

Interreg - IPA CBC



CCI 2014TC16I5CB006



EUROPEAN UNION

ANNUAL IMPLEMENTATION REPORT 2018

Environment



Tourism



Competitiveness



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ANNUAL IMPLEMENTATION REPORT

2018

for the

**INTERREG-IPA Bulgaria - the former Yugoslav Republic of
Macedonia CBC Programme**

CCI No. 2014TC16I5CB006

PART A

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

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

CCI	2014TC16I5CB006
Title	INTERREG-IPA Cross-border Cooperation Programme Bulgaria – the former Yugoslav Republic of Macedonia
Version	5.0
Reporting year	2018
Date of approval of the report by the Joint Monitoring Committee	19.06.2019

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

The year 2018 was very significant, in terms of launching of the 2nd Call for proposals of the INTERREG-IPA Cross-border Cooperation Programme Bulgaria – the former Yugoslav Republic of Macedonia 2014-2020 (hereinafter referred to also as Programme). Therefore, the joint efforts of Managing Authority (MA), National Authority (NA) and Joint Secretariat (JS) were focus on evaluation of submitted project proposals together with finalization of the projects financed under the 1st Call for Proposals (CfP).

1st Call for proposals

A total **43 projects** remained under implementation in 2018, distributed per Priority Axes as follows:

- ✓ Priority axis 1 “Environment” (PA 1) - 14 projects at a total amount of EUR 3 864 830,87 or 56,74% of the total allocation for PA 1;
- ✓ Priority axis 2 “Tourism” (PA 2) - 15 projects at a total amount of EUR 4 487 700,05 or 57,65% of the allocation for PA 2;
- ✓ Priority axis 3 “Competitiveness” (PA 3) - 14 projects at a total amount of EUR 1 455 344,36 or 49,85% of the allocation for PA 3.

Regarding the smooth project implementation of the projects, regular monitoring and risk assessment reports at quarterly basis were performed by the managing body. This, until the end of the year, 41 projects finalized the implementation period and important results have been registered in all priority axis of the Programme.

2nd Call for proposals

On 30th of January 2018 in Kyustendil, Bulgaria, the Joint Monitoring Committee (JMC) met at their 5th meeting in order to approve the Guidelines for Applicants package under the 2nd Call for Proposals and to announce an open Call for all 6 specific objectives under the 3 Priority Axes. Thereby, on 9th of February 2018 the 2nd Call for proposals was officially launched with duration for electronic submission of the project proposals of 3 months (until 11th of May 2018). A new approach under the 2nd Call was entirely on-line submission of the project proposals via Electronic Application System. Since the

Programme was allocating all of its remaining funding in the 2nd Call for proposals (EUR 6 917 631,00), the main focus of the Call was to fulfil the set targets of all “underachieved” Output indicators (OI) as essential for assessment of the Programme’s overall performance. In this relation, separate ranking under each Output Indicator was applied based on project’s contribution to OI not covered with the projects contracted under the 1st Call.

In order to reach the population of the CBC area, several information campaigns was conducted in Bulgaria and former Yugoslav Republic of Macedonia where JS briefly presented the participants the CBC Programme, information concerning the Call and electronic application system in which the applicants submit their project proposals. The events were attended by more than 370 participants and 270 organizations, which shows that there were still a great interest of potential applicants.

Within a set deadline of the Call, a total number of 162 applications were received on-line via Electronic application system and uploaded in the Management Information System (MIS) of the Programme. The entire assessment of project proposals was conducted on-line through the MIS in the following consecutive steps:

- ✓ The Administrative Compliance and Eligibility Check of all submitted project proposals was performed by the established Assessment Working Group, consisting of members of MA, NA and JS, during the period 28 May – 19 July 2018. In total 119 project proposals were found compliant, while 43 were rejected;
- ✓ The Technical and Quality Assessment was performed during the period 07 September – 12 November 2018. The assessment of the projects quality was carried out by independent external assessors, officially appointed by each country with respective professional backgrounds in order to evaluate certain types of proposals. As a result of the complaint procedure on stage Administrative compliance and eligibility check two proposals were found grounded and therefore they were proposed to proceed to technical and quality assessment. Thus the total number of project proposals which were subject to technical and quality assessment became 121. During the technical and quality assessment, 8 project proposals were subject to arbitration. The overall results from the assessment show that from the 121 project proposals, 101 received average score of at least 65 points – 37 proposals under Priority Axis 1, 51 proposals under Priority Axis 2, and 13 proposals under Priority Axis 3. Therefore, all 121 proposals were ranked by final score per Programme Output indicators (OI) in descending order in 27 separate rankings for the 3 Priority axes.
- ✓ Priority was given to the project proposals contributing to the OIs which are not fully achieved by the projects contracted under the 1st Call for Proposals as a result of the assessment a total number of 17 projects had been recommended for funding under 3 priority axes (PA): 6 projects under PA 1, 8 projects under PA 2 and 3 projects under PA 3.
- ✓ JMC meeting for approval of the final list of projects proposed for funding under the 2nd Call had been scheduled for the 17th of January 2019.

During year 2018, the funds approved by the JMC under Priority axis 4 „Technical assistance“ (TA) were related for the expenses made by the Managing Authority for actions and services for

Programme management and implementation, such as: remuneration of the Joint Secretariat and First Level Control, travel costs, daily allowances and accommodations, organization of events and JMC meetings, training seminars.

For seventh consecutive year, on 21st of September 2018 the European Cooperation Day was celebrated in village of Ribnovo, Bulgaria. The idea for celebration was to present the folklore and cultural heritage of both countries through music, dance and specific customs and traditions.

Programme web site was constantly updated with news, FAQs and information, social media accounts in Facebook and Twitter were further developed as a step to apply an innovative approach towards the general public, the improvements in the MIS and the Beneficiary portal (BP) led to improved communication between beneficiaries and all Programme bodies, further enhanced by the conducted trainings of beneficiaries on the MIS and BP.

In 2018 developed document export module in the MIS ensuring possibility for simultaneously registration of official documents both in MIS and in the registry system of MA, entered into work.

Tender procedure for Implementation evaluation under Interreg - IPA CBC Programmes, managed by the Republic of Bulgaria, had been completed and service contract was signed on 28th of August 2018. The aim of the contract is evaluation of the implementation of the Programme in terms of assessment of the current programme progress and providing recommendations for further improvement of the overall management and implementation which could contribute towards successful achievement of objectives, results and outputs.

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

3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	<i>Environment</i>	<p>Under 1st Call for Proposals a total number of 14 projects were contracted amounting to EUR 3 864 830,87.</p> <ul style="list-style-type: none"> ✓ Under SO 1.1 “Environmental protection and sustainable use of the common natural resources of the CBC area” - 11 projects amounting to EUR 2 712 475,33 have been under implementation in 2018. The distribution between “soft” measures and investment projects is 5 to 6 with duration between 12 and 15 months for soft and from 18 to 24 months for investment projects. <p>The following types significant of modifications were requested for approval by the MA and JMC:</p> <ul style="list-style-type: none"> ✓ Modifications requested approval by JMC and signature of addendum: budget modification regarding own contribution – a total 2 requests have been approved by MA and JMC. ✓ Modifications requested approval by JMC and signature of addendum: extension of implementation period - a total of 3 requests have been approved by MA and JMC. <p>Under SO 1.1 a totally of 20 project proposals were submitted under the 2nd Call for Proposals.</p> <ul style="list-style-type: none"> ✓ Under SO 1.2 “Prevention and mitigation the consequences of natural

		<p>and man-caused disasters of cross-border dimension and impact" - 3 investment projects at total amount of EUR 1 152 355,54 are under implementation with duration between 18 and 24 months. No requested significant changes under this Specific objective.</p> <p>Totally of 42 project proposals were submitted under the Second Call for Proposals under SO 1.2.</p> <p>No significant problems were detected in year 2018.</p>
2	<i>Tourism</i>	<p>Under 1st Call for Proposals a total number of 17 projects were contracted amounting to EUR 4 707 627,94.</p> <ul style="list-style-type: none"> ✓ Under SO 2.1 "Enhancing the tourism potential of the region through cooperation initiatives in better preservation and sustainable utilization of natural and cultural heritage" - 9 projects amounting to EUR 3 851 393,78 with duration 15 - 24 months have been under implementation in 2018. <p>The following types significant of modifications were requested for approval by the MA and JMC:</p> <ul style="list-style-type: none"> - Modifications requested approval by JMC and signature of addendum: extension of implementation period - a total of 2 requests have been approved by MA and JMC. <p>Totally of 21 project proposals were submitted under the 2nd Call for Proposals under SO 2.1.</p> <ul style="list-style-type: none"> ✓ Under SO 2.2 "Raising the competitiveness of the CBC region's tourist offer" - 5 soft projects with duration up to 15 months amounting to EUR 578 365,31 have been under implementation in 2018. No requested significant changes under this Specific objective. <p>Totally of 10 project proposals were submitted under the 2nd Call for Proposals under SO 2.2.</p> <ul style="list-style-type: none"> - Under SO 2.3 "Promoting cooperation among regional actors in the area of sustainable tourism" - 1 soft project with duration up to 15 months and amounting to EUR 57 940,96 has been under implementation in 2018. One modification was requested for approval by JMC and signature of addendum due to budget reallocation between project partners. <p>Totally of 54 project proposals were submitted under the 2nd Call for Proposals.</p> <p>No significant problems were detected in year 2018.</p>
3	<i>Competitiveness</i>	<p>Under 1st Call for Proposals a total number of 17 soft projects are contracted amounting to EUR 1 763 013,86 with project duration up to 15 months. In 2018 a total 14 soft projects with duration up to 15 months amounting to EUR 1 455 344. 36 have been under implementation. Regarding the contract modification one extension of the implementation period was approved by the JMC.</p> <p>Totally of 15 project proposals were submitted under the Second Call for Proposals under PA 3.</p> <p>No significant problems were detected in year 2018.</p>
4	<i>Technical Assistance</i>	<p>The Annual Technical Assistance Plan for 2018 was approved by the JMC on 02nd of March 2018 together with a detailed budget breakdown and rules on Eligibility of Technical Assistance Expenditures. The indicative budget of Priority axis 4 „Technical assistance" for year 2018 amounted to EUR 248 795,00 for Managing Authority.</p> <p>During the reporting period in 2018 a number of Programme management activities were performed related to:</p>

		<ul style="list-style-type: none"> ✓ Implementation of the 1st CfP (monitoring on implementation, verification of expenditures and payments to the projects); ✓ On 9th of February 2018 the Second call for proposals was officially launched; ✓ Organizing events/infodays and Partner Search Forum for promoting the 2nd Call for proposals; ✓ Organization and participation in technical and JMC meeting for approval of Application package, Guidelines for Applicants with criteria for selection of operations and Assessment rules for the 2nd Call for Proposals; ✓ Organization and participation in training of external assessors – on 11th of September 2018 in Sofia and on 18th of September 2018 in Skopje; ✓ Organization and participation in the European Cooperation Day 2018 – 21st of September 2018 in Ribnovo, Municipality of Garmen, Bulgaria; ✓ Conducting tender procedures (Implementation evaluation under Interreg - IPA CBC Programmes, managed by the Republic of Bulgaria, Service for upgrade and maintenance of Management information systems, Beneficiary portals and web-sites for Interreg - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria).
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3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

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

Table 1

Result indicators (by priority axis and specific objective)

						ANNUAL VALUE										Observations (if necessary)
ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	2014	15	16	17	18	19	20	21	22	23	
RI 1.1.1	Increased level of capacity in environment protection and sustainable use of common natural resources	Scale	2.56	2014	3.00	0	0	0	0	2.82						Frequency of reporting: 2018 2023
RI 1.2.1	Increased joint interventions in the field of risk prevention and management	Percentage	6	2014	80%	0	0	0	0	100%						Frequency of reporting: 2018 2023
RI 1.2.2	Increased joint initiatives related to risk prevention and management	Percentage	30	2014	20%	0	0	0	0	27%						Frequency of reporting: 2018 2023
RI 2.1.1	Increased nights spent in the cross-border region	Percentage	1 618 655	2014	1%	0	0	0	0	2 081 914*						Frequency of reporting: 2018 2023
RI 2.2.1	Increased level of joint and integrated approaches to sustainable tourism development in the border area	Scale	2.44	2014	3.00	0	0	0	0	2.69						Frequency of reporting: 2018 2023
RI 2.3.1	Increased public awareness regarding sustainable use of natural and cultural heritage and resources	Scale	2.49	2014	3.00	0	0	0	0	2.73						Frequency of reporting: 2018 2023
RI 3.1.1	Increased cross-border business	%	29	2014	10%	0	0	0	0	47						Frequency of reporting:

	networks created or extended															2018 2023
RI 3.1.2	Increased level of awareness on the business opportunities offered by the region	Scale	2.34	2014	3.00	0	0	0	0	2.64						Frequency of reporting: 2018 2023

**The latest available data from the national statistical offices is for 2017.*

Table 2

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

	ID	Indicator (name of indicator)	Measure ment unit	CUMULATIVE VALUE						Observations (if necessary)
				Target value (1)(2023)	2014	15	16	17	18	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.1.1	Number of supported investments for improving the environmental conditions in the programme region	Number	15	0	0	0	0	22	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	22	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.1.2	Number of nature protected areas addressed by supported interventions	Number	5	0	0	0	0	0	
Cumulative value – outputs delivered by					0	0	0	0	0	

1 Targets are optional for technical assistance priority axes.

operations [actual achievement]										
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.1.3	Number of supported joint mechanisms for environmental protection, promotion of biodiversity and sustainable use of natural resources	Number	5	0	0	0	0	8	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	8	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.1.4	Number of institutions/organization s involved in environmental related activities	Number	20	0	0	0	0	130	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	145	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.1.5	Number of participants in environmental related trainings and campaigns	Number	300	0	0	0	0	954	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	1031	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.1	Supported investments for improving disaster management and risk prevention	Number	5	0	0	0	0	6	
Cumulative value – outputs delivered by operations					0	0	0	0	6	

[actual achievement]										
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.2	Supported investments for adaptation and mitigation of climate change consequences	Number	5	0	0	0	0	1	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	1	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.3	Supported joint mechanisms for disaster management and risk prevention and for promotion of climate change awareness	Number	3	0	0	0	0	1	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	1	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.4	Number of institutions/organizations involved in initiatives related to risk prevention and management	Number	10	0	0	0	0	6	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	12	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.5	Number of participants in trainings and campaigns in the field of risk prevention, (including marginalized communities and other vulnerable groups)	Number	300	0	0	0	0	60	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	108	

Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.6	Population benefiting from flood protection measures	Number	350 000	0	0	0	0	255 840	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	255 847	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 1.2.7	Population benefiting from forest fire protection measures	Number	400 000	0	0	0	0	0	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	0	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.1.1	Number of cultural and historical touristic sites reconstructed / restored / covered by conservation and protection actions	Number	25	0	0	0	0	5	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	5	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.1.2	Length of new or reconstructed or upgraded access roads to natural, cultural and historic tourism sites, cycling routes and walking paths	Km	5	0	0	0	0	4.214	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	4.214	

Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.1.3	Number of newly built or reconstructed or upgraded tourist related facilities and attractions	Number	10	0	0	0	0	12	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	12	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.1.4	Number of created/reconstructed facilities for disabled people for access to or in the supported touristic sites	Number	5	0	0	0	0	3	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	3	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.2.1	Number of joint touristic products, services, brands, thematic routes	Number	10	0	0	0	0	20	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	20	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.2.2	Number of actions, tools and initiatives developed and/or implemented for promotion of sustainable tourism potential of the eligible border area	Number	10	0	0	0	1	19	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	1	18	

Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.2.3	Number of participants in joint training and qualification initiatives in the field of sustainable tourism	Number	50	0	0	0	0	240	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	256	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.3.1	Number of cross-border networks established or strengthened in the field of sustainable tourism	Number	5	0	0	0	3	3	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	3	0	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.3.2	Number of cultural events held for promoting the region's cultural identity	Number	15	0	0	0	0	7	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	7	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 2.3.3	Number of participants in youth initiatives	Number	150	0	0	0	0	0	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	0	0	
Cumulative value –	OI 3.1.1	Supported joint start-up	Number	2	0	0	0	1	11	

outputs to be delivered by selected operations [forecast provided by beneficiaries]		and self-employment initiatives								
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	1	10	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 3.1.2	Number of participants (split into men and women) in supported training and qualification initiatives	Number	150 (balanced participation of men and women)	0	0	0	340	1 652	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	365	682	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 3.1.3	Number of enterprises receiving non-financial support	Number	10	0	0	0	3	145	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	3	148	
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]	OI 3.1.4	Supported initiatives for economic development and investment promotion	Number	10	0	0	0	1	15	
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	1	18	
Cumulative value – outputs to be delivered by selected operations	OI 3.1.5	Number of cooperation networks	Number	7	0	0	0	2	12	

[forecast provided by beneficiaries]										
Cumulative value – outputs delivered by operations [actual achievement]					0	0	0	2	16	
Cumulative value – outputs delivered by operations [actual achievement]	OI 4.1.1	Number of performed evaluations of the programme	Number	2	0	0	0	0	1	The provided information is not cumulative.
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]					0	0	0	0	1	The provided information is not cumulative.
Cumulative value – outputs delivered by operations [actual achievement]	OI 4.1.2	Updated MIS system	Number	1	0	0	1	1	1	The provided information is not cumulative.
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]					0	0	1	1	1	The provided information is not cumulative.
Cumulative value – outputs delivered by operations [actual achievement]	OI 4.1.3	Number of Monitoring Committee meetings	Number	14	0	1	2	1	1	The provided information is not cumulative.
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]					0	1	2	1	1	The provided information is not cumulative.
Cumulative value – outputs delivered by operations [actual achievement]	OI 4.1.4	Number of publicity events for beneficiaries	Number	10	0	6	2	3	7	The provided information is not cumulative.

Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]					0	6	2	3	7	The provided information is not cumulative.
Cumulative value – outputs delivered by operations [actual achievement]	OI 4.1.5	Number of employees (full time) whose salaries are co-financed by technical assistance	Number	8	0	5	7	20	17	The provided information is not cumulative 8 BG FLC controllers, 6 JS experts in Kyustendil, 2 JS experts in Strumica branch office and 1 MA expert.
Cumulative value – outputs to be delivered by selected operations [forecast provided by beneficiaries]					0	5	7	20	17	The provided information is not cumulative 8 BG FLC controllers, 6 JS experts in Kyustendil, 2 JS experts in Strumica branch office and 1 MA expert.

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

Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).

Table 3

Information on the milestones and targets defined in the performance framework

Priority axis	Ind type	Id	Indicator	Measurement unit	Milestone for 2018 total	Final target (2023) total	2018	2017	2016	2015	2014	Observations
1	F	1	Eligible certified expenditure of the priority axis 1 "Environment"	EUR	419 323	5 789 852	1 889 181,37	29 983,58	0	0	0	Total certified amount 2 225 952,04 EUR (IPA + national funding)
1	I	1.1.1	Number of contracted projects related to investments for improving the environmental conditions in the programme region	number	6	6	6	6	6	0	0	Signed contracts

1	I	1.2.1	Number of contracted projects related to investments for improving disaster management and risk prevention	number	3	3	3	3	3	0	0	Signed contracts
1	O	1.1.1	Number of supported investments for improving the environmental conditions in the programme region	number	0	15	22	0	0	0	0	Based on the project contracted and their duration
1	O	1.2.1	Supported investments for improving disaster management and risk prevention	number	0	5	6	0	0	0	0	Based on the project contracted and their duration
2	F	2	Eligible certified expenditure of the priority axis 2 "Tourism"	EUR	479 226	6 616 974	1 470 817,78	57 619,03	0	0	0	Total certified amount 1 730 373,90 EUR (IPA + national funding)
2	I	2.1.3	Number of contracted projects related to newly built or reconstructed or upgraded tourist related facilities and attractions	number	5	5	7	7	5	0	0	Signed contracts
2	O	2.1.3	Number of newly built or reconstructed or upgraded tourist related facilities and attractions	number	3	10	12	0	0	0	0	Based on the project contracted and their duration
2	O	2.2.1	Number of joint touristic products, services, brands, thematic routes	number	8	10	20	0	0	0	0	Based on the project contracted and their duration
3	F	3	Eligible certified expenditure of the priority axis 3 "Competitiveness"	EUR	179 710	2 481 365	1 190 051,20	93 261,61	0	0	0	Total certified amount 1 400 060,29 EUR (IPA + national funding)
3	O	3.1.4	Supported initiatives for economic development and investment promotion	number	8	10	18	1	0	0	0	Based on the project contracted and their duration

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

Table 4

Financial information at priority axis and programme level (as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 and table 17 of the Programme)

The financial allocation of the priority axis						Cumulative data on the financial progress					
Priority axis	Fund	Category of region	Basis for the calculation of Union support* (Total eligible cost or public eligible cost)	Total funding (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) [column 7/column 5 × 100]	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) [column 10/column 5 × 100]	Number of operations selected
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Priority axis 1	IPA	less developed	Total	6 811 592	84,99%	3 864 830,87	56,74%	3 864 830,87	3 063 475,36	44,97%	14
Priority axis 2	IPA	less developed	Total	7 784 676	84,99%	4 707 627,94	60,47%	4 707 627,94	2 807 523,34	36,06%	17
Priority axis 3	IPA	less developed	Total	2 919 253	84,99%	1 763 013,86	60,39%	1 763 013,86	1 702 934,54	58,33%	17
Priority axis 4 – TA	IPA	n/a	Total	1 946 169	84,99%	1 165 927,50	59,91%	1 165 927,50	347 508,63	17,86%	4*
Total				19 461 690	84,99%	11 501 400,17	59,10%	11 501 400,17	7 921 441,87	40,70%	52

*The number of operations selected includes technical assistance projects for 2015, 2016, 2017 and 2018.

Table 5

Breakdown of the cumulative financial data by category of intervention for the transmission made by 31 January (as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 and tables 6-9 of the Programme)

Priority axis	Characteristics of expenditure		Categorisation dimensions								Financial data			
	Fund	Category of region	1 Intervention field	2 Form of finance	3 Territorial dimension	4 Territorial delivery mechanism	5 Thematic objective dimension ERDF/Cohesion Fund	6 ESF secondary theme	7 Economic dimension	8 Location dimension	Total eligible cost of operations selected for support (EUR)	Public eligible cost of operations selected for support (EUR)	The total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
PA 1	IPA	less developed	085 & 087	01	01/02/03	n/a	(b)	n/a	n/a	BG413, BG415, MK002, MK004 & MK007	3 864 830,87	3 864 830,87	3 063 475,36	14
PA 1	IPA	less developed	085	01	01/02/03	n/a	(b)	n/a	n/a	BG413, BG415, MK002, MK004 & MK007	2 712 475,33	2 712 475,33	2 293 916,98	11
PA 1	IPA	less developed	085	01	01	n/a	(b)	n/a	n/a	Blagoevgrad BG413	493 693,09	493 693,09	388 665,46	2
PA 1	IPA	less developed	085	01	02	n/a	(b)	n/a	n/a	Blagoevgrad BG413	396 861,18	396 861,18	316 482,78	1
PA 1	IPA	less developed	085	01	02	n/a	(b)	n/a	n/a	East region MK002	398 436,31	398 436,31	257 332,87	1
PA 1	IPA	less	085	01	02	n/a	(b)	n/a	n/a	South-East region	628 279,70	628 279,70	615 885,77	3

		developed								MK004				
PA 1	IPA	less developed	085	01	03	n/a	(b)	n/a	n/a	Blagoevgrad BG413	247 339,15	247 339,15	240 729,04	1
PA 1	IPA	less developed	085	01	03	n/a	(b)	n/a	n/a	Kyustendil BG415	366 811,00	366 811,00	328 295,58	1
PA 1	IPA	less developed	085	01	03	n/a	(b)	n/a	n/a	East region MK002	105 667,84	105 667,84	101 108,46	1
PA 1	IPA	less developed	085	01	03	n/a	(b)	n/a	n/a	North-East region MK007	75 387,06	75 387,06	45 417,02	1
PA 1	IPA	less developed	087	01	02/03	n/a	(b)	n/a	n/a	MK 007, MK002 & MK004	1 152 355,54	1 152 355,54	769 558,38	3
PA 1	IPA	less developed	087	01	02	n/a	(b)	n/a	n/a	South-East region MK004	382 459,61	382 459,61	203 366,50	1
PA 1	IPA	less developed	087	01	03	n/a	(b)	n/a	n/a	East region MK002	379 150,14	379 150,14	245 774,43	1
PA 1	IPA	less developed	087	01	03	n/a	(b)	n/a	n/a	North-East region MK007	390 745,79	390 745,79	320 417,45	1
PA 2	IPA	less developed	075, 092, 094, 095, 103	01	01/02/03	n/a	(d)	n/a	n/a	BG413, BG415, MK007, MK004 & MK002	4 707 627,94	4 707 627,94	2 807 523,34	17
PA 2	IPA	less developed	075	01	02	n/a	(d)	n/a	n/a	MK002	599 328,40	599 328,40	365 932,04	2
PA 2	IPA	less developed	075	01	02	n/a	(d)	n/a	n/a	East region MK002	599 328,40	599 328,40	365 932,04	2

PA 2	IPA	less developed	092	01	01/02/03	n/a	(d)	n/a	n/a	BG413, BG415, MK007 & MK004	1 744 957,54	1 744 957,54	1 471 279,67	6
PA 2	IPA	less developed	092	01	01	n/a	(d)	n/a	n/a	Blagoevgrad BG413	107 337,45	107 337,45	50 063,23	1
PA 2	IPA	less developed	092	01	02	n/a	(d)	n/a	n/a	Kyustendil BG415	1 025 831,50	1 025 831,50	864 364,19	3
PA 2	IPA	less developed	092	01	02	n/a	(d)	n/a	n/a	MSouth-East region K004	116 312,00	116 312,00	109 794,23	1
PA 2	IPA	less developed	092	01	03	n/a	(d)	n/a	n/a	North-East region MK007	495 476,59	495 476,59	447 058,02	1
PA 2	IPA	less developed	094	01	02/03	n/a	(d)	n/a	n/a	BG413, MK004 & MK002	1 169 238,24	1 169 238,24	479 789,25	5
PA 2	IPA	less developed	094	01	02	n/a	(d)	n/a	n/a	Blagoevgrad BG 413	57 940,96	57 940,96	30 644,83	1
PA 2	IPA	less developed	094	01	02	n/a	(d)	n/a	n/a	South-East region MK004	331 685,70	331 685,70	148 526,37	2
PA 2	IPA	less developed	094	01	03	n/a	(d)	n/a	n/a	East region MK002	367 499,96	367 499,96	7 731,75	1
PA 2	IPA	less developed	094	01	03	n/a	(d)	n/a	n/a	South-East region MK004	412 111,62	412 111,62	292 886,30	1
PA 2	IPA	less developed	095	01	03	n/a	(d)	n/a	n/a	BG413, MK007 & MK002	1 074 573,45	1 074 573,45	372 376,54	3
PA 2	IPA	less	095	01	03	n/a	(d)	n/a	n/a	Blagoevgrad	118 812,25	118 812,25	116 720,68	1

		developed								BG413				
PA 2	IPA	less developed	095	01	03	n/a	(d)	n/a	n/a	East region MK002	457 459,54	457 459,54	63 230,65	1
PA 2	IPA	less developed	095	01	03	n/a	(d)	n/a	n/a	North-East region MK007	498 301,66	498 301,66	192 425,21	1
PA 2	IPA	less developed	103	01	02	n/a	(d)	n/a	n/a	BG415	119 530,31	119 530,31	118 145,84	1
PA 2	IPA	less developed	103	01	02	n/a	(d)	n/a	n/a	Kyustendil BG415	119 530,31	119 530,31	118 145,84	1
PA 3	IPA	Less developed	063, 064, 066, 067, 073, 103, 104 & 109	01	01/02/03	n/a	(g)	n/a	n/a	BG411, BG413, BG415, MK007, MK002, MK004 & MK008	1 763 013,86	1 763 013,86	1 702 934,54	17
PA 3	IPA	less developed	063	01	01	n/a	(g)	n/a	n/a	BG411, BG413	224 563,12	224 563,12	213 091,53	2
PA 3	IPA	less developed	063	01	01	n/a	(g)	n/a	n/a	Other BG411	107 637,46	107 637,46	97 005,57	1
PA 3	IPA	less developed	063	01	01	n/a	(g)	n/a	n/a	Blagoevgrad BG413	116 925,66	116 925,66	116 085,96	1
PA 3	IPA	less developed	064	01	02	n/a	(g)	n/a	n/a	BG413	113 827,22	113 827,22	113 494,61	1
PA 3	IPA	less developed	064	01	02	n/a	(g)	n/a	n/a	Blagoevgrad BG413	113 827,22	113 827,22	113 494,61	1
PA 3	IPA	less	066	01	01/02	n/a	(g)	n/a	n/a	MK002 & MK008	206 525,67	206 525,67	200 494,63	2

		developed												
PA 3	IPA	less developed	066	01	01	n/a	(g)	n/a	n/a	Other MK008	109 101,24	109 101,24	104 584,71	1
PA 3	IPA	less developed	066	01	02	n/a	(g)	n/a	n/a	East region MK002	97 424,43	97 424,43	95 909,92	1
PA 3	IPA	less developed	067	01	02	n/a	(g)	n/a	n/a	BG413, MK004	312 281,23	312 281,23	301 156,12	3
PA 3	IPA	less developed	067	01	02	n/a	(g)	n/a	n/a	Blagoevgrad BG413	192 600,31	192 600,31	182 468,45	2
PA 3	IPA	less developed	067	01	02	n/a	(g)	n/a	n/a	South-East region MK004	119 680,92	119 680,92	118 687,67	1
PA 3	IPA	less developed	073	01	01	n/a	(g)	n/a	n/a	MK007	110 217,35	110 217,35	109 060,91	1
PA 3	IPA	less developed	073	01	01	n/a	(g)	n/a	n/a	North-East region MK007	110 217,35	110 217,35	109 060,91	1
PA 3	IPA	less developed	103	01	01	n/a	(g)	n/a	n/a	BG413, MK007	214 523,75	214 523,75	207 964,87	2
PA 3	IPA	less developed	103	01	01	n/a	(g)	n/a	n/a	Blagoevgrad BG413	104 049,06	104 049,06	99 623,65	1
PA 3	IPA	less developed	103	01	01	n/a	(g)	n/a	n/a	North-East region MK007	110 474,69	110 474,69	108 341,22	1
PA 3	IPA	less developed	104	01	01/02/03	n/a	(g)	n/a	n/a	BG413, MK007 & MK004	390 331,68	390 331,68	378 453,27	4
PA 3	IPA	less	104	01	01	n/a	(g)	n/a	n/a	North-East region	91 297,89	91 297,89	90 984,99	1

		developed								MK007				
PA 3	IPA	less developed	104	01	02	n/a	(g)	n/a	n/a	Blagoevgrad BG413	106 801,15	106 801,15	101 131,12	1
PA 3	IPA	less developed	104	01	02	n/a	(g)	n/a	n/a	South-East region MK004	114 337,23	114 337,23	113 597,13	1
PA 3	IPA	less developed	104	01	03	n/a	(g)	n/a	n/a	North-East region MK007	77 895,41	77 895,41	72 740,03	1
PA 3	IPA	less developed	109	01	02	n/a	(g)	n/a	n/a	BG415, MK002	190 743,84	190 743,84	179 218,60	2
PA 3	IPA	less developed	109	01	02	n/a	(g)	n/a	n/a	Kyustendil BG415	112 917,61	112 917,61	104 247,32	1
PA 3	IPA	less developed	109	01	02	n/a	(g)	n/a	n/a	East region MK002	77 826,23	77 826,23	74 971,28	1
PA 4	IPA	n/a	121	01	n/a	n/a	n/a	n/a	n/a	n/a	247 545,00	247 545,00	0,00	1*
PA 4	IPA	n/a	122	01	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0,00	0
PA 4	IPA	n/a	123	01	n/a	n/a	n/a	n/a	n/a	n/a	1 250,00	1 250,00	0,00	1

*The number of operations selected includes the technical assistance project for 2018

Table 6

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

	The amount of ERDF support ² envisaged to be used for all or part of an operation	Share of the total financial allocation to all or part of an	Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside	Share of the total financial allocation to all or part of an
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² ERDF support is fixed in the Commission decision on the respective cooperation programme.

	implemented outside the Union part of the programme area based on selected operations (EUR)	operation located outside the Union part of the programme area (%) <i>(column 2/total amount allocated to the support from the ERDF at programme level *100)</i>	the Union part of the programme area declared by the beneficiary to the managing authority (EUR)	operation located outside the Union part of the programme area (%) <i>(column 4/total amount allocated to the support from the ERDF at programme level *100)</i>
1	2	3	4	5
All or part of an operation outside the Union part of the programme area ³	71 162,40	0,41 %	69 967,62	0,40 %

³ In accordance with and subject to ceilings set out Article 20 of Regulation (EU) No 1299/2013.

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

According to the Programme Evaluation Plan (approved on 14th of April 2016 by the JMC) the first Programme evaluation - mid-term evaluation of the implementation had been launched in June 2018. Tender procedure for Implementation evaluation under Interreg - IPA CBC Programmes, managed by the Republic of Bulgaria, had been completed and service contract with external consultant was signed on 28th of August 2018 with 7 months duration. The aim of the contract is evaluation of the implementation of the Programme in terms of assessment of the current programme progress and providing recommendations for further improvement of the overall management and implementation which could contribute towards successful achievement of objectives, results and outputs. In addition, the contractor is expected to potentially provide feedback and important aspects for consideration for the next programming period.

Main results of the performed mid-term evaluation of the implementation are summarized in table below:

NAME	FUND	FROM MONTH	FROM YEAR	TO MONTH	TO YEAR	TYPE OF EVALUATION	THEMATIC PRIORITY	TOPIC	FINDINGS
Implementation evaluation of Interreg - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria	IPA(e)	8	2018	3	2019	Process	d, b, g	The overall objective of the evaluation of the implementation of the 3 (three) Interreg - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria in terms of assessment of the current programme progress and providing recommendations for further improvement of the overall management and implementation of each of the	There is a good correspondence between the setup of the application procedure and project selection, on one hand and the objectives of the Programme. The desired outputs and results as defined by the output indicators of the Programme were directly incorporated in project outcome reporting. The selection criteria under the Second call were adapted so that projects that contribute significantly to achievement of the target values of the output indicators were preferred. The tools and processes used for reporting and monitoring of the implementation of the projects under the First call, the work organization of the JS staff together and the detailed quarterly reporting of project progress using the online Beneficiaries portal secured the timely identification of possible issues

								<p>programmes, which could contribute towards successful achievement of their objectives, results and outputs.</p>	<p>with the implementation of projects.</p> <p>The observance of the horizontal principles is fully integrated in the management system of the Programme and in the activities of the selected projects.</p> <p>The activities carried out during the implementation of the Programme have high contribution towards the achievement of the priorities of the EU2020, Balkan-Mediterranean 2014-2020, and a number of national and regional strategic documents. The degree of contribution is directly linked to the achievement of the specific objectives of the Programme.</p> <p>The relevance of the activities to the general and specific objectives of the Communication strategy is generally good.</p>
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5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN

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

In the end of 2017 was identified not compliance of the Implementation Manual - ver. 1.0 for National Authority for implementation of the Programme with requirements of the Regulation (EU) No 1303/2013 and the General conditions to the Financing Agreement Audit Body from Macedonia that neither the contracts for national co-financing were signed between the NA (Ministry for Local Self-Government) and the Macedonian partners, nor the payments of Macedonian co-financing were made. As a result, under the First audit of operations for assurance that the certified expenditures are correct and the underlying transactions are legal and regular, performed by Executive Agency "Audit of European Union Funds" - Audit Authority (AA) and Audit Body - Audit Authority for audit of Instrument for Pre-Accession Assistance of the former Yugoslav Republic of Macedonia, was submitted a recommendation the amount of the Macedonian national co-financing, which is not paid to the beneficiaries, to be deducted from Annual Account for the Programme submitted to the European Commission. In order to overcome identified problem the MA and NA have taken prompt measures to ensure compliance with the requirements of the Regulation (EU) No 1303/2013. In this respect official correspondence between MA and NA was performed for transfer the relevant national co-financing to the Macedonian beneficiaries in due time. According to information provided by the NA, till the end of December 2017 the national co-financing contracts have been concluded with all Macedonian project partners. Further to this, in the first quarter of 2018 NA has started to pay the national co-financing to the Macedonian beneficiaries on its territory. The contracting and payment by the NA was checked and confirmed by the auditors from Audit Body in the former Yugoslav Republic of Macedonia and identified issue was overcome in 2018.

- (b) **OPTIONAL FOR LIGHT REPORTS**, otherwise it will be included in point 9.1 (Article 50(4) of Regulation (EU) No 1303/2013)

Information is included in p.9.1

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

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report.

7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU) No 1303/2013)

Not applicable

8. WHERE APPROPRIATE, PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (Article 101(h) and Article 111(3) of Regulation (EU) No 1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)

8.1. Major projects

Not applicable

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

Not applicable

PART B

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

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

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

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

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

Priority Axis 1 – Environment, a total of 14 projects have been either under implementation or concluded by the end of 2018.

The recapitulation for the achievement of the three Result Indicators under the priority axis are as follows:

R.I. 1.1.1 “Increased level of capacity in environment protection and sustainable use of common natural resources” - the achievement of the indicator by the end of 2018 is 2.82. The indicator has a good progress compared to the baseline of 2.56 and the target of 3.00 for year 2023.

RI 1.2.1. “Increased joint interventions in the field of risk prevention and management” – the target value for 2023 is overachieved by the end of 2018.

RI 1.2.2. “Increased joint initiatives related to risk prevention and management” – the target value for 2023 is overachieved by the end of 2018.

Priority Axis 2 – Tourism, a total of 15 projects have been either under implementation or concluded by the end of 2018. One result indicator under PA2 is overachieved while the targets of the remaining two are achievable depending on the nature of the contracted projects under the Second call.

The recapitulation for the achievement of the three Result Indicators under the priority axis are as follows:

RI 2.1.1. “Increased nights spent in the cross-border region” - the target value for 2023 is overachieved by the end of 2018.

R.I. 2.2.1 “Increased level of joint and integrated approaches to sustainable tourism development in the border area” - the achievement of the indicator by the end of 2018 is 2.69. The indicator has a good progress compared to the baseline of 2.44 and the target of 3.00 for year 2023.

RI 2.3.1. “Increased public awareness regarding sustainable use of natural and cultural heritage and resources” - the achievement of the indicator by the end of 2018 is 2.73. The indicator has a good progress compared to the baseline of 2.49 and the target of 3.00 for year 2023.

Priority Axis 3 – Competitiveness, a total of 14 projects have been either under implementation or concluded by the end of 2018. The recapitulation for the achievement of two Result Indicators under the priority axis are as follows:

RI 3.1.1. “Increased cross-border business networks created or extended” - the target value for 2023 is overachieved by the end of 2018.

RI 3.1.2. “Increased level of awareness on the business opportunities offered by the region” – the achievement of the indicator by the end of 2018 is 2.64. The indicator has a good progress compared to the baseline of 2.34 and the target of 3.00 for year 2023.

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

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

The observance of the horizontal principles is fully integrated in the management system of the Programme (application and implementation stages) and in the activities of the selected projects. In the Programme document, there is a description of each principle and a list of specific actions to take into account its respective requirements. Moreover, the horizontal principles are observed by applicants in the development and implementation of their projects.

The application forms in the First and Second Call for proposals included sections on how projects comply and contribute to the promotion of the three horizontal principles during the development and the implementation phases. The observance of the principles was directly included in the evaluation grid of the technical and quality evaluation stage.

In addition, project proposals explicitly describe how the principles would be observed and the final project progress reports outline the practical implementation of the principles. If the project proposal was not coherent with any of the observed horizontal principles, no points were assigned to the proposal. The monitoring and reporting of the horizontal principles is obligatory only for the final report although the lead partner may express its opinion on how project activities and outputs contribute to the horizontal principles during the project implementation in the respective project progress report.

At programme level, the application of the horizontal principles is monitored, assessed, and reported in the Annual Implementation Reports. The principles of equal opportunities and non-discrimination are ensured by supporting actions in the fields of e.g. awareness raising, sharing of experience, training, dissemination of information, etc.

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

The principles on sustainable development were taken into consideration during the programming process and preparation of Guidelines for Applicants. At the evaluation phase, sustainable development is

observed in the administrative compliance grid as quality criterion for assessment of the project proposals. Within all axes of the programme strategy, sustainable development is seen as a cross-cutting issue with all three pillars (economic, social and environmental) equally represented in the programme priority axes.

For instance, during project implementation under 1st Call, for OI 2.2.3 „Number of participants in joint training and qualification initiatives in the field of sustainable tourism“ and OI 2.3.1 „Number of cross-border networks established or strengthened in the field of sustainable tourism“ lead partners were presented information on how the project activities and outputs have actually contributed to horizontal issues in their final project progress reports. Target for OI 2.2.3 is fully achieved with the projects financed under the 1st Call. In addition, two provisionally selected projects under the 2nd Call for proposals are expected to contribute to the achievement of target under OI 2.3.1 related to sustainable development of tourism in the border region.

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

The whole Priority Axis 1 “Environment” is focused on issues related to environmental measures and the projects supported under this PA are contributing to support of climate change objectives. It is expected that with project proposed for financing under Second Call for proposals will be increased contribution to climate change objectives. In addition, the Call gave priority to those projects under Priority Axis 1 which will contribute to achievement of the set OIs’ targets.

Furthermore, annually in compliance with the requirements of Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment, and the respective Bulgarian national legislation, the MA prepared Annual monitoring report (SEA compatibility report) on the environmental effects of the Programme. The SEA compatibility report was coordinated and approved by the Ministry of Environment and Water of the Republic of Bulgaria. The main conclusion of the report was that all specific measures and requirements to prevent, reduce and eliminate as much as possible the negative consequences following the Programmes implementation were duly fulfilled during the application phase, as well as during the projects’ assessment process. In addition, projects under Priority Axis 1 are expected to have positive effect on five of the six environmental issues (Air and climate; Biodiversity, fauna and flora; Water; Soil; Population and human health).

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

The role of partners was demonstrated in their active participation in the Programme Joint Monitoring Committee as a body for supervision of the Programme implementation for achieving its objectives. The members of the JMC, representatives of both counties, were selected in accordance with requirements of the Regulation (EU) 1303/2013. The nominations were based on a principle that a wide pool of active stakeholders should be presented by local, regional and national authorities / organisations, including non-governmental organisations, economic and social partners, municipalities, districts administrations, academic and scientific institutions, environmental, educational and business organisations. Thus, JMC is permanently consulted on matters related to the programme implementation, like: designing the calls for proposals, selection of operations, drafting implementation documents etc.; monitoring: drafting and approval of the annual implementation reports.

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

During 2018 was carried out the first Programme evaluation in accordance with requirements of Art. 21(1) of Commission Implementing Regulation (EU) No 477/2014, "IPA II assistance shall be subject of evaluations, in accordance with Article 30(4) of Regulation (EU, Euratom) and Art. 56 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 and Programme Evaluation Plan approved by JMC. The Programme evaluation (hereinafter referred to also as implementation evaluation) envisaged to assess the current programme progress and to provide recommendations for further improvement of the overall management and implementation, which could contribute towards successful implementation of the Programme, the decision-making process and potentially to provide feedback and important aspects for consideration for the next programming period.

In this connection, a service contract with external consultant was concluded for the period 23.08.2018 – 23.03.2019 amounting on EUR 135 060,00 (VAT included), which to cover operational aspects and analysis of the achievement of the objectives of the three INTERREG - IPA CBC Programmes 2014-2020, managed by the Republic of Bulgaria and the cut-off date of the evaluation was 31st of December 2018.

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

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

1. Effectiveness and efficiency of the Programme management system

The eligible activities under each PA as described in the Programme were incorporated in the eligible activities under the First and Second calls. The programme output indicators were directly used for project indicators. The application procedure of the First call of the Programme was well managed in terms of time frame, quality and usefulness of guidelines and support provided by the JS. The Guidelines for application under the Second call addressed some minor deficiencies identified under the First call – the assessment and complaint procedures were streamlined and more details were provided about the measurement of the output indicators. The selection criteria under the Second call were adapted so that projects that contribute significantly to achievement of the target values of the output indicators were preferred.

The tools and processes used for reporting and monitoring of the implementation of the projects under the First call generally allow for proper and timely follow-up of the achievement of the output indicators. The beneficiaries assessed positively the support they received during the implementation phase of the Programme. The PIM and the trainings were evaluated as very helpful and sufficiently detailed.

The overall conclusion is that the management system of the Programme is properly established, operates efficiently and effectively and supports the achievement of Programme's objective.

2. Effectiveness and efficiency of the Programme

The list of output indicators provide timely and complete picture of the implementation of the Programme as they encompass all possible activities and outputs for the respective specific objective. The Programme's progress toward achievement of the targets of the output and result indicators is uneven, based on data as of end-2018.

The output indicators under PA1 are generally below target with the notable exception of three significantly overachieved indicators. No projects contracted under the First call contribute to the achievement of two output indicators in this priority. The level of achievement of the targets for the output indicators under PA2 is broadly good, although no projects contribute to the achievement of one output indicator. The projects contracted under PA3 contributed to significant overachievement of all output indicators of the axis. Two out of three RI under PA1 overachieved their target growth as of end-2018. One RI under PA2 is overachieved while the targets of the remaining two are achievable depending on the nature of the contracted projects under the Second call. One RI under PA3 is below target as of end-2018 and the other is overachieved.

The changed mechanism for selection of project proposals under the Second call has significant positive impact on the projected achievement of the output indicators of the Programme.

With regard to the new programming period post 2020, a mixed approach, which combines strategic projects and grants schemes for the cross-border cooperation programme is suggested. It will ensure a closer link between the Programme results and the national priorities in the regional development sector while at the same time preserving the people-to-people approach, one of the strongest and most sustainable impacts of the Programme over the years.

3. Relevance, consistency and complementarity of the objectives of the Programme

The observance of the horizontal principles is fully integrated in the management system of the Programme (application and implementation stages) and in the activities of the selected projects. Project proposals explicitly describe how the principles would be observed and the final project progress reports outline the practical implementation of the principles. The principles of sustainable development, equal opportunities and non-discrimination and equality between men and women are mirrored by a number of output and result indicators.

There is a high level of coherence between the goals of the Programme and the goals set in strategic documents at European, macro-regional, national and regional level. The activities carried out during the implementation of the Programme have high contribution towards the achievement of the priorities of the EU2020, Balkan-Mediterranean 2014-2020, and a number of national and regional strategic documents. The degree of contribution is directly linked to the achievement of the specific objectives of the Programme.

4. Effectiveness and efficiency of the Communication strategy of the Programme

Overall, the relevance of the activities to the general and specific objectives of the Communication strategy is generally good. The tools and channels were properly chosen evidenced by the high level of achievement of the target values of the communication indicators. The communication activities under the two calls were sufficiently tailored to the needs of the target groups of potential

and actual beneficiaries and the general public. The information they provided to the groups and the means that information was delivered was adequately customized.

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

In line with the adopted Programme Communication Strategy, version 2.0 approved by the JMC under Written procedure on 17th of August 2017, the Programme authorities implement different information and communication activities. The communication activities were focused in two main directions: awareness-raising and absorption capacity. Therefore, the main purpose of the activities could be defined as to highlight the role of the EU and to ensure that assistance from the IPA Funds is transparent by proactively disseminating information and providing platforms that stimulate exchanges of experience in order to raise the awareness with the general public and to create the premises for high absorption of EU funds in the eligible area of the Programme by ensuring that all relevant information reaches the beneficiaries.

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

Programme web site

Programme web site <http://www.ipa-cbc-007.eu> was used as a main tool for appropriate, coherent and effective communication tool. During 2018 the website serves as the main communication tool. It hosts very substantial content and frequent updates. In terms of information, networking and communicating opportunities, the website is clearly a very useful resource for project and potential beneficiaries, as well as the media and the general public. It provides information to potential beneficiaries regarding the Programme, Calls and respective documents, important documentation available, FAQs, information on the approved projects, list of beneficiaries, news, announcements, etc. During the 2018 the Programme website (accessible to people with disabilities as well) was visited 58 043 times by 31 551 visitors which represents 65,25% more than the previous 2017 year.

MIS System

MIS System was fully operational to the Programme needs and specificities of the Programme authorities. During 2018 the system, including its section "Beneficiaries portal" was updated as the system ensures electronic exchange of information with applicants and beneficiaries. In addition, a new model for

Social Media

Social Media serves as innovative approach to the general public. Official Facebook (<https://www.facebook.com/interregipacbcbgmk>) and Twitter page (https://twitter.com/IPA_CBC_BG_MK) of the Programme were maintained and updated on a regular basis. By the end of 2018 Facebook reached more than 4000 members and Twitter more than 100 followers.

Media Campaign

Media Campaign was organized for the purposes of informing general public and potential beneficiaries of the Second call for proposals – Info days, Partner Search Forum, as well as for attracting general public and media attention for the EC Day 2018 – Folklore Festival "Sharing borders, growing closer" in village

Ribnovo, Municipality of Garmen. The campaigns were carried out in February, March and September and included social media promotion (Facebook) and 21 announcements in local radio.

Info days and Partner Search Forum

5 Info-days have been organized with 373 participants and 276 organizations /average 74 participants and 55 organizations/bodies per event:

- ✓ Three info days in Strumica on 20th of February 2018, Stip on 21st of February 2018 and Kumanovo on 22nd of February 2018;
- ✓ Two info days in Bulgaria in Kyustendil and Blagoevgrad on 14th and 15th of March 2018;

Partner Search Forum in Delchevo on 14th of March 2018 has been organized with 135 participants from 111 organizations in order to give potential applicants an opportunity to find suitable partners, and to start discussing together ideas and further steps for project development, as well as to give information and tips on finding partners and building partnerships.

EC Day 2018

EC Day celebration was held for a 7th consecutive year, by organizing a Folklore Festival "Sharing borders, growing closer" on 21st of September 2018, in village Ribnovo, Municipality of Garmen, Bulgaria. The event attracted more than 1000 participants including official guests, representatives of local and regional authorities, media and general public. The idea for this year's celebration was to present the folklore and cultural heritage of both countries through music, dance and specific customs and traditions. Within the framework of the festival was opened the renovated Community Center "Izgrev" in the village Ribnovo under the project CB006.1.21.001 and the exhibition of musical instruments and folk costumes.

Joint Monitoring Committee meetings organized in 2018

JMC meeting on 30th of January 2018, in Kyustendil, Bulgaria - approved the Application package including Guidelines for Applicants and criteria for selection of operations for the Second Call for proposals and the Assessment rules for the Second Call for Proposals.

Promotional materials have been elaborated and partially disseminated: USBs, laptop bags, conference/shopping bags, table flag sets, promotional t-shirts, umbrellas, mugs and small promotional materials.

Press conferences/ press releases and advertisements/ radio campaign

- ✓ 2 press conferences and 3 press releases before Info Days and Partner Search Forum;
- ✓ 2 press releases before and after opening 2nd Call for proposals and 2 press releases before and after EC Day 2018;
- ✓ Newspaper Vyara, Friday, 9th of February 2018, No. 28 (4529) year XVII;
- ✓ Newspaper Struma, Friday, 9th of February 2018, No. 34 (7822) year XXVII;
- ✓ 2 advertisements before Info days and Partner Search Forum on regional online web portals and 1 before EC Day 2018;
- ✓ 2 radio campaigns during 2018 for Info days (Darik radio Kyustendil and Darik radio Blagoevgrad - aired 21 times for 7 days, 30 seconds each).

As a main result of the information and publicity measures carried out can be identified the number of project proposals received under the 2nd Call (2018) - 162 project proposals. The interest in the Programme contributes to achieving higher quality of project proposals, in terms of more intense competition.

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

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

11. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME (Article 14(4), subparagraph 2 (a), (b), (c) and (f), of Regulation (EU) No 1299/2013)

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

Not applicable

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

In order to reinforce the capacity of local authorities and beneficiaries to administer and use the EU funds, MA, NA and JS organized several trainings related to use of the EU funds and in particular rules for application under Second Calls for proposals under Interreg-IPA CBC Programmes. Information campaigns for potential beneficiaries under the Second Call for proposals included 5 events in Kyustendil and Blagoevgrad in Bulgaria and Strumica, Stip and Kumanovo in former Yugoslav Republic of Macedonia were carried out. Representatives of local authorities and potential beneficiaries were trained in preparation of project proposals. Special focus was given to on-line submission of project proposals/documents via Management Information System, section "Beneficiary portal". In the first quarter of the year it was organized the biggest training for the potential applicants - a partner search forum in Delchevo with more than 130 participants from 111 organizations. The main goal of the event was to give potential applicants an opportunity to find suitable partners, and to start discussing together ideas and further steps for project development, as well as to give information and tips on finding partners and building partnerships. Additionally, in September 2018 a particular training of external assessors in were organized in Sofia and Skopje.

11.3 Contribution to macro-regional and sea basin strategies

The Programme is designed to enhance and expand the cross-border cooperation between Bulgaria and the former Yugoslav Republic of Macedonia. Although it has relatively limited and people-focused nature it relates to several macro-regional strategies as Balkan-Mediterranean 2014-2020 and European Strategy for the Danube Region.

The Balkan-Mediterranean 2014-2020 (BalkanMed) is a new cooperation Programme that brings together three EU member states (Bulgaria, Cyprus and Greece) and two candidate countries, Albania and the former Yugoslav Republic of Macedonia. It supports the know-how and experiences' sharing, improvement of the public policies and networking, between national, regional and local authorities and other territorial actors of the whole Balkan-Mediterranean cooperation area. Balkan-Mediterranean 2014-2020 is built upon two priority axes: Entrepreneurship & Innovation and Environment. Although the two programmes have different focus, Priority Axis 3 Competitiveness and Priority Axis 2 Tourism of the cross-border programme contribute to the achievement of the goals of Entrepreneurship & Innovation. The contribution of Priority Axis 1 Environment is indirect as the corresponding axis from the BalkanMed programme is focused also on biodiversity and delivery on environmental legal framework.

The European Strategy for the Danube Region (Danube strategy) is a macro-regional strategy, adopted by the European Commission in December 2010 and endorsed by the European Council in 2011. It aims at addressing the common challenges by creating synergies and coordination between existing policies and initiatives taking place across the Danube region. Geographically, only the Bulgarian part of the border region is within the target areas of the Danube Region. At the same time the projects supported under the Programme target cross-border regional development effects. Thus, the Programme contribution to the Danube Region is mainly through establishment of good practices and synergy with the interventions under the Strategy in concern. Six out of the 11 priority areas of the Danube strategy are coherent with the Programme. Priority Axis 1 Environment links to priority areas Sustainable energy, Water quality, Environmental Risks and Biodiversity, landscapes, quality of air and soils. Priority Axis 2 Tourism relates to the priority area of Culture & Tourism while Priority Axis 3 Competitiveness to the priority area of Competitiveness of enterprises. Both Priority Axis 2 and Priority Axis 3 are coherent to the area of People & Skills.

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

Not applicable

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

The financial allocation of the priority axis						Cumulative data on the financial progress						Data for the purpose of the performance review and performance framework	
Priority axis	Fund	Category of region	Basis for the calculation of Union support* (Total eligible cost or public eligible cost)	Total funding (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) [column 7/column 5 × 100]	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) [column 10/column 5 × 100]	Number of operations selected	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013	Total eligible expenditure incurred and paid by beneficiaries by 31/12/2023 and certified to the Commission Article 22(7) of Regulation (EU) No 1303/2013
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13. ⁴	14. ⁵
Priority axis 1	IPA	less developed	Total	6 811 592	84,99%	3 864 830,87	56,74%	3 864 830,87	3 063 475,36	44,97%	14	2 225 952,04	Applicable only for the Final IR
Priority axis 2	IPA	less developed	Total	7 784 676	84,99%	4 707 627,94	60,47%	4 707 627,94	2 807 523,34	36,06%	17	1 730 373,90	Applicable only for the Final IR
Priority axis 3	IPA	less developed	Total	2 919 253	84,99%	1 763 013,86	60,39%	1 763 013,86	1 702 934,54	58,33%	17	1 400 060,29	Applicable only for the Final IR
Priority axis 4 – TA	IPA	n/a	Total	1 946 169	84,99%	1 165 927,50	59,91%	1 165 927,50	347 508,63	17,86%	4*	347 508,63	Applicable only for the Final IR
Total				19 461 690	84,99%	11 501 400,17	59,10%	11 501 400,17	7 921 441,87	40,70%	52	5 703 894,86	Applicable only for the Final IR

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

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

PART C

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

13. SMART, SUSTAINABLE AND INCLUSIVE GROWTH

The INTERREG-IPA Cross-border Cooperation Programme Bulgaria – the former Yugoslav Republic of Macedonia is designed to enhance and expand the cross-border cooperation between both counties. Although it has relatively limited and people-focused nature it relates to several main EU strategic documents (Europe 2020) and macro-regional strategies (Balkan-Mediterranean 2014-2020, European Strategy for the Danube Region), and national and regional strategies. The coherence of the Programme with main strategic documents and the contribution of its priority axes to their respective goals could be found summarised as follows:

✓ *Europe 2020 Strategy*

The Strategy is the overarching strategy of the European Union for the 2010-2020 period. The strategy has broad, interrelated and mutually reinforcing goals, which form a reference framework for activities at EU and at national and regional levels. Europe 2020 defines three main priorities: Smart growth – developing an economy based on knowledge and innovation; Sustainable growth – promoting a more resource efficient, greener and more competitive economy; and Inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion. The Programme has a high level of coherence with EU 2020, especially strong in Priority Axis 3 Competitiveness which contributes to almost all goals of the strategy through the two groups of actions that are eligible under this priority - actions for enhancing the competitiveness of companies and actions for intensifying the cooperation among businesses. The overachievement of indicators of this Priority Axis is another indication that this priority has significant contribution to the goals of the strategy.

The projects under Priority Axis 1 Environment contributes strongly to the goal of climate change and energy through the eligible actions under SO 1.1 and SO 1.2 and to a lesser extend to the goals of education and research and development.

Priority Axis 2 Tourism relates mainly to the goals of employment and poverty and social exclusion through its small-scale investments, info-centres, touristic transport schemes as well as joint researches, joint tourism product and services development and promotion, training and consultancy activities. Using innovative approaches in the area of tourism, the Programme promotes economic growth and contributes to the overall poverty reduction in the region.

✓ *Territorial Agenda of the European Union 2020 (TA2020)*

It is a strategic document for territorial development aimed towards an inclusive, smart, and sustainable Europe of diverse regions. The agenda, which was agreed upon in May 2011, outlines several main territorial challenges for the European Union:

- increased exposure to globalisation;
- challenges of EU integration and the growing interdependences of regions;
- demographic and social challenges, segregation of vulnerable groups;

- climate change and environmental risks;
- energy related challenges;
- loss of biodiversity, vulnerable natural, landscape and cultural heritage.

Most of these challenges are relevant to the CBC Programme area and are comprehensively addressed in the Programme document. The challenges related to climate change, environmental risks, and loss of biodiversity are addressed by Priority Axis 1 through actions focusing on prevention and mitigation of consequences of natural disasters as well as through environmental friendly small-scale investments.

The challenges in the social sphere are addressed by the projects under Priority Axis 3 that focus on increasing the competitiveness of small local businesses and providing trainings to vulnerable groups as well as projects under Priority Axis 2 that aim at developing new tourist products and cross-border networks. In addition, the projects under Priority Axis 2 targets the loss of cultural heritage.

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

The Programme's progress toward achievement of the targets of the output and result indicators is quite good, based on data as of end-2018. Proper level of achievement of all milestones set out in the performance framework has been ensured as a result from the execution of the projects financed under the First Call for Proposals (contracts were signed in the end of October 2016 and at the beginning of 2017). The positive outcome in numbers is based on the Programme structures' common efforts in contracting quality projects proposals and firmly supporting their successful implementation afterwards. Within the scope of the First Call, 48 projects were funded and 45 of them were successfully completed until October 2018.

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

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

PA 1 "Environment"

All indicators and key implementation steps under PA 1 are achieved at satisfactory level. Both planned OIs, OI 1.1.1 "Number of supported investments for improving the environmental conditions in the programme region" and OI "1.2.1 Supported investments for improving disaster management and risk prevention" are overachieved, respectively with 46% and 20% of their set final (2023) total targets due to timely implementation of the investment projects by the end of 2018.

By contracting 14 projects under SO 1.1 "Environmental protection and sustainable use of the common natural resources of the CBC area" in 2016, the level of achievement of the KIS 1.1.1 "Number of contracted projects related to investments for improving the environmental" reached the set target for

2018. Under KIS 1.2.1 “Number of contracted projects related to investments for improving disaster management and risk prevention” the Programme also reached its set target at 3 project for 2018 year.

Hence, the financial indicator “Eligible certified expenditure of the priority axis 1 “Environment” is achieved at high rate - EUR 1 889 181, 37 were certified, compared to the planned EUR 419 323. Reason for the overachievement of the financial indicator is the timely reporting and implementation, compared to programming period 2007-2013 and the gained experience by beneficiaries in the project implementation. It is expected that in the next years, the achievement of the financial indicators will follow the targets with normal deviation as result of the project implementation.

PA 2 “Tourism”

The results of the analysis of the PA 2 show that there is also high rate of overachievement of the OI 2.2.1 “Number of joint touristic products, services, brands, thematic routes”, with target value of minimum 8, and achieved value of 20 of joint touristic products, services, brands, thematic routes. Thus, the calculated rise of the level of overachievement of this OI is 46% of the target for 2018. Here it could be observed that the respective OI 2.2.1 is overachieved, mainly because of the great contribution of contracted projects towards the achievement of the set value of the OI and higher interest of the beneficiaries under respective OI. As stated above, MA considered it appropriate to finance more projects in order to ensure final achievement of OIs. Therefore, the designed FI is also achieved at high rate - EUR 1 470 817, 78 were certified, compared to the planned EUR 479 226, since the projects were timely implemented and reported compared with previous programming period where the beneficiaries have not experience in project implementation.

Priority Axis 3 “Competitiveness”

Under this PA, the indicator OI 3.1.4. “Supported initiatives for economic development and investment promotion” is also overachieved. Target value of OI 3.1.4 is minimum 8, and achieved value of 18 of supported initiatives for economic development and investment promotion. Thus, the calculated rise of the level of overachievement of OI 3.1.4 is 125% of the target for 2018. The main reasons for overcoming the indicator are the high interest of the participants in the target groups and the sparing use of the programme financial resources, but also the low base from the previous program period, taken into account when the target was set. In addition, based on the previous experience, MA considered it appropriate to finance more projects in order to ensure final achievement of OIs, because at the contracting stage (at the end of 2016) it was not certain that all financed projects will be successfully implemented and all planned outputs will be delivered. In addition, the selection under the First Call for proposals was solely based on the quality of the submitted proposals, and they were ranked and contracted on general grounds. Therefore, financial indicator “Eligible certified expenditure of the Priority axis 3 Environment” is also overachieved - EUR 1 190 051, 20 were certified, compared to EUR 179 710 (17 contracts completed) and the reasons for this overachievement are similar to those stated above for PA 1 and PA 2.

Common efforts of the MA/NA

In order to ensure achievement of all targets, , the Managing Authority decided to apply new approach for selection of applicants under the Second Call for proposals, launched in January 2018. The approach suggests creating separate rankings of project proposals under each OI. Therefore, as per the newly

established Guidelines for applicants, preference is to be given to quality project proposals that contribute to OIs, which have not yet been achieved, and contracting as many projects from each separate ranking list as necessary for reaching the set OI target. Projects fulfilling only OIs that have already been achieved through the already implemented projects from the First Call shall only be contracted in case of available funding. Since the contracting of the projects under the Second Call shall be done in 2019, no new targets could be set out in 2018.

Nevertheless, one of the main challenges on Programme level is to ensure fulfilment, in the following years, of the targets for the underachieved OIs. Their achievement will be reported in 2019.