	90%							
	1.2. Social Cohesion	Joint cooperation projects on development of skills and knowledge	10	15	25	4	6	40%	New Social Economic enterprises created	20	2	22,00	4	2	27%
		Training places created	3	7	10	5	11	160%							
		Management and job-related training courses	5	51	56	23	14	66%	Improved environment for development of relationships across the border	18	3%	18,54	7	9	86%
		People participating in training	350	1460	1810	567	393	53%							
		People with enhanced skills	200	1460	1660	302	368	40%							
		Business to education linkages	10	3	13	15	3	138%							
		People from vulnerable groups trained	20	26	46	40	166	448%							
		Scientific exchange and transfer of know-how	10	4	14	3	5	57%							
	Networking structures created/ developed	3	11	14	18	11	207%								
	Joint plans for cooperation in sphere of human management	3	11	14	3	3	43%								
	1.3. Project Preparation	Feasibility studies	5	0	5	1	0	20%	Projects actually applied	1	3%	1,03	3	0	291%
		Preliminary and detailed works design	7	1	8	3	0	38%							
Project environmental assessments		2	0	2	0	0	0%								
Priority Axis 2. Improve the quality of life	2.1. Utilisation of eco resources	Number of joint environmental friendly projects	20	6	26	3	10	50%	Decreased pollution in the region	1	3%	1,03	1	4	485%
		Joint Eco-itineraries created/ developed	10	8	18	2	16	100%							
		Joint tourist services created/ developed	10	7	17	1	9	59%							
		Partnerships for cases of natural disasters established	2	1	3	1	12	433%	Awareness – raising on environmental protection	32	2,5%	32,80	4	11	46%
		Joint environmental management plans	2	15	17	2	5	41%							
		Permanent networks for environmental protection and reasonable utilization of resources	5	1	6	2	9	183%							
	Environmental awareness campaigns	15	18	33	2	35	112%								
	2.2. Utilisation of cultural resources	Number of projects concerning common cultural heritage	20	37	57	9	5	25%	Increased attractiveness of the region based on preservation of natural resources and cultural heritage	8	2,00%	8,16	11	6	208%
		Tourist destinations created/ developed	10	33	43	43	6	114%							
		Tourist services created/ developed	10	37	47	24	13	79%							
		Surrounding area of cultural spots improved	7	26	33	42	2	133%	Increased common cultural capital	37	2%	37,74	10	5	40%
		Joint cultural events carried out	15	20	35	47	20	191%							
		Events popularizing intangible cultural	15	21	36	37	17	150%							
		Awareness campaigns	15	55	70	36	21	81%							





Despite the great number of output and result indicators, which could be reached and even exceeded after successful implementation of projects under the First and the Second Call for proposals, some of the output and result indicators may not reach the envisaged targets, namely:

- **Output indicators under Priority Axis 1** (*Economic development and Social Cohesion*):
Sphere of Intervention 1.1 “Economic development” – Awareness campaigns of the benefits of ICT and new media (34%), ICT Training (63%), Institutions/ bodies benefiting of programme activities (80%), New jobs created (90%), **Sphere of Intervention 1.2 “Social Cohesion”** – Joint cooperation projects on development of skills and knowledge (40%), Management and job-related training courses (66%), People participating in training (53%), People with enhanced skills (40%), Scientific exchange and transfer of know-how (57%), Joint plans for cooperation in sphere of human management (43%), **Sphere of Intervention 1.3 “Project preparation”** – Feasibility studies (20%), Preliminary and detailed works design (38%), Project environmental assessments (0%);
- **Result indicators under Priority Axis 1** (*Economic development and Social Cohesion*):
Sphere of Intervention 1.1 “Economic development” - Increased cross-border movement of people and exchange of goods and services in the region (30%), **Sphere of Intervention 1.2 “Social Cohesion”** – New Social Economic enterprises created (27%).
- **Output indicators under Priority Axis 2** (*Improvement the quality of life*): **Sphere of Intervention 2.1 “Utilisation of eco resources”** – Number of joint environmental friendly projects (50%), Joint tourist services created/ developed (59%), Joint environmental management plans (41%). **Sphere of Intervention 2.2 “Utilisation of cultural resources”** - Number of projects concerning common cultural heritage (25%), Tourist services created/ developed (79%).
- **Result indicators under Priority Axis 2** (*Improvement the quality of life*): **Sphere of Intervention 2.1 “Utilisation of eco resources”** - Awareness – raising on environmental protection (46%), **Sphere of Intervention 2.2 “Utilisation of cultural resources”** - Increased common cultural capital (40%).

The reason for these low achievements could be explained on one hand by the higher targets/higher baseline values, that are set up at programming stage and from the other hand with the few number of applications received for the above specific key areas of intervention (mostly under measures 1.2 and 1.3). For that reasons there is a possible risk for non-achievement of all 2016 targets concerns the abovementioned output indicators. At the same time it should be underlined once again that the current analysis is based on information provided by the applicants in their application forms, which is not very reliable source of information.

Having in mind the possibility of accumulated technical mistakes by the applicants when determining the indicator’s quantities, caused by misunderstanding in indicators essence and nature, it could be





considered that deliverables under the projects financed within the First Call for proposals and the projects under Second Call for Proposals will closely achieve the 2016 target values.

As mentioned above, the current analysis is based on the information presented by the applicants in their application forms, which is not relevant enough ground for analyzing the state of achievement of Programme's output and result indicators, because of technical mistakes and misunderstanding among some of the applicants when preparing their application forms and stating unrealistic and overestimated target values.

On the other hand the external Consultant who performs the on-going Programme evaluation will apply more reliable approaches for determination the exact achievement of all Programme output and result indicators. According to the adopted strategy and methodology, the Consultant will examine not only the data provided in the Application forms, but also the evaluation tasks will encompass depth interviews, site visits, analysis of the specific deliverables from the projects' implementation and others.

The clear picture of the state of achievement of all expected targets and outcomes, including Programme's output and result indicators, will be given by the external Consultant assigned to carry out on-going evaluation of Bulgaria-fYRoM IPA Programme 2007-2013. The final conclusions of the evaluation and specific recommendations for improvement will be formulated in the Consultant's Interim and Final reports.

Findings from the analysis

As a result of the analysis set out above, the following conclusions were made:

- **Almost all output and result indicators could be gained after successful completion of projects** under the First and Second Call for proposals;
- The rate of achievement of most of output and result indicators significantly exceeds the Programme targets 2016 (over 100%). This overachievement could be either due to misunderstanding by the applicants about essence of the indicators, or as a result of lower targets of the Programme's output and results indicators (as per Programme document). It should be noted that the quantities for output and result indicators of the selected projects under the Second Call for proposals are much more realistic and achievable. This effect can be explained by the elaborated Methodology of Programme Output and Result Indicators Assessment which was published on the Programme web-page. The Methodology gives useful and practical information on Programme indicators - their core meaning and possible ways to measure their achievement. On the other hand, the less misunderstanding among applicants under the Second Call for proposals could be explained by the experience gained after implementation of projects under the First Call, because some of the applicants are the same who applied for the Second Call for proposals.





- For some of the **output indicators** the achievement of the target values is below 100 %. The reason for these low achievements could be explained on one hand by the higher targets/higher baseline values, that are set up at programming stage and from the other hand with the few number of applications received for the above specific key areas of intervention (mostly under measures 1.2 and 1.3). For that reasons there is a possible risk for non-achievement of all 2016 targets concerns the abovementioned output indicators. At the same time it should be underlined once again that the current analysis is based on information provided by the applicants in their application forms, which is not very reliable source of information. Misunderstanding by some of the applicants for the essence/core of programme indicators may cause technical mistakes and inaccuracies when preparing their application forms. Furthermore, the lower results could be determined as a risk on Programme level - risk of non-fulfillment of the goals of the Programme and mitigation measures should be addressed. Possible mitigation actions could be focused on providing successful implementation of all projects under both priority axes. The exact snapshot of the real achieved programme output and result indicators will be available after examination by the external Consultant for on-going Programme evaluation. If the risk of non-fulfillment of all Programme targets still exists, mitigation measures should be formulated by the Consultant. On the other hand the possible risk should be taken into account in the future when setting programme indicators for the next programming period 2014-2020.
- With regards to the result indicators – four of them are below 50%: two within priority axis 1 and two within Priority axis 2. The reasons for such results could be explained either by the low targets that are set up at programming stage or by misunderstanding by the applicants about essence/core of the indicators and provision of overestimating values.
Under the Second Call for proposals there is increased interest by the applicants on Priority Axis 2 *“Improvement the quality of life”*. Significant overachievement is detected for some of the result indicators, mostly under Priority axis 2. As an example could be given the result indicator *“Decreased pollution in the region”* which could be well overachieved and thus will fulfills one of the requirements of the Europe 2020 strategy.

In general it could be summarized that almost all output and result indicators will be gained after successful completion of projects under the First and Second Call for proposals. Simultaneously, on the basis of the examination performed, it should be taken into account the possibility of non-fulfillment of target values for some of the programme’s output and result indicators listed above. In that connection it should be underlined that due to the nature of information analyzed (provided by project applicants in their application forms), possible technical mistakes and inaccurate conclusions is likely to be outlined. More precise and reliable examination of the state of achievement of all Programme output and result indicators will be given by the external Consultant, who performs on-going evaluation of the Programme.





Recommendations

Based on the analysis carried out, the following recommendations could be given:

- Continuous support and assistance to the beneficiaries, selected under the First and Second Call for proposals for achieving all objectives of the Programme.
- The Methodology of Programme Output and Result Indicators Assessment under the Bulgaria – FYRoM IPA Cross-Border Programme (CCI Number 2007CB16IPO007) was amended and expanded with more examples and explanations. The improved Methodology was uploaded to the Programme web-page simultaneously with launching the Third Call for proposals, in order to be used by the potential applicants in preparation of the Application Form. Additionally, the recommendation for using the methodology during the preparation of the Application Form was incorporated in the Guidelines for applicants under the Third Call.
- In the Guidelines for Applicants for the Third call for proposals there is a comprehensive list of eligible activities, to achieve concentration of resources to priorities, which were not sufficiently well addressed by the projects, funded under the first two Calls for proposals. The list of eligible activities is targeted according to indicators that were identified as underachieved, for example: eligible projects under the Third call for proposals will be with focus on ICT and knowledge economy under Priority Axis 1 and with focus on protection and management of environment – under Priority Axis 2. Thus the risk of misunderstanding and incorrect filling the data concerning the output and result indicators was avoided. During the info days following the announcement of the Third Call for proposals, special presentations and explanations about the importance and way of applying the methodology of output and result indicators, containing examples from the completed projects (lessons learned), have to be organized.
- Performance of Risk assessment in every three months in order to take timely and adequate measures to mitigate and overcome any shortcomings.
- Following the EC document “Outcome Indicators and Targets – Towards a new system of monitoring and evaluation in EU Cohesion Policy” and the findings from the current examination, it is strongly recommended the outcome (result) targets for the next programming period 2014-2020, to be explicitly linked to the regional policies for sustainable development undertaken and to the outcomes from the projects undertaken within current programming period. On the other hand the Programme indicators for the next programming period, as well as the expected targets should be timed-bound and based on rigorous analytical examination of cross-border needs and challenges. Previous experience and benchmarks, as well as the shortcomings in implementation stage, should be taken into account in defining the expected target values and baseline.





ANNEX III Promotional materials, Programme web site, Programme trainings in 2012, Publicity/Media campaigns

Promotional materials 2012

Tender procedure for elaboration and preparation of a great variety of promotional materials was conducted and a service contract was signed with “Maus Print” advertising agency. The JTS Communication officer has actively participated in the process of preparation and design of all the Programme promotional materials. All the promotional materials are properly branded with some or all the Programme visibility elements, depending on their type and the available branding space. Based on the contract the following materials were produced and delivered:

- One brochure (1 version in Bulgarian / English and Macedonian / English x 500 pcs.) containing information about the programme implementation in compliance with the relevant national legislation (FLC, VAT, etc.),
- One **leaflet** promoting the Joint Technical Secretariat and the webpage of the programme. The leaflet is in three versions, in Bulgarian, Macedonian and English (1000 pcs.) and contain brief information about the two issues that we want to promote:
- Role, postal address, email address, phone and fax number and also contact persons from JTS
- Name of the website, sections, information
- A business card containing information for MA, JTS and NA programme staff was printed. The total number of printed business cards was 3000.
- A metal business card folder for standard business card was printed in 100 peaces with engraved Programme and EU logo on it.
- Standard cardboard folders with folded pockets for A4 documents in white colour were printed in 1000 copies visualized with programme and EU logo.
- PVC stickers were printed in 1000 copies in white colour visualized with programme and EU logo.
- Binders were printed in 160 copies in A4 format, white colour and 2-hole binder mechanism visualized with programme and EU logo.
- One-sided “Quick” banners in vinyl banner and metal frame, in full colour and dimension 200x90cm was printed in 2 copies and visualized with programme and EU logo.
- Metal name plates for visualization of JTS offices were printed in 4 copies on brass (mate) with engraved Programme name, programme logo and EU logo and with dimension 40x30cm.
- A5 Notebooks in white colour, spiral binding and 100 pages were printed in 200 copies, visualized with programme logo, EU logo.
- A5 Agenda organizer in white colour, leather binding and 192 non-dated pages was printed in 70 copies visualized with programme and EU logo.





- Pyramid table calendars (for 2012) with spiral binder were printed in 80 copies visualized with programme and EU logo.
- Pocket calendars (for 2012) full colour with dimensions 85x45cm were printed in 500 copies visualized by two-sided print with programme and EU logo.
- 500 pieces of plastic pens with programme name imprinted were supplied.
- 100 pieces metal pens with programme name imprinted were supplied.
- Small table flags on a stand with Bulgarian, EU and Macedonian flag were printed in 5 copies with dimension 15x30cm.
- USB drivers (4GB) with programme logo imprinted were produced in 100 peaces.
- 50 pieces of business bags (file cases) made of textile and/or leather materials were purchased with programme name and logo imprinted on the front.
- Transparent plastic plates for conferences with dimensions 2x5, 42x18 cm was purchased in 60 pieces.

The materials have been used for promotion the Programme on various occasions (trainings for beneficiaries, “Europe for us” exhibition and fair, the Joint Monitoring Committee meetings, European Cooperation Day 2012, etc.). All the materials follow the visual guidelines set in the Communication Plan as well as the “Communication and Visibility Manual for European Union External Actions” published by the European Commission:

http://ec.europa.eu/europeaid/work/visibility/index_en.htm

Programme promotional materials





Programme promotional materials produced in 2012





**Programme web site**

The official Programme web site was effectively released on August 2009. The address of the web site is: www.ipa-cbc-007.eu

The web site includes comprehensive information on the Programme and its Priority axes, accompanied by all documents concerning Programme implementation. The web site has been regularly updated with relevant information on the Programme (events, news, documentation etc.). The web site also includes a tool for partners search with project partner database, thereby facilitating the integration among actors and promoting joint activities and ideas.

During 2012 the web site was one of the main publicity tools used to promote the Programme and disseminate the relevant information. The “News” section is particularly useful to both general public and the potential beneficiaries since it is continuously updated with information on all the relevant events, trainings, info-days, and news in general.

In order to ensure broad publicity, information on the Programme has been also disseminated through regional and national websites as well as on the websites at the European level:

www.mrrb.government.bg - Bulgarian Ministry of Regional Development and Public Works,
www.eufunds.bg – EU Structural Funds website,
<http://www.mls.gov.mk/> – Ministry of Local Self-Government (National Authority).

As it is clearly visible from the statistical data provided, the website activity has greatly increased in 2012. In fact, during the first two months of 2012 greater number of visits was recorded than during the first two years of Programme implementation, 2009 and 2010.

Number of visits to the Bulgaria-the former Yugoslav Republic of Macedonia IPA Cross-border Programme website

Year 2009	Year 2010	Year 2011	Year 2012
8 190	8 731	17 167	29 350

The significant increase in the number of visits to the Programme web site indicates that the promotion of the Programme has been very effective during 2012 and that the Programme attracts much greater public attention than in the previous years. The very high number of visits to the web site can be explained with projects under implementation and interest by potential applicants to the Third Call for proposals which was open on beginning of December 2012.

Compared by the activity during 2011, the number of visits to the Programme web site has increased by 12 183 visits or approximately 57%. Detailed statistics concerning the number visits to the Programme website can be found here:

<http://www.google.com/analytics/>

Following an official service procurement procedure, “Strategma Agency” (www.strategma.bg) has won the tender for improvement of the Programme website and the MIS system. The development





and launching of the improved version of Programme web site was carried out during the course of several months and the JTS communication officer drafted a new user-friendly version of the sitemap structure which allows the users to find the necessary information more easily. The improved version of the Programme web site was launched on the 2nd of November 2012 and all the beneficiaries have been notified via e-mail about the change and new web site features.

The Programme's dedicated internet website has provided with general information on the BG – MK IPA Cross border Programme, on the financing opportunities, format and content of the applications, evaluation and selection criteria, procedures to follow etc., useful contacts, partner search facility; it has provided with the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations, information on the activity of the Joint Monitoring Committee, and other relevant committees: decisions, reports etc., as soon as they become available to public.

The web site also encloses information for mass media – press releases, announcements, news, events, awareness campaigns, photo-gallery, and contact person.

Programme trainings in 2012

Official ceremony for award of subsidy contracts and Training session "Project implementation" for successful beneficiaries under the 2nd Call for project proposals in the framework of IPA Cross-border Programme CCI Number 2007CB16IPO007 takes place on 25th of July 2012 in the town of Strumica.







Training session "Project implementation" for successful beneficiaries under the 2nd Call for project proposals in the framework of PA Cross-border Programme takes place on 27th of July 2012 in the town of Sandanski – Bulgaria.



- **“Visibility Manual 2012”**

The “Visibility Manual 2012” is one of the main visibility tools created during 2012 for the purpose of helping the beneficiaries in the process of project implementation and specifically communication and visibility. The manual is a comprehensive collection of rules, recommendations and best practices from a variety of sources, and is strictly in line with the basic “Project Implementation Manual” rules. It also incorporates the rules and recommendations of the European Commission, published in the “Communication and Visibility Manual for European Union External Actions”. Most importantly, the manual contains numerous examples and tips which help





illustrate the most important Programme visibility rules, especially in relation to the promotional materials such as brochures, leaflets, posters, logos, etc.

- **Events**

The “Europe for us” second annual conference and exhibition took place in Sofia, in front of the National Palace of Culture, from the 16th of June until the 18th of June 2012. The purpose of the exhibition was to present European funded programmes and projects to the general public. JTS took an active part in the exhibition, promoting the Programme with a specially prepared PowerPoint presentation, by giving away the promotional materials such as brochures and leaflets and by answering the questions from the public and the journalists.



The Annual Coordination Meeting of the European Information networks in Bulgaria took place from the 4th until the 6th of July 2012 in Plovdiv, Bulgaria. The conference was organized by the European Commission representation in Bulgaria and the general topic of the conference was “Communicating Europe Together – challenges and opportunities”. On the final day of the event the JTS communication officer made a special presentation and answered questions from the audience, which consisted mostly of the representatives of the NGO sector in Bulgaria and communication experts from the other EU funded projects and programmes. The event was an excellent opportunity for promotion of the Programme in general but also for exchanging experiences and best practices with the other communication experts.

Cross border projects fair was held in Kyustendil on 21 September





European Cooperation Day (21th of September 2012)



European Cooperation Day was celebrated across Europe and in neighbouring countries for the first time ever on 21 September 2012. With 75 European Territorial Cooperation programmes on board, more than 100 local events was organized all over Europe during this week (17 - 23 September). The aim of the campaign which was coordinated by the INTERACT Programme in association with the European Commission and supported by the Committee of the Regions and the European parliament, was to celebrate the achievements of cooperation between European regions and countries.





The Joint Technical Secretariat, in cooperation with Directorate General "Territorial Cooperation Management", Ministry of Regional Development and Public Works of the Republic of Bulgaria (Managing Authority) and the Ministry of Local Self Government of (National Partner Authority), has organized a bilateral event - Cross border projects fair.



The fair was organized on 21st of September 2012 on Velbuzd square in Kyustendil, Bulgaria. 32 successful projects from the 1st call have opportunity to present their projects in front of the programme implementation structures and general public. In the same time they share their project results and project promotional materials as well as their experience in cross border cooperation programme. Performers and artists Macedonia and Bulgaria has present music, songs and dances from both countries.

Official guest of the manifestation were HE Mr. Blagoj Hadziski ambassador of Republic of Macedonia in Bulgaria and HE Mr. Ivan Petkov ambassador of Republic of Bulgaria in Macedonia.

The event was open by Mrs. Maria Duzova director general of DG "Territorial Cooperation Management in MRDPW of Republic of Bulgaria and Mrs. Myalma Mehmeti Petersen, state councilour for European integration in Ministry of Local self government of Republic of Macedonia.







JMC and technical meetings during 2012

JMC meeting in Berovo (MK) - 30.03.2012





Technical meeting in Strumica (MK) MA/NA/JTS – 09.08.2012





Technical meeting in Kyustendil (BG) MA/NA/JTS – 25.06.2012

