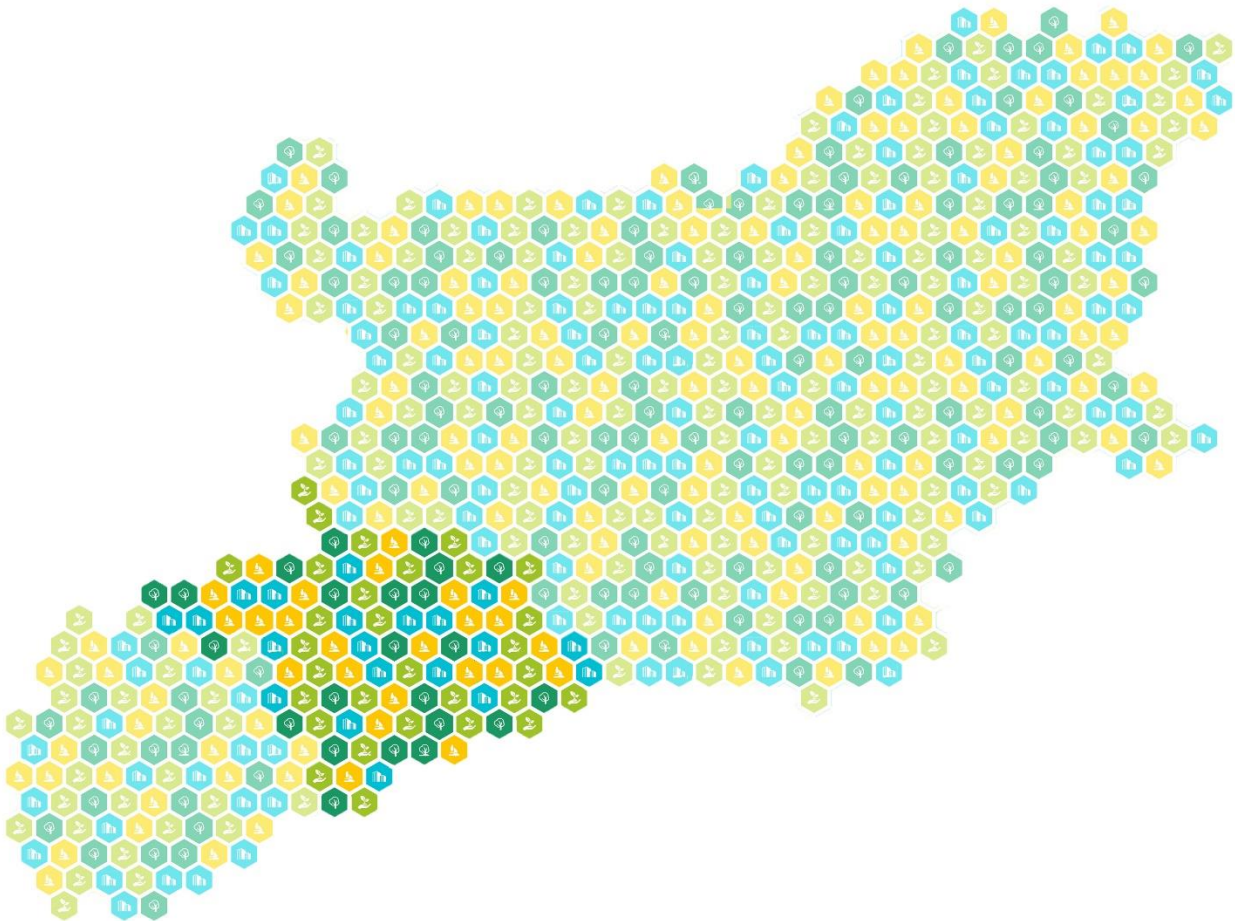


# TERRITORIAL STRATEGY

of the INTERREG VI-A IPA programme 2021—2027  
between Bulgaria and North Macedonia



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## INTRODUCTION

The purpose of this Territorial Strategy (TS) is to address the needs of the INTERREG VI-A IPA Programme between Bulgaria and North Macedonia by proposing measures that would contribute to the sustainable economic development of the region. These measures will be implemented within the framework of PO 5 ‘Europe closer to citizens’.

This document is developed in close coordination with local stakeholders in the CBC region and in compliance with the current legal framework while taking into due consideration the specificities of the programme area; it will focus on the cross-border dimension by identifying common challenges and development potentials.

Multi-level governance will be ensured by involving all competent levels (following a bottom-up regional approach, in close cooperation with the programme structures) in line with the principles of partnership, gender equality and non-discrimination.

According to Regulation (EU) 2021/1060 (Common Provisions Regulation, CPR in short) investments aimed at strengthening the integrated territorial development approach should be supported within territorial and local development strategies. These territorial strategies must be developed and endorsed under the supervision of local stakeholders and authorities who later become responsible for the selection of projects (or get involved in that selection) to be supported by the strategies.

## METHODOLOGY

The methodology for the elaboration of the TS is grounded on the need to account for: compliance with EU and national territorial development and spatial planning practices, EU, national and regional development priorities, broad local participation and local ownership. It can be decomposed in 6 steps, as follows:

**Step 1** Setting up a Strategy Task Force Group (TFG). This is a continuation of the consultations for the development of the cross-border cooperation programme. The identification of participants in the TFG is based on the principle of partnership and the multi-level approach to governance, and ensures the involvement of civil society and the social partners. The TFG actively participates in the coordination, review and approval of all stages of the TS development.

**Step 2** Defining the strategic context and methodology and determining the geographical scope of the strategy. The geographical scope of the Strategy is determined in accordance with the European requirements and guidelines applied in the local context. As a result, an important part of it is the clear and precise argumentation of the choice of the geographical scope of the TS interventions.

**Step 3** Analysis of the territory. An important part of its elaboration is the identification of the

territorial needs and development potentials. The broader territorial analysis carried out for TS needs first identified the needs areas and then went through a crosscut analysis of the development potentials and the area where needs and potentials overlap came out to be the base for delineating a functional area for support.

The analysis comprises a system of principles, rules and procedures. It is an amalgamation of advanced general and specific methods and tools for data processing and information analysis, for comparison and assessment. By performing a desk analysis of programmes and strategic documents, systematic classification and processing of secondary information from conducted research, content analysis, multifactor geospatial analyses, meta-analyses, comparative analyses and inventory-taking assessments, and applying traditional and specific statistical methods for data collection, the necessary source information has been amassed and summarised for putting together a comprehensive picture of the situation on the ground. The main emphasis in doing this has been placed on avoiding an overly descriptive approach to the region and its characteristics while focusing on the common challenges on both sides of the border.

As a result of the identified needs and development potentials of the territory, the key functional areas and their sub-areas for intervention have been identified.

**Step 4** Formulating the vision and goals of the strategy. The vision defines the desired role of the strategy as part of the organised measures for sustainable socioeconomic development of the territory. The key (priority) areas of intervention identified provide the basis for defining its strategic goals, which in turn provide the basis for the specific objectives of the Strategy. The strategic objective is the basis for defining the integrated package of measures in close connection with the specific needs and potentials along with the policy frameworks of a higher level. A system of approaches (integrated, cross-border, ecosystem and place-based), to integrated territorial development is used. In defining its objectives, the SMART (specific, measurable, achievable, relevant and time-based) approach is applied.

**Step 5** Preparing a methodology for implementation, monitoring and evaluation of the TS in compliance with the good practices in the field and the performance framework of the programme.

**Step 6** Drawing up a 7-year Action Plan for the implementation of the TS.

## GEOGRAFICAL AREA COVERED BY THE STRATEGY

The geographical scope of the TS is defined in accordance with the requirements set out in Article 29 of CPR Regulation. The TS looks into existing socio-economic and governance flows across the border region making up the entire programme territory a functional area. The programme area is considered functionally coherent due to the following particularities:

- *small size of the programme territory* – below the (Interreg VI-A) IPA CBC programmes average.

The smaller size questions the economic rationality for delineating functional areas for subsets of the territory;

- *identical demographic and socio-economic challenges depict the entire programme area* – please,

see the Territorial Analysis of the TS. This analysis confirms the existence of similar economic, social and territorial challenges, needs and potentials which provides a reason to define the entire cross-border region as a functional area for which to develop a territorial development strategy.

- *uneven spread of common territorial assets and economic activities across the entire programme area, resulting in scattered functional interlinkages;*

- *broad participation legitimizes the selected approach* - a Task Force Group (TFG) made of local stakeholders, who develops the TS, has already agreed on the assessed territorial characteristics and functionalities.

In addition to including common needs and potentials, the territory must create conditions for achieving the objectives defined in the strategy. The territorial nature of the strategy determines the serious impact on it of the priorities of the **Territorial Agenda 2030**<sup>1</sup>, which have also been included in the national and regional documents relevant to the strategy territory. They assign a significant role to a balanced polycentric network of cooperating cities in activating development potentials. Higher-level development centres, such as Kumanovo, Kyustendil, Shtip, Blagoevgrad, and Strumitsa, play a particularly important role in this network for the territories in both countries immediately along the border, and their inclusion in the territorial scope is of great importance.

The defined territory of the strategy provides an adequate territorial basis for the preparation of an integrated response to the needs and development potential of the territory, in compliance with the European strategic framework. The applied integrated and functional area approach to TS will help targeting the programme support to functional areas where sub-sectoral interlinkages provide opportunities for building regional value chains.

## STRATEGIC CONTEXT

### EUROPEAN LEGISLATIVE AND STRATEGIC FRAMEWORK

The TS was drawn up as part of the CBC programme, at the core of which are the goals and values of the EU enshrined in the Treaty of Lisbon<sup>2</sup> and the EU Charter of Fundamental Rights annexed to it<sup>3</sup>. At the same time, the document follows the guidelines laid down by a new generation of regulations which adhere to new perceptions and principles of how best to address people's needs:

- **Regulation (EU) 2021/1060** of the European Parliament and of the Council of 24 June 2021 (Common Provisions Regulation, CPR Regulation)<sup>4</sup>. It is built on wide experience gained throughout previous programming periods and thus accounts for the following principles in the new

<sup>1</sup> <https://territorialagenda.eu/home.html>

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12007L%2FTXT>

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=LEGISSUM%3AI33501>

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>

one: policy aggregation, simplification, flexibility, proportionality, streamlined and strategic content of the programmes, etc. It enforces 5 new policy objectives who shapes the EU courses of development for the next 7 years.

- **Regulation (EU) 2021/1058** of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund<sup>5</sup> (ERDF Regulation). The Regulation sets out new directions to reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, among which particular attention is to be paid to regions which suffer from severe and permanent natural or demographic handicaps, including in particular handicaps resulting from demographic decline, such as the northernmost regions with very low population density, islands, and cross-border and mountain regions.
- **Regulation (EU) 2021/1059** of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg or ETC Regulation). It adds two Interreg-specific objectives: an objective to support strengthening institutional capacity, enhancing legal and administrative cooperation and encouraging people-to-people actions; and a second objective to address cooperation issues on safety, security, border crossing management and migration.

➤ **TERRITORIAL AGENDA 2030 — A FUTURE FOR ALL PLACES<sup>6</sup>**

The Territorial Agenda 2030 underlines the importance of and provides orientation for strategic spatial planning and calls for strengthening the territorial dimension of sector policies at all governance levels

**STRATEGIC DOCUMENTS OF BULGARIA**

➤ **NATIONAL DEVELOPMENT PROGRAMME BULGARIA 2030<sup>7</sup>:**

Accelerates economic development, demographic upturn, reduce inequalities.

➤ **NATIONAL CONCEPT FOR SPATIAL DEVELOPMENT FOR THE PERIOD 2013–2025 (2019 UPDATE)<sup>8</sup>:**

Territorial, economic and social cohesion is supported by specific objectives and priorities, among which: Integration into the European space;

- Polycentric territorial development;

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1058>

<sup>6</sup> Territorial Agenda 2030, <https://www.territorialagenda.eu/home.html>

<sup>7</sup> <https://www.minfin.bg/bg/1394>

<sup>8</sup> <https://www.mrrb.bg/bg/aktualizaciya-na-nacionalnata-koncepciya-za-prostranstveno-razvitie-za-perioda-2013-2025-g/>

- Regional competitiveness promoting growth.

➤ **INTEGRATED TERRITORIAL DEVELOPMENT STRATEGY FOR THE SOUTH-EAST REGION<sup>9</sup>:**

Promotes innovative and smart economic transition, retainment and development of the human capital.

**STRATEGIC DOCUMENTS OF NORTH MACEDONIA**

➤ **STRATEGY FOR BALANCED REGIONAL DEVELOPMENT OF THE REPUBLIC OF NORTH MACEDONIA 2021—2031<sup>10</sup>:**

Development of economically and environmentally competitive regions through smart specialization and private investments..

➤ **DEVELOPMENT PROGRAMME FOR THE NORTH-EAST PLANNING REGION 2021—2026<sup>11</sup>:**

Aims at achieving sustainable economic development through competitiveness, boosting foreign and domestic investments, including the transfer of experience, knowledge and best practices, developing rural and alternative tourism.

➤ **DEVELOPMENT PROGRAMME FOR THE EAST PLANNING REGION 2021—2026<sup>12</sup>:**

Develops competitive, green and innovative regional economy, improves skills, knowledge and competencies, supporting entrepreneurship of young people and vulnerable groups in rural areas.

➤ **DEVELOPMENT PROGRAMME FOR THE SOUTH-EAST PLANNING REGION 2021—**

<sup>9</sup> <https://www.mrrb.bg/bg/proekt-na-integrirani-teritorialni-strategii-za-razvitie-na-regionite-za-planirane-ot-nivo-2-za-perioda-2021-2027-q/>

<sup>10</sup> <https://mils.gov.mk/mk/%D0%B4%D0%BE%D0%BA%D1%83%D0%BC%D0%B5%D0%BD%D1%82%D0%B8/%D0%B4%D0%BE%D0%BA%D1%83%D0%BC%D0%B5%D0%BD%D1%82%D0%B8-%D1%80%D0%B0%D0%BC%D0%BD%D0%BE%D0%BC%D0%B5%D1%80%D0%B5%D0%BD-%D1%80%D0%B5%D0%B3%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%B5%D0%BD-%D1%80%D0%B0%D0%B7%D0%B2%D0%BE%D1%98/2214-%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D1%98%D0%B0-%D0%B7%D0%B0-%D1%80%D0%B5%D0%B3%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%B5%D0%BD-%D1%80%D0%B0%D0%B7%D0%B2%D0%BE%D1%98-%D0%BD%D0%B0%D1%80%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0-%D1%81%D0%B5%D0%B2%D0%B5%D1%80%D0%BD%D0%B0-%D0%BC%D0%B0%D0%BA%D0%B5%D0%B4%D0%BE%D0%BD%D0%B8%D1%98%D0%B0-2021-2031>

<sup>11</sup> <https://northeastregion.gov.mk/web/wp-content/uploads/2021/04/%D0%9F%D1%80%D0%BE%D0%B3%D1%80%D0%B0%D0%BC%D0%B0-%D0%B7%D0%B0-%D1%80%D0%B0%D0%B7%D0%B2%D0%BE%D1%98-%D0%BD%D0%B0-%D0%A1%D0%B5%D0%B2%D0%B5%D1%80%D0%BE%D0%B8%D1%81%D1%82%D0%BE%D1%87%D0%B5%D0%BD-%D0%BF%D0%BB%D0%B0%D0%BD%D1%81%D0%BA%D0%B8-%D1%80%D0%B5%D0%B3%D0%B8%D0%BE%D0%BD-2020-2024-f.pdf>

<sup>12</sup> Програма за развој на Источен плански регион 2021—2026 година / Центар за развој на Источен плански регион

**2026<sup>13</sup>:**

Intensifies entrepreneurship, agriculture, competitiveness and innovation of enterprises and creates a favorable investment climate. Develops the region as an attractive tourist and cultural heritage destination; Promoting circular and green economy.

*ANALYSIS OF THE DEVELOPMENT NEEDS AND THE POTENTIAL OF THE AREA, INCLUDING ECONOMIC, SOCIAL AND ENVIRONMENTAL INTERLINKAGES*

Although still a catching up region with internal disparities from the viewpoint of GDP, GVA and FDI, in the last 10 years there has been convergence between the two parts of the cross-border region, making implementation of joint economic policies an opportunity for territorial cohesion. Business clusters are the policy domain who meets all key principles of a functional area exhibiting high degree of interactions within the programme area. CB business cooperation emerged in early 90s and it has been gradually expanding and adapting to changing technological and competitive factors. Higher-level development centres, such as Kumanovo, Kyustendil, Shtip, Blagoevgrad, and Strumitsa, play a particularly important role in the business cluster function of the programme territory. These five districts exhibit the common characteristics of a functional area, but due to their limited geographical coverage, it is hard to tailor them with investment plans. Besides, their intercity relations need to scale up and set up a sort of intraregional economic area in order to further develop functional linkages. However, there is no credible and reliable statistics at CB level to illustrate the precise degree of border interactions in the business domain. Instead, a proxy for this assessment is programme historical data underpinned by corresponding national-level statistics (see below). The most recent programme data (2014-2020) show that the biggest interest and needs for doing business between stakeholders from both sides of the border come from the tourism cluster where it enjoyed 43% share (the biggest) of all project proposals. Likewise, the share of contracted applicants (37%) under the tourism priority has also marked the highest programme value. The extensive programme support to tourism increased the degree of cross-border valorisation of cultural and natural heritage through cooperation in tourist offer, connected services and creative industries . Statistical data for 2019 (not most recent data are used to avoid data distortion due to COVID-19 pandemic) on 'trips of Bulgarians to North Macedonia show that nearly half of the trips are tourism-oriented (45%) and a bit less (30%) are work-driven. Reciprocal data for Macedonians travelling to Bulgaria displays even larger ratio - 80% out of all trips are of tourism purposes and 15% are triggered by professional incentives. Following deductive approach, provided nation-level data can be narrow down to regional level and infer strong arguments in support of the delineation of the business

<sup>13</sup> <https://southeast.mk/wp-content/uploads/2021/04/%D0%9F%D1%80%D0%BE%D0%B3%D1%80%D0%B0%D0%BC%D0%B0-%D0%B7%D0%B0-%D1%80%D0%B0%D0%B7%D0%B2%D0%BE%D1%98-%D0%BD%D0%B0-%D0%88%D1%83%D0%B3%D0%BE%D0%B8%D1%81%D1%82%D0%BE%D1%87%D0%BD%D0%B8%D0%BE%D1%82-%D0%BF%D0%BB%D0%B0%D0%BD%D1%81%D0%BA%D0%B8-%D1%80%D0%B5%D0%B3%D0%B8%D0%BE%D0%BD-2021-2026.pdf>



clusters functional area across the programme territory prioritizing two policy courses for business development - tourism (TS specific objective 1.2) and CB value chains (TS specific objective 1.1). Bulgaria and North Macedonia have been trading duty-free since 2001. Bulgaria is among the biggest trading partners of North Macedonia, and that is a key enabling prerequisite for building regional value chains. In the last five years, the total export of Bulgaria to North Macedonia has been increased by 42% , while reverse data show a slower growth rate of North Macedonian's export to Bulgaria amounting to 14% (same source as beforehand). The tourism development axis of the business cluster function is one of the few domains along with ICT, services, consumer goods (mostly food and beverages) and raw materials (mineral products, metals, stone and glass) which exemplify large cross-border economic synergies and high potential for building CB value chains. Supporting value chains, built on existent business networks and clusters, is central to the TS because value chains encompasses all economic interactions and interdependencies of a given territory. The TS integrated, multi-sectoral and cooperation support to economic operators to build CB value chains is crucial for the sustainable development of the tourism, because it is a cross-sectoral industry, which includes a great variety of related products and services. Considering the fact that the tourism is the sector with the largest economic impact on the area, the added value of focusing the TS support on CB tourism and CB value chains increases the intra-regional functionalities and strengthens further the cohesion of the territory.

### *DESCRIPTION OF AN INTEGRATED APPROACH TO ADDRESS THE IDENTIFIED DEVELOPMENT NEEDS AND THE POTENTIAL OF THE AREA*

Interventions planned, coordinated and implemented centrally by the government are no longer enough to deal with the complex challenges of border territories. Different territories and communities require differentiated and tailor-made policy mixes. Here comes the integrated approach to support multi-sectoral interventions by enabling various communities and stakeholders to apply local skills and strengths, and have a sense of ownership over decisions that are made, is believed to be the right approach that brings participatory governance and long-lasting positive outcomes for the territory. The integrated approach to addressing needs and utilising the existing potentials will be implemented through a multi-sectoral package of measures for attaining the objectives of the TS and ensuring the active involvement of partners (stakeholders) at all stages of its development, implementation, monitoring and evaluation. The support of the TS goes in integrated way across sectors under the form of interlinked actions. An example of such intelinked actions is the horizontal policy of the TS described below, under which each all supported interventions should include relevant actions that contribute to the protection of the environment and the biodiversity or provides green and digital solutions. Thus, the integrated approach is further extended to consider the ecological footprints of the supported actions making it mandatory for all projects to propose green and/or digital solutions based on the ecosystem approach. The locally-driven definition and implementation of the TS interventions is of highest relevance to the concept of integrated territorial development. Best approach to tackle the broad territorial opportunities and challenges is the place-based

and the integrated approach who put the local perspective and work with local people and communities at a central level.

## VISION, OBJECTIVES, MEASURES

**The ultimate outcome of the implementation of the Strategy will be strengthening the territorial cohesion through integrated and sustainable development of the cross-border region between Bulgaria and North Macedonia.**

Following the logic of the strategic context and the findings of the territorial analysis, the principles of structuring a ‘goals tree’ are applied. A four-tier hierarchical structure is created comprised of: ***vision of the strategy (V) strategic objective (SO), specific objectives (SpO) and measures for their attainment (M).***

- ***The Vision of this Strategy*** has a long time horizon, is of the highest hierarchical level and derives from the common policy of cohesion, integration and sustainable development of the border areas between Bulgaria and North Macedonia;
- ***The Strategic Objective*** is the highest hierarchical level of goal decomposition. The strategic objective is formulated as a result of targeted thematic analysis and the priority areas of intervention derived through it;
- ***The Specific Objectives*** form the next hierarchical level. They are formulated on the basis of the needs and potentials identified in the analysis. The attainment of the specific objectives in their totality is a necessary and sufficient precondition for the realisation of the relevant strategic objective. They are bound to performance indicators showing the measurability/ratio between baseline and end value.
- ***The measures (defined based on SMART approach)*** are specified synergic actions whose cumulative totality is the means to attaining the specific objectives. They lie at the foundation of the entire pyramid of organisational, temporal and spatial elements that are being materialised through projects and interventions, ultimately ensuring the attainment of the strategic objective.

The **integrated and functional area approach** to meeting/addressing identified needs and potentials of the territory in the developed strategy is manifested in three main aspects:

- ✓ a territory defined on the basis of achievement of sustainable results with respect to identified functional areas;
- ✓ participation of a wide range of partners in the entire process of drafting, discussion, adoption and implementation of the strategy;
- ✓ a package of multisectoral and interlinked measures based on close coordination of different public policies according to local specifics, meeting local needs and development potentials and bringing common benefits to partners and the region.

## Strategic objective (SO)

*Social development and cohesion through sustainable economic growth based on a ‘knowledge economy’ and aimed at ironing out the significant differences between population centres at different hierarchical levels in the CBC region:*

### **Specific objective (SpO) 1.1. Increase the competitiveness of the local economy and improve the business environment:**

*Competitiveness is a growth challenge to the economic prosperity of the border region and its territorial cohesion. SMEs represent a large weight of the economic activity of the CBC area. The needs to support their growth have been widely recognized by various stakeholders. Weak structural relations between enterprises and the lack of cross-border value chains, however, drawback the economic catch up of the CBC region with its counterparts and hinder the delineation of leading regional centres. Confronted with the challenges of the green and digital transitions, as well as with the need to increase productiveness, SME from both sides of the border will be encouraged to interact in order to find proper solutions to common challenges (such as rising preference for healthy, environmentally friendly and socially responsible products; increasing resource efficiency; reducing the digital divide, increasing demand for skilled resources; new business responses to changing clients needs, and etc.). It is expected that jointly developed and agreed solutions will make SMEs more cooperative and eventually extend their prospects to build cross-border sector linkages and value chains.*

**M 1.1.1.** Actions aimed at increasing the productive capacity of the SMEs to become greener, more digital and more competitive (technological modernization);

**M 1.1.2.** Actions aimed at improving the knowledge capacity of the SMEs to operate in a greener, more digital and more competitive environment (acquiring new knowledge and skills, incl. access to external finances);

**M 1.1.3.** Actions aimed at building effective product development process (it encompasses all steps needed to take a product from concept to market availability) and reaching new markets (marketing, entrepreneurship, internationalization);

### **SpO 1.2. Development of an attractive, all-season tourism product by means of smart solutions that ensure universal access and participation**

*Cooperation in the TS territory mostly takes place in the tourism domain. Several benefits emerge through cross-border tourism cooperation. First, pooling two bordering destinations’ resources, marketing, staffing and infrastructure reduces costs. Second, destinations on either side of the border can work towards a common vision whereby the cross-border region is effectively treated as one coherent entity for planning and management purposes. However, seasonality of the tourist offer prevails and there is limited interaction of the tourist function across the border. Therefore, measures below are defined to trigger local solutions*

*for sustainable tourism development in three four directions, as follows:*

- M 1.2.1.** Improving the mobility and connectivity of the transport and engineering infrastructure by a system of alternative mobility, including a grid of bicycle lanes, ‘dirt’ forest and country roads, and etc.;
- M 1.2.2.** Developing all-season, integrated and resilient tourist products, accompanied by competitive branding and marketing practices, with the aim to untap the cross-border tourism potential by increasing the economic benefits of the sustainable use of its resources while prioritizing the protection of the environment;
- M 1.2.3.** Rationalizing the use of tourist resources in the region, incl. development of new integrated regional tourist products; investments in infrastructure and facilities to support tourists; strengthening the links between natural and cultural sites; training of staff of tourist attractions; improving marketing practices and brands
- M 1.2.4.** Elaborating and applying joint measures for reducing the vulnerability of services in the tourism sector to the effects of pandemic and epidemic situations;

### ***Horisontal policy***

Each supported intervention needs to include relevant actions that contribute to the protection of the environment and the biodiversity or provides green and digital solutions. Part of these actions may include raising awareness on the need to contribute to the environmental objectives set out in art. 9 of the Taxonomy Regulation<sup>14</sup>, i.e. climate change objectives, sustainable use and protection of water resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. Thus, the green and digital policy becomes integral part of the integrated territorial development. This decision is seen as a strategy’s instrument to promote the new cohesion policy.

## DESCRIPTION OF THE INVOLVEMENT OF PARTNERS IN THE PREPARATION AND IN THE IMPLEMENTATION OF THE STRATEGY

### Multi-level governance and partnership

The TS elaboration process was structured in a way to let broad range of stakeholders participate and contribute equally to the evolvement of a locally-driven Territorial Strategy. The involvement of partners/stakeholders in the drafting and implementation of the TS follows the provisions of art. 8 of the REGULATION (EU) 2021/1060 of the European Parliament and of the Council and the Commission Delegated Regulation (EU) No 240/2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (ESIF)<sup>15</sup>. Basic principles and good practices for conducting a timely, in-depth and transparent process of consultation with partners on the analysis of the challenges and needs to be addressed, definition of objectives and priorities for overcoming them, as well as with regard to the coordination structures and multi-level governance arrangements needed for effective strategy implementation, have been followed.

### Roles and responsibilities of partners/stakeholders

The TS elaboration process followed the bottom-up approach whereby locals and stakeholders participated in every stage of the drafting process through three different territorial tools: Taskforce group (TFG), public consultations, public campaign for collecting project ideas. The actual participation of stakeholders in the elaborations content of the TS is done through nominations of persons for members of the TFG. These persons acted as representatives of various interest groups who expressed their willingness to actively contribute to the programming during the first round of regional consultations, back in 2019. Thus, the TFG consisted of the following groups of stakeholders from the region (representative sample) – municipalities, districts, NGOs, professional organizations, businesses etc. The setting of the TFG is a tailor-made solution that takes into account the specificities of the CB area and the lack of existing EGTCs or other types of cross-border legal bodies for the elaboration and implementation of the TS as referred to under Article 20 of the Interreg Regulation (EU) 2021/1059 of 24 June 2021. Another tailor made instrument to support the development of the TS was the involvement of an external consultant to technically gather and analyze the existing strategic development documents of the territorial stakeholders, to study the particular territorial needs of the stakeholders in CBC context (that complement the ones exhibited during the regional consultations) and to technically draft the strategy. The external consultant was the Bulgarian National Center for Territorial Development, which provided analysis and inputs for the whole CBC area. In practical terms, the joint work goes as follows: each essential element of the TS is drafted by the consultant (step 1), then the TS draft is consulted by the TFG members (step 2) and afterwards it is verified through public consultation

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<sup>15</sup> <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32014R0240>

with the CBC stakeholders (step 3). These essential elements include: geographical area, analysis of the development needs and potentials of the territories, description of the integrated approach, defining the strategic context, methodology for implementation, monitoring and evaluation of the strategy and shaping a TS action plan.

Further to the three main steps in the elaboration of the TS described above, and in order to strengthen the “bottom-up” approach by involving a wide range of stakeholders in the strategic planning process, a broad campaign for collection of project ideas, that build the list of TS interventions, was launched in November-December 2021 on both sides of the border. The public campaign for collecting project ideas was carried out to sort out interventions with a potential to contribute to the definition of operations. The sorting out process was based on a set of three main criteria: distinct CBC effect, explicit contribution to TS objectives, degree of maturity. The purpose of the campaign was twofold: (1) to verify once again that measures of the strategy are able to adequately respond to territorial needs and (2) to allow prioritization of areas for intervention under the TS’s Call for proposals.

After the development of the TS is finalized, the TFG will be transformed into Strategy Board (SB). The transition of TFG into SB is seen as a way to sustain the local ownership of the TS and at the same time to ensure broad public representation in its governance. Thus, SB reflects the partnership principle comprising relevant actors from both sides of the border. The JMC is the main body to regularly review any issues that affect the performance of the programme (Article 30(1)(b) Interreg) and progress in administrative capacity building (Article 30(1)(g) Interreg). The TS shall be endorsed both by the SB and the JMC, and checked by the MA/NA – all that by the end of 2022/beginning of 2023. The implementation of the TS will be organized in open calls for proposals. Rules of procedure, that guide the entire project selection process under the TS will be adopted by the SB and endorsed by the JMC.

### Sustainability of partnerships

The multi-level governance model involves the use of existing arrangements or the establishment of structures<sup>16</sup> (such as secretariats, associations of municipalities, etc.) or coordination mechanisms (e.g., working groups, contracts or agreements, etc.). Capacity building in multi-annual multi-level strategic planning and implementation, especially at local level, increases the role of local authorities, other sub-national authorities, economic and social partners, and civil society organisations involved in the management and implementation of ESI Funds, and helps in the long term to strengthen capacity in the field of territorial development. Strengthening cooperation between the authorities, civil society, business organisations, universities and research institutions on the priority topics of the TS is essential for maintaining and building capacity.

The sustainability of the decisions taken in respect with the TS is directly related to multi-level governance

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<sup>16</sup> [https://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/integrated\\_strategies/integrated\\_strategies\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/integrated_strategies/integrated_strategies_en.pdf)

as a principle and driver of innovation and good practices. This requires regular stakeholder forums on topics, whether live or in a virtual environment. This includes the development of formats that address and conceptualise topics through active communication, exchange of experience and practical alliances.

## METHODOLOGY FOR IMPLEMENTATION, MONITORING AND EVALUATION OF THE STRATEGY

The implementation of the TS begins once it is endorsed by the SB, who will take over the TFG. Members of the SB will have certain thematic expert knowledge of a TS significance, but they may lack such of strategic governance and policy objectives' importance, as well as experience in project selection. These potential knowledge gaps may put the TS implementation at risk. Therefore, once the composition of the SB is completed, the MA/NA will perform skills gap analysis of the SB members to determine weak areas of competency and design corresponding training plans to address potential SB members' knowledge and skills needs. The needs assessment and the subsequent training will take place before the work of the SB starts in effect.

The endorsement of the TS by the JMC is expected to take place as early as possible by the end of 2022/beginning of 2023 and the implementation of the strategy will start immediately after that having all necessary procedural and application documents done in the meantime. The precise implementation arrangements of the TS are under elaboration, but main functions of the SB are already known, while their detailed description will be set out in a Description of functionality and responsibilities document/other agreement document, that will be signed between the SB chairmanship, the MA and the NA. The SB will: (1) select project proposals for funding based on jointly developed with MA and NA selection criteria and obtained user rights in the eMS where the actual selection process takes place. This will also facilitate the work of the program authorities, who will then proceed with the projects compliance check in the eMS (please, see below); (2) agree on the content of the application package, and (3) govern the entire implementation of the strategy by informing MA and NA on the TS progress within a certain timeframe. The day-to-day technical support of the SB will be provided by a secretariat. With a view to maintain and make the best use of already existing administrative capacity within the CBC programme/area, part of the Joint Secretariat (JS) and the JS Antenna staff will be involved as a secretariat of the SB. In that respect a clear separation of functions between the staff involved in the SB technical support and the staff responsible for project monitoring will be ensured (e.g. through separate units).

For consistency purposes, the monitoring and evaluation of the TS implementation will be linked with the Programme's Performance Framework in compliance with the *'Commission staff working document on the performance, monitoring and evaluation of the European Regional Development Fund, the Cohesion Fund and the Just Transition Fund in 2021-2027'*. The following indicators system will monitor the progress of the TS:

## Output indicators<sup>17</sup>

A set of nine common output indicators (selected from Annex 1 of the ERDF Regulation) has been selected, ensuring a good coverage of the main outputs that supported projects will deliver - from establishment of cooperations through development of knowledge capacity to jointly developed solutions addressing territorial challenges.

Indicator name	Definition and justification	Baseline 2021	Milestone 2024	Target 2029
RCO 116 Jointly developed solutions	<p>The indicator counts the number of jointly developed solutions stemming from joint pilot actions implemented by supported projects. One supported project should include organizations from both sides of the border. In order for a jointly developed solution to be counted, its documentary evidence, at minimum, should comprise of:</p> <p>(1) a vision/strategy/plan on how the selected territorial problem will be adequately addressed in the project;</p> <p>(2) drafting and design process of the solution/s followed by their implementation and completion. The implementation of the solution may go under two types of measures: 1) strategic/policy measures, and/or 2) infrastructural measures.</p> <p>(3) indications of the actions needed for the solution/s to be taken up or to be upscaled;</p> <p>In order to avoid double counting, the solutions relevant for this indicator should not have the main topics linked to administrative or legal frameworks. The main topic of the solution should be linked with the thematic scopes of the pilot action/s and should refer to either (or both) main groups of challenges:</p> <p>(1) Technological – associated with low uptakes of new technologies and relevant knowledge and skills;</p> <p>(2) Territorial – associated with number of challenges identified in the ITS;</p>	0	0	18
RCO84 Pilot actions developed jointly and implemented in projects	<p>The scope of a jointly developed pilot action could be to test procedures, new instruments, solutions, experimentation or the transfer of practices. In order to be counted by this indicator,</p> <ul style="list-style-type: none"> <li>- the pilot action needs not only to be developed, but also implemented within the project and</li> <li>- the implementation of the pilot action should be finalised by the end of the project.</li> </ul>	0	0	18

<sup>17</sup> An 'Output indicator' means an indicator to measure the specific deliverables of the intervention (CPR, Article 2)



Indicator name	Definition and justification	Baseline 2021	Milestone 2024	Target 2029
	Jointly developed pilot action implies the involvement of organizations from each of the two partner countries.			
RCO01 Enterprises supported (of which: micro, small, medium, large)	The indicator has been selected to respond to the need for counting enterprises that receive monetary or in-kind support from ERDF and Cohesion Fund. At least 20% of the priority budget will be earmarked for the competitiveness objective of the TS by providing direct support to MSMEs. The indicator pursues rather technical purposes, because it is not entitled to measure produced outputs as result of supported actions. Therefore, the indicator measures number of outputs achieved at priority level. For the purpose of this indicator, enterprises are profit-oriented organisations that produce goods and services to satisfy market needs. Size of the enterprise supported is measured at the time of the application.	0	0	12
RCO02 Enterprises supported by grants	The indicator is linked with RCO02 and its selection is preconditioned. RCO02 complements RCO01 specifying the type of support. Grants will be the only form of support that will be used across the entire programme.	0	0	12
RCO58 Dedicated cycling infrastructure supported	The programme contribution to expanding and promoting cycling solutions is significant, therefore the pair of indicators RCO58 and RCR64 (result indicator) are selected to measures progress and results in that direction. RCO58 measures the length (km) of dedicated cycling infrastructure newly built or significantly upgraded by projects supported. Dedicated cycling infrastructure includes cycling facilities separated from other roads or other parts of the same road by structural means, cycling streets, cycling tunnels etc. For cycling infrastructure with separated one-way lanes (ex: on each side of a road), the length is measured as lane length.	0	0	8,00 km
RCO77 Number of cultural and tourism sites supported	Nearly 80% of the priority budget will be earmarked for tourism. Based on previous experience, it is expected that most of the supported actions will envisage some interventions linked with CBC cultural and tourism sites. It is an indicator which will measure the number of outputs achieved at TS level. As the name of the indicator suggests, the indicator will count only physical investments,	0	0	20

Indicator name	Definition and justification	Baseline 2021	Milestone 2024	Target 2029
	i.e. interventions that lead to creation of new, improved or rehabilitated existent infrastructure of tourism and cultural significance for the TS area.			
RCO74 Population covered by projects in the framework of strategies for integrated territorial development	Likewise RCO01, this indicator is not entitled to measure produced outputs as a result of supported actions. The indicator measures number of outputs achieved at priority level, i.e. number of persons covered by projects supported by the programme in the framework of the Territorial strategy.	0	0	474282
RCO75 Strategies for integrated territorial development supported	The same as above.	0	0	1
RCO76 Integrated projects for territorial development	The same as above. A project is considered integrated if it fulfils at least one of the following conditions for integrated territorial development: a) the project integrates several types of stakeholders (public authorities, private actors, NGOs), b) it covers different administrative territories (ex: municipalities), and c) it covers different sectors.	0	0	19

### Result indicators<sup>18</sup>

Result indicators go one step further from output indicators by measuring changes in line with the objectives of the funding. Two common result (listed below) indicators have been selected with the aim to adequately reflect and capture expected main results, as well as to promote the integrated territorial development as an instrument for solution to cross-border territorial challenges and developmental obstacles. Each of the three result indicators is strongly linked with a single specific objective of the TS with the aim to differentiate concrete and measurable outcomes for the population and thus to eliminate any possible ambiguity and bias with the programme performance framework.

Indicator name	Definition and justification	Baseline 2021	Milestone 2024	Target 2029
RCR104 Solutions taken up or up-scaled by organisations	The indicator counts the number of solutions, other than legal or administrative solutions, that are developed by supported projects and are taken up or upscaled during the implementation of the project or within one year after project	0	0	13

<sup>18</sup> 'Result indicator' means an indicator to measure the effects of the interventions supported, with particular reference to the direct addressees, population targeted or users of infrastructure (CPR Article 2)

Indicator name	Definition and justification	Baseline 2021	Milestone 2024	Target 2029
	completion. At programme level, to be counted for this indicator, the solution should have been taken up or upscaled by a given organisation during the implementation of the project or at project closure. Also, the solution needs to be documented by the adopting organization/s in a proper format, for instance strategies, action plans. The concrete take up or upscale of developed solutions by relevant organisations is needed to have an impact on the territory. The content of the uptake / up-scaling should be based on the jointly developed solution/s.			
RCR64 Annual users of dedicated cycling infrastructure	The baseline of the indicator is estimated as the annual number of users of the infrastructure for the year before the intervention starts, and it is zero for new infrastructure. The achieved values are estimated ex-post in terms of the number of users using the infrastructure for the year after the physical completion of the intervention.	0	0	1000
RCR77 Visitors of cultural and tourism sites supported	The indicator builds strong linkages with RCO77. It is the most appropriate indicator to monitor the outcomes of the investments, measured through RCO77 as it is expected that improved cultural and tourism sites should attract more visitors. The time measurement will be one year after the completion of output in the supported project. The indicator does not cover natural sites for which an accurate estimation of number of visitors is not feasible	30800	0	33800

The choice of indicators took into consideration the objectives, expected results and indicative types of actions plus available resources as input, to define targeted projects and strategy's outputs and results for each specific objective. It also seeks to reflect the mission of Interreg to address cross-border challenges and thus contribute to the EU territorial cohesion.

During application process, applicants will receive indicators fiches where more detailed information on data collection and reporting for project monitoring purposes will be provided.

For evaluation purposes, a mid-term assessment of the TS performance is envisaged to take place in 2025. The decision for initiating it will be at the discretion of the SB who will assess its need upon outcomes of the monitoring of supported projects, emerging territorial challenges or other factors that call for revision of the strategy.

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