



ANNUAL IMPLEMENTATION REPORT 2012

**for the
Bulgaria – Serbia IPA Cross-border Programme
CCI No. 2007CB16IPO006**

approved by the Commission Decision
C(2008) 1058 of 25 March 2008, amended by decision C(2010) 4142 of 21 June 2010



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ANNEX 1

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PREFACE

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

Part I





Overview of the implementation

1. IDENTIFICATION

The Annual implementation report is drawn up following the requirements under Article 112 of Commission Regulation (EC) No 718/2006.

This is the fourth Annual Implementation Report for the Bulgaria - Serbia IPA Cross-Border Programme, which covers the period from 1st of January 2012 to 31st of December 2012.

The Managing Authority (MA) for the Programme is the Bulgarian Ministry of Regional Development and Public Works (MRDPW) having as counterpart the Secretariat General for European Union Affairs (EUSG), the National Authority (NA).

Objective concerned:	IPA Cross-border Cooperation	
Programming period:	2007 - 2013	
Programme:	Bulgaria – Serbia IPA Cross-border Programme	CCI No. 2007CB16IPO006
Eligible area concerned:	<ul style="list-style-type: none"> ✓ On the Bulgarian side (6 administrative units): ✓ Vidin District (11 municipalities) ✓ Montana District (11 municipalities) ✓ Sofia District (22 municipalities) ✓ Pernik District (6 municipalities) ✓ Kyustendil District (9 municipalities) ✓ Sofia-city District (1 municipality) 	<ul style="list-style-type: none"> ✓ On the Serbian side (6 administrative units): ✓ Bor District (4 municipalities) ✓ Zaječar District (4 municipalities) ✓ Nišava District (11 municipalities) ✓ Pirot District (4 municipalities) ✓ Jablanica District (6 municipalities) ✓ Pčinja District: (7 municipalities)
Reporting year:	2012	

The procedure concerning Annual implementation report 2012 for the Bulgaria – Serbia IPA CBC Programme was coordinated with the National Authority during the period from 16th to 26th of May 2013.

Date of approval of Head of MA:	28 th of May 2013
Date of approval of the annual report by the Joint Monitoring Committee:	12 th of June 2013





2. OVERVIEW OF THE IMPLEMENTATION

The Bulgaria-Serbia IPA Cross-border programme (2007-2013) was approved by the European Commission on 25 March 2008 (Decision no. 1058) and amended by European Commission decision C(2010) 4142 of 21 June 2010. Following positive opinion on description of management and control systems preconditions to intensify the implementation of the programme were in place.

Within the period till December 2012 there are two calls for proposals under the programme which attracted over 370 applications. This is positive sign for dynamics of bilateral collaboration and intensity of cooperation at stage of preparation of project proposals. At the same time it shows good will and increased interest in launching common cross-border initiatives which to contribute for sustainable development of the region.

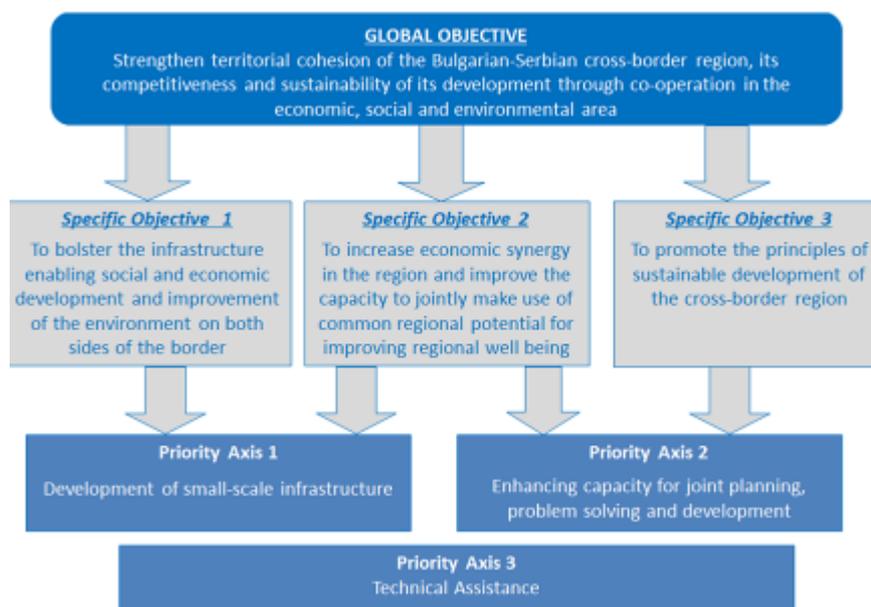
The number of subsidy contracts signed till the end of 2012 is 53, involving 132 project partners both from Bulgarian and Serbian side. The subsidized under the programme projects cover variety of thematic issues including small-scale infrastructure, knowledge sharing and education, innovation, science, cultural exchange, sustainable development through enhanced ecology, tourism, etc. Projects under the programme are often relatively small but create valuable cross-border partnership, influence territorial cohesion, contribute for sharing the European values and facilitating integration.

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

Programme Objectives

The objectives and priority axis of the programme are presented in the figure 1 below:

Figure 1





2.1. Achievement and analysis of the progress

2.1.1. Information on the physical progress of the programme

- Information on the physical progress of the Programme:**

The table below presents the result indicators which are used to monitor the progress at programme level. The table contents baselines and indicators achieved during 2012 in compliance with the Methodology of Programme output and result indicators assessment elaborated under the Programme.

The indicators which will be used to monitor the progress at Programme level are shown in the table 1 below:

Table 1

Programme Result Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Improved small-scale infrastructure	Achievement	0	0	0	0	0	29					
	Target 2016	2.5%										
	Baseline*	31										
Increase of public transport coverage (% of population)	Achievement	0	0	0	0	0	1					
	Target 2016	2% (3.55 km)										
	Baseline	3,480 km.										
Decreased pollution in the region	Achievement	0	0	0	0	0	0					
	Target 2016	2%										
	Baseline*	3										
Increased attractiveness of the region based on preservation of natural resources	Achievement	0	0	0	0	0	1					
	Target 2016	2%										
	Baseline*	8										
Projects actually applied	Achievement	0	0	0	0	1	1					
	Target 2016	3%										
	Baseline*	10										
Number of joint information services established	Achievement	0	0	0	0	0	30					
	Target 2016	3										
	Baseline*	32										
Improved environment for development of relationships across the border	Achievement	0	0	0	0	0	83					
	Target 2016	3%										
	Baseline*	43										
Increased cross-border movement of people and exchange of goods and services in the region	Achievement	0	0	0	0	0	7745 10%					
	Target 2016	1.5%										
	Baseline*	34										
Increased public awareness regarding sustainable use of regional resources	Achievement	0	0	0	0	0	16296 8%					
	Target 2016	2%										
	Baseline*	42										
Number of new partnerships created	Achievement	0	0	0	0	0	163 25%					
	Target 2016	7										
	Baseline*	49										

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

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The above table 1 represents summarized data for the achievement of result indicators. There are 10 (ten) indicators defined for reporting purposes and for year 2012 for 1 (one) of the result indicators there is no figure to be reported.

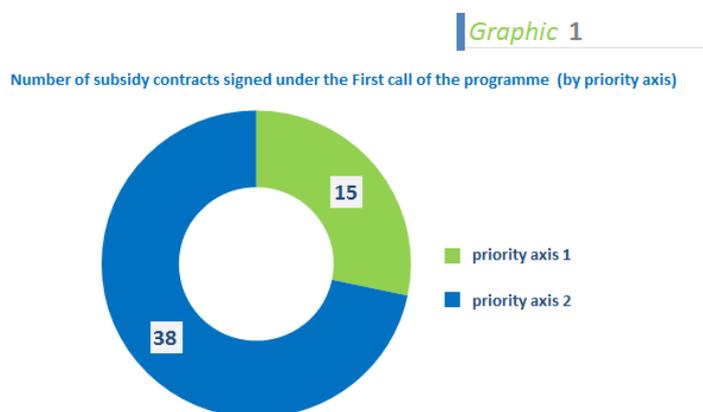
Status of the projects as of 2012

There are 53 subsidy contracts, signed under the First call for proposals of the programme which were in implementation within year 2012.

The figure 2 below shows the Lead partner location within the cross-border region (geographic positioning) of the subsidy contracts signed under the First call of the programme:



By priority axis, the signed subsidy contracts under the First call are divided as follows:

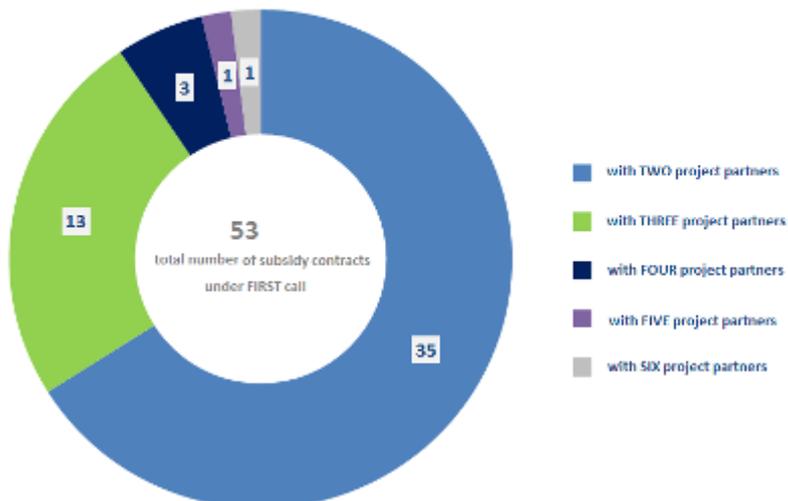


The 53 subsidy contracts signed within the First call of the programme are developed in compliance with the partnership principle, involving 132 project partners both on Bulgarian and Serbian side, with dominated share of bilateral partnership (the graphic 2 below presents number of project partners involved in the First call projects implementation).



Graphic 2

Subsidy contracts signed within First call under the programme, represented by NUMBER of PROJECT PARTNERS



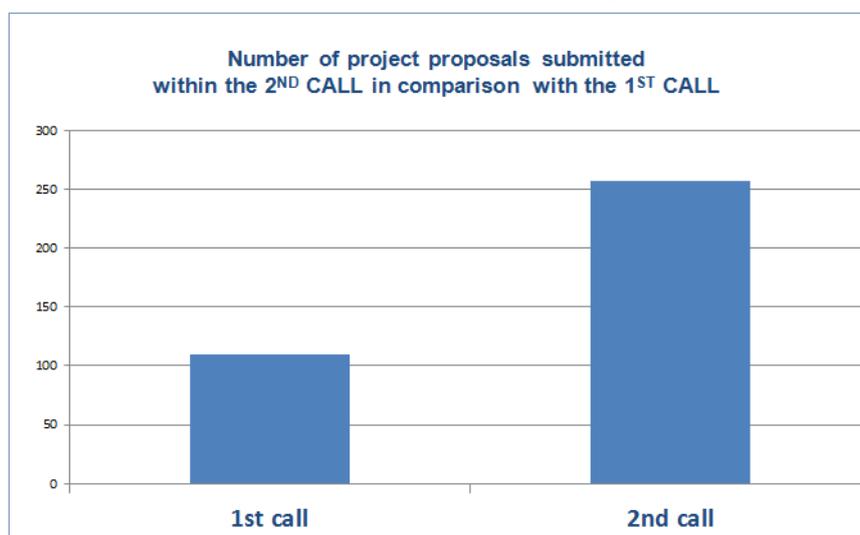
Within 2012 there are 41 finalized projects under the First call (4 under Priority axis 1 and 37 under Priority axis 2) of the programme.

Within the Second call for proposals (with deadline in February 2012) the number of submitted proposals in compliance with the determined deadline is 257. The JMC on its meeting held on 14th September 2012 approved 70 project proposals for funding. For approved project proposals within the Second call, it is foreseen the subsidy contracts to be signed in 2013.

Increasing interest in submission of project proposals

The comparison between the First call and the Second call for submission of project proposals within the programme is presented in the graphic 3 below.

Graphic 3



There is over 100% increase of number of proposals submitted within the Second call in comparison with the First call under the programme.

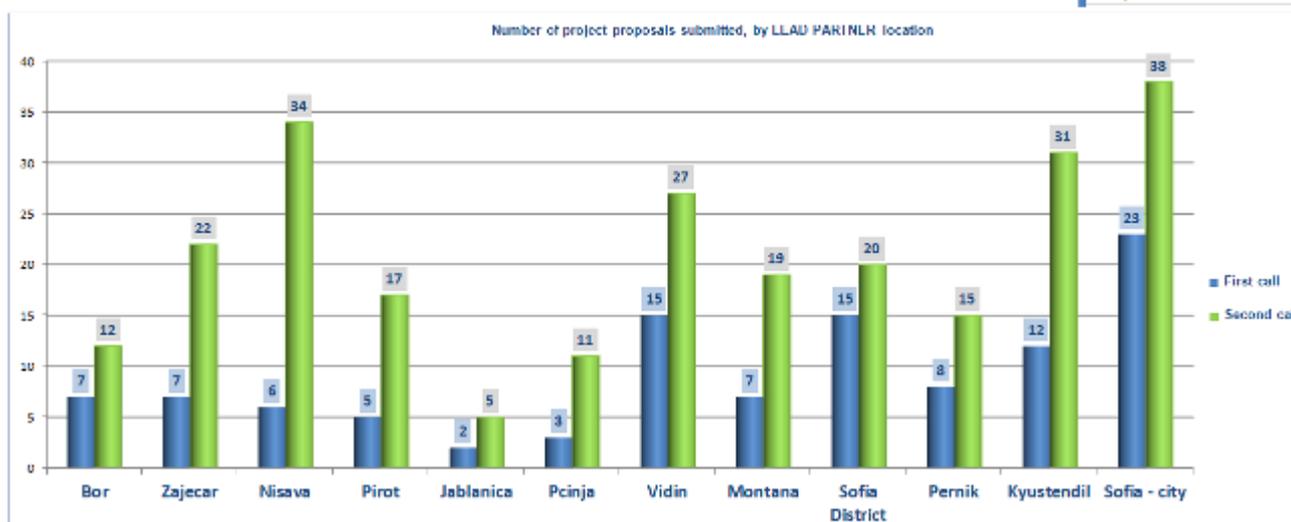
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The interest in submission of project proposals within calls for proposals under the programme is presented in the graphic 4 and graphic 5 below.

- by geographical location of the Lead partner

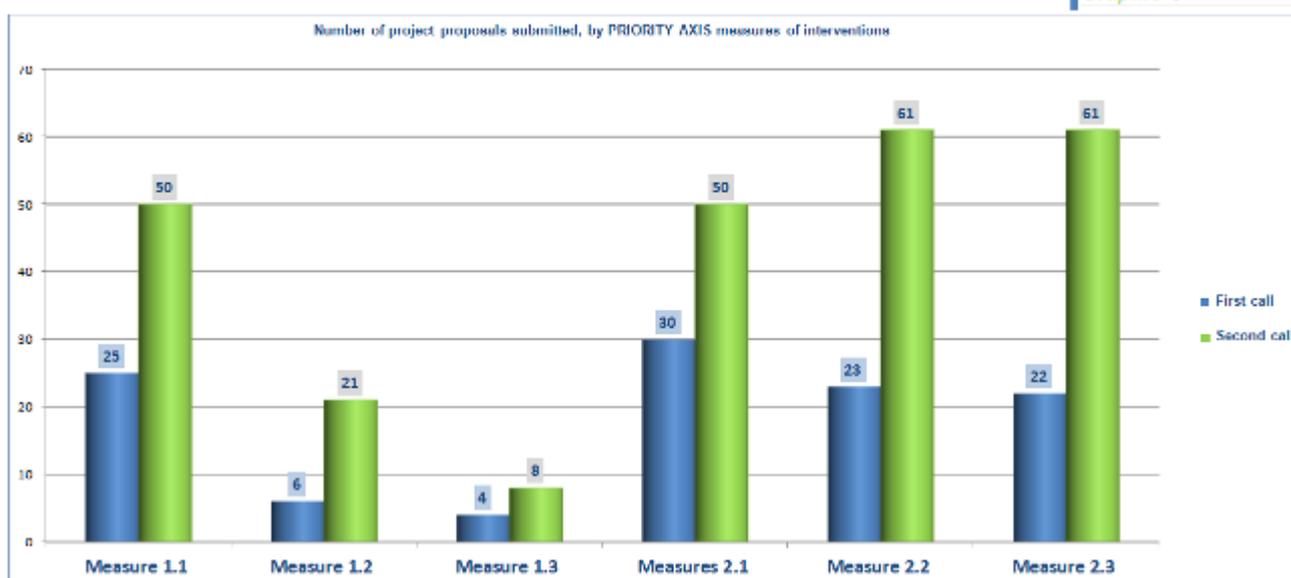
Graphic 4



The data represent increased interest in submission of project proposals under the Second call in comparison with the First call, on behalf of all the districts within the cross-border area both from Bulgarian and Serbian side.

- by priority axis (relevant measures of intervention)

Graphic 5



Legend:

Priority axis 1 "Development of small-scale infrastructure"	Measure 1.1 Physical and information infrastructure
	Measure 1.2 Infrastructure concerning environmental issues
	Measure 1.3 Assistance for project preparation
Priority axis 2 "Enhancing capacity for joint planning, problem solving and development"	Measure 2.1 Links and networking on institutional, business and educational levels
	Measure 2.2 Sustainable development through efficient utilization of regional resources
	Measure 2.3. People to people actions





The data represent increased interest in submission of project proposals under the Second call in comparison with the First call, within the whole scope of measures defined under priority 1 and priority 2 of the programme.

More detailed information about the call for proposals and implementation related issues within the programme is presented below:

➤ FIRST CALL FOR PROPOSALS

Projects progress

During 2012 there are 41 finalized projects signed under the First call of the programme. Some projects were implemented without any or insignificant delay (less than 1 month). Others showed serious delay in the course of their implementation. In most of the projects the delay was successfully overcome by active measures, provided by JTS and the respective project teams. There are six projects identified with significant delay. For one project there were difficulties faced by the project team related to activities to manage and implement all activities covered by the project.

✓ **ad hoc visits**

The number of **ad hoc visits** (on the premises of the respective project partners) during 2012 within the project implementation stage of the First call subsidy contracts under the programme is 54.

The ad hoc visits have the following main objectives:

- to check the progress of the project related to the implementation of the activities and their compliance with the terms and conditions set out in the implementation plan - the objective of this activity is to identify possible deviations and delays;
- physical check of the investment activities and services delivered and of the relevant documents and certificates.

✓ **Final visits**

The number of **final visits** during 2012 of the First call subsidy contracts under the programme is 49.

The final visits have the following main objectives:

- to verify the actual state of the project results as compared to the activities approved within the project;
- check of the equipment and services delivered;
- check of the documentation which certifies the fulfilment of services;
- verification of the observance of visualization requirements set out in the project;
- verification of the achieved results and objectives set out by the project;
- follow-up of the accounting of the settled indicators, etc.

Request for extensions/modifications for subsidy contracts, signed under the First call for proposals of the programme

According to the signed Subsidy contracts from the First call for project proposals under Bulgaria – Serbia IPA





CBC Programme, the Project Implementation Manual and IPA Programmes Manual, during the project lifecycle the following modifications to the Subsidy contract could be made – Partnership changes, Project content changes, Budget changes, Extension of implementation period and Administrative changes.

During 2012 under the First call of the programme there are 20 addenda signed for change of project content, budget and period of implementation, distributed as follows: 2 addenda for change of investment object, 13 addenda for extension of implementation period of projects and 5 addenda for budget modifications.

There are also many contract modifications with approval of MA and changes of project content without approval of MA – just with approval of the respective Project progress report by JTS. Most of the modifications are regarding changes in project teams, budget re-allocations and requests for amendments of technical mistakes.

Risk assessment

Risk assessment is a continuous, forward-looking process and should address issues that could endanger achievement of the planned objectives. A continuous risk management approach is applied to effectively anticipate and mitigate the risks that have critical impact on each project, as well as the cumulative effect of all risks on Programme level. Based on the detail information provided in the Chapter 11 of IPA Programmes Manual, the risk assessment procedure has been performed during 2012.

The risk assessment activities within 2012 encompass review of performance of subsidy contracts signed under the First call of the programme. Scope of assessment covers the following main aspects:

- ✓ **Institutional Risks.** Assessment of the project partners' technical capacity to manage the project (incl. leadership, structures, human resources, formal and informal management systems, contractual commitments, assignment of responsibilities, quality of work product, communications between the partners, etc.);
- ✓ **Operational Risks.** Review and assessment of whether the performance characteristics (i.e. planning and organization of project activities; implementation procedures, methods, standards and systems; measurable estimates of project outcomes; coordination of activities between groups; documenting the project, etc.) are in line with accepted project management practice;
- ✓ **Procurement Risks.** Assessment of the risks related with subcontracting management, i.e. whether subcontracting was well defined and planned; whether the procurement processes were documented properly and the selection process was carried out objectively; and whether the procurement rules were well understood and strictly applied;
- ✓ **Financial Risks.** Assessment of the financial liabilities associated with the project, including operational and maintenance costs, PPs' own contribution, financial reporting, etc.

Risk assessment is periodically carried out on the basis of quarterly reporting by the beneficiaries as well as on the basis of the findings and recommendations given during the performed monitoring and ad-hock visits.



The detailed description of risk assessment during year 2012 is presented within “Risk Assessment Report” (approved on behalf of the MA on 28th December 2012), which was elaborated by the Risk Management Group (RMG) for risk assessment on project and programme level. The updated RMG was appointed by Order No. RD-02-14-473 on 28th of February 2012, signed by the Head of MA. The RMG determined a baseline categorization of potential risks and exemplary questions which could enable better identification of real ones. The members of the RMG identified three projects with project risk index estimated respectively 7,9%, 25,1% and 32,9% (within the scale from 1 to 100% which could be the highest risk).

The most common risk events identified in the projects implementation under First call for proposal, which could be bringing out are as follows:

- *financial risk* – the problem concerns lack of capability or low capacity of the project partners to meet the current expenditures of the projects within the planned time schedule;
- *institutional risk* – the problem refers to poor management skills of the project management team, inexperienced staff, lack of knowledge regarding the project engagements (responsibilities/obligations), lack or poor coordination/communication within the project team and between the PPs;
- *operational risk* – it was found out late request for FLC, lack of feedback from beneficiary to JTS/MA/NA, breach of the time schedule;
- *procurement risk* - the recognized problems relate to lack of sufficient capacity to sub-contract the planned procedures, deficiency of adequate understanding of Programme procurement rules under PRAG, lack of capacity to manage construction works.

In order to mitigate the ascertained risks and untimely completion of the planned project activities, JTS and MA had taken several measures to observe the project progress and to support the beneficiaries. In relation to the Risk Response Plan concerning all risky projects, the JTS/MA took the following measures:

- The Risk Response Plan for 2012 envisaged JTS and MA to implement close monitoring of projects implementation and speeding up the procedure for certification. According to the Risk response Plan the JTS should inform the Beneficiaries to respect the deadlines, stated in the Project Implementation Manual, in order the process of reporting, verification and payment of the expenditures to be facilitated. Strictly observation the quality of the Project Progress Reports (PPRs), and especially the quality of the financial part of the Project Progress Reports is considered as a practical tool for early identification of all project level risks;
- The plan envisaged the JTS to observe closely the quality of PPRs and all relevant documentation received by the Beneficiaries. Furthermore, the JTS will provide face-to-face consultations to the project teams to avoid delays in the project implementation.
- The JTS shall observe closely the organization of projects’ activities, projects’ timetable and projects’ outcomes in the subject of early warning about substantial delays in projects’ implementation or insuperable problems with accomplishment of the projects’ purposes. JTS should organized ad hock visits to all risky projects.



➤ SECOND CALL FOR PROPOSALS

The Second call for proposals within the programme was launched in November 2011 and the deadline for receiving the project proposals was 20th of February 2012 16:00 h. local time in Bulgaria, at the address specified in the Guidelines for Applicants. The Second call covers the 1st and the 2nd priority axis and all areas of intervention under them.

Total 262 (two hundred and sixty two) applications were received in total, of which 257 (two hundred and fifty seven) applications were submitted within the deadline and 5 (five) application were submitted after the deadline. The applications received after the deadline had been excluded from further examination. The total value of project proposals submitted by the deadline is 75 486 765 euro. The total amount allocated to the second Call for proposals is 10 284 480 euro (according to the corrigendum approved on the 15th of February 2012).

Out of the total 257 applications submitted within the deadline, 101 applications were with Serbian organizations as lead partners while 150 applications were with Bulgarian organizations as Lead partners. For 6 of the applications submitted there was not available documents which to determine the Lead partner since the application form was missing from the submitted documents.

The total number of project proposals under priority axis 1 (development of small scale infrastructure) is 79 out of which:

- under the area of intervention 1.1 (Physical and information infrastructure): 50
- under the area of intervention 1.2 (Infrastructure concerning environmental issues): 21
- under the area of intervention 1.3 (Assistance for project preparation): 8

The total number of project proposals under priority axis 2 (Enhancing capacity for joint planning, problem solving and development) is 172 out of which:

- under the area of intervention 2.1 (Links and networking on institutional, business and educational levels): 50
- under the area of intervention 2.2 (Sustainable development through efficient utilization of regional resources): 61
- under the area of intervention 2.3 (People to people actions): 61

Conclusions of the Assessment Working Group recommended that 49 (forty nine) applicants within the Second call do not meet the administrative compliance criteria and should be excluded from further assessment and 2 (two) applications were found non-compliant with the eligibility criteria and not passed for technical assessment

Summarized data from the technical evaluation phase show that there are **159** proposals within the Second call that have an average score above 65 points – 42 proposals in Priority axis 1 and 117 proposals in Priority axis 2. The total requested amount of those 159 project proposals is 42,870,212.46 euro.

Based on the large number of the proposals submitted as well as significant number of projects of good quality, within the meeting on 14th of September 2012 of the Joint Monitoring Committee of the programme it



was decided to allocate all of the remaining programme financial resources (allocation for years 2010, 2011, 2012 and 2013) for funding of projects under the Second call for proposals. A total of 70 project proposals were approved for funding – 18 under Priority axis 1 (PA 1), and 52 under Priority axis 2 (PA 2), given that they successfully pass the pre-contracting verification and budget negotiation phase, which includes site visits for all investment projects (PA 1) and negotiation and verification meetings with all projects (PA 1 and PA 2).

Pre-contract site visits

The purpose of the pre-contracting site visits is to check whether the object, subject to the proposed investment, really exists and is in a physical condition as described in the project proposal and whether the object, subject to the proposed investment, has not already been developed or is currently under development. A total of 18 (eighteen) project proposals were approved for funding under Priority axis 1, of which 6 (six) do not include any construction / reconstruction / rehabilitation activities, but rather only delivery of supplies, and thus are not subject to site visits. The pre-contracting site visits of the remaining 12 (twelve) projects under Priority axis 1 proposed for financing were conducted during the period 15.10.2012 – 19.10.2012 and on 06.11.2012 (detailed time schedule is attached to this report). Pre-contracting Site Visit Committee members, split into two groups, visited all project partners from both sides of the border, and signed Pre-contracting Site Visit Reports with each one of them.

Moreover, the site visits aimed to determine whether the object, subject to the proposed investment, has not already been developed or is currently under development, using funding from other EU programmes, such as PHARE Programme. To this end, and prior to beginning of the site visits and negotiation procedures, an internal working group within the Managing Authority issued a Report on possible double financing for all projects proposed for financing. The report had been approved by the Head of MA and its findings and recommendations were strictly observed during the site visits.

Based on the decision of the Joint Monitoring Committee, the total available amount (2010-2013 financial allocation) under the Priority axis 1 is 12,464,977.06 euro and 18 projects, for a total amount of 11,934,280.58 euro, are provisionally selected for financing.

The available amount of the 2010-2011 financial allocation is 5,926,222.30 euro and only the 7 highest ranked projects, amounting to 5,396,738.29 euro, fall inside this allocation.

In 2012 site visits were conducted to all investment projects proposed for funding (with the exception of 6 proposals that envisage only supply of equipment), while negotiation and verification procedures were conducted for all projects approved for financing with 2010-2011 financial allocation.

Negotiation procedure

The purpose of the subsequent negotiation and verification procedures was to optimize project partners' budget breakdowns, based on both the specific recommendations provided by the external assessors who performed the technical and quality assessment of the project proposals, and the good practices for sound financial management applied by the MA. Moreover, all the additional documents (as specified during the administrative assessment of each project proposal, in cases where the AWG had suggested that the MA requests/verifies additional documentation prior to contract signature), and the supporting documents necessary for signature of subsidy contracts (specified in point 4, Chapter 9 of the Programme Manual) were requested and checked for their compliance with the formal requirements.

In 2012 negotiation and verification procedures were conducted for 7 projects under Priority axis 1 and with the 22 projects under Priority axis 2 funded with 2010-2011 financial allocation. Due to lack of Financing



Agreement between Republic of Serbia and European Commission, negotiation procedures for the projects funded with 2012-2013 financial allocation have been postponed to 2013.

2.1.2. Financial information

- **Financial information (All financial data should be expressed in euro)**

The total value of the IPA CBC Programme Bulgaria - Serbia for the period 2007 - 2013 is 35 751 760 euro out of which 30 388 996 euro are EC funding and 5 362 764 euro national co-financing from state budgets by both partnering countries.

The division of financial support between priorities 2007-2013 is shown in the table 2 below:

Breakdown of priority axes by source of funding:

Priority	Community Funding	National funding**	Total funding	Co-financing rate (%)
	(a)	(b)	c=a+b	a/c*100:b/c*100
Priority Axis 1 Development of small-scale infrastructure	16 713 948.00	2 949 521.00	19 663 469.00	85 :15
Priority Axis 2 Enhancing capacity for joint planning problem solving and development	10 636 149.00	1 876 967.00	12 513 116.00	85 :15
Priority Axis 3 Technical Assistance	3 038 899.00	536 276.00	3 575 175.00	85 :15
Total EUR	30 388 996.00	5 362 764.00	35 751 760.00	85 :15

Table 2

*The table 2 above represents data for the period 2007-2013 according to the last Commission Decision for amendment related to de-commitment in 2011.

** State budget co-financing for Bulgaria and obligatory beneficiaries' own co-financing for Serbia.

According to the Commission Regulation (EC) 718/2007 the pre-financing payment by the EC could only be made after MA's receipt of the positive opinion on its Description of the management and control systems. In order to ensure smooth implementation of the programme (organization of technical meetings, JMC meetings, information campaign, publicity etc.), the MA ensured financial allocation from the Bulgarian national budget in order to cover such expenditure.

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

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The significant delay in completing the compliance process of the Programme and afterwards late contracting of the projects under the First call for proposals resulted in financial de-commitment of funds in the end of year 2012 (due to failure to achieve N+3 target). Despite of the all measures taken by the MA aiming at minimizing the risk of decommitment at programme level at the end of 2012 the level of submitted request for payments by the final beneficiaries was not sufficient. Although the measures taken by the MA for speeding up the verification process (possibility for additional verifications of expenditures, trainings for beneficiaries, individual consultations etc.) the level of absorption of the funds by the project partners during 2012 was unsatisfactory and below the expected target. MA has been notified by EC for reducing of the obligation of the EC amounted to 1 413 335 euro. In this regard the MA has to provide amended financial plan until 22nd of May 2013. In collaboration MA and NA elaborated detailed analysis which in comprehensive manner covers financial implementation, forecast for Second call subsidy contracts, breakdown for each of priority axes in order to ensure smooth financing and functioning related to the FLC, subsidy contracts in process of implementation, timeschedules for Second call subsidy contracts, amounts forecasted to be spent for preparation of the new programming period 2014-2020, etc.

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

Below it is shown the accomplishment status of N+3 rule by 31st of December 2012:

Programme Payment targets*				EC advance payments 2007-2009	EC reimbursements 2007-2011**	Total advance + reimbursements	Amounts to be included in application for payment in order to avoid N+3Risk		
2009	2010	2011	2012				2013	2014	2015
0	0	1 061 448	4 714 194	5 775 642	0.00	9 157 008	4 808 474	4 904 646	5 002 738

Table 3

** Cumulated amounts 2007-2012

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

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

In addition, besides the existing measures for monitoring the projects progress (progress reports, monitoring visits) quarterly analyses of the projects implementation have been introduced. These quarterly analysis





encompass detailed analysis for each contract and relevant conclusions categorised in three main categories – (1) contracts without identified problems, (2) contracts with insignificant problems (for instance changes in the schedule of activities which has not a negative impact on project implementation) and (3) contracts with significant problems in the process of implementation. The subsidy contracts covered by category 3 are subject to regular meetings and there are elaborated concrete steps which could be undertaken in compliance with approved Action plan.

In order to avoid further losses of funds the MA and JTS are still continuing to provide additional efforts to support the project beneficiaries, including performance of individual consultations, publishing additional guidance and templates of the most frequently used project documents, tender dossiers and day-to-day communication. In order to reduce the risk for further de-commitment, the MA proposed to the JMC to increase the available amount under the Second call for proposal with supplementary financial allocations which is measure to improve the financial performance. This measure contributes for intensifying of process of contracting and enhance absorption of funds. The whole range of measures is undertaken in order to increase the quality level of the submitted documents by the project partners, to reduce the duration for processing of requests for payments (by simplifying of procedures by appropriate amendments in Programme manual, flexibility in terms of reporting periods, simplifying coordination and duration of process through conducting procedures within one unit/department), to enhance awareness (for instance about possibility the Bulgarian municipalities to use the Fund for local authorities and governments - FLAG), to ensure proper implementation of the projects and to have early identification of problems and timely launch of appropriate corrective measures.

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

Regarding the forecast for the 2013 amounted to 4 808 474 euro (see the table above) and based on the quarterly analysis (all the projects under the First call will be finalised mainly covering investment projects, foreseen good dynamics in terms of payments under Second call subsidy contracts, including interim payments) the expectation is that the target for 2013 could be reached.

Data from quality check performed by the Certifying Authority

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

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Based on the results from on-the spot checks performed by the Certifying Authority, the certified expenditures under priority axis 1, priority axis 2 and priority axis 3 for year 2012 amounted to 3 300 948 euro European Community funds.

2.1.3. Information about the breakdown of the use of funds

- **Information about the breakdown of use of the Funds (EUR)**

The table 4 below represents actual financial data for year 2012 (in cumulative terms).

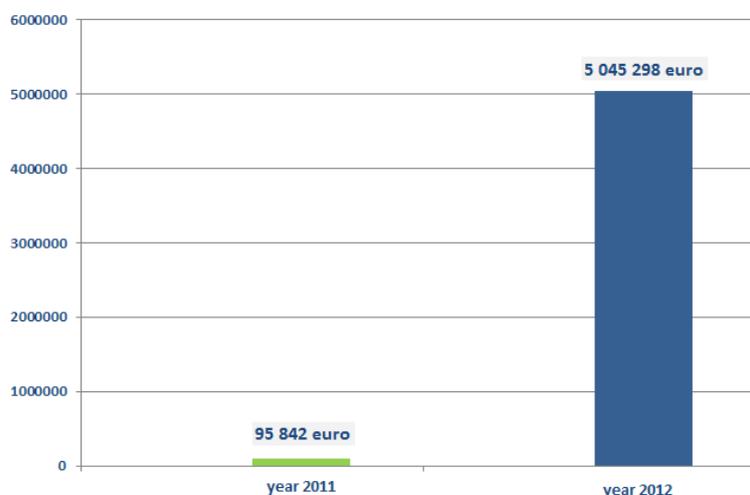
	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding Community and Public contribution (IPA + National public)	Private expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries (IPA + National public)	Total payments received from the Commission (excluding advanced payments)
PRIORITY AXIS 1	2 478 730	2 478 730	0	1 164 845	1 135 033
PRIORITY AXIS 2	2 454 653	2 454 653	0	1 932 538	2 071 596
PRIORITY AXIS 3	111 915	111 915	0	0	174 737
GRAND TOTAL	5 045 298	5 045 298	0	3 097 383	3 381 366

Table 4

The financial figures in 2012 in comparison with 2011 are presented in the graphic 6 below.

Graphic 6

Figure representing the value of paid expenditure



The graphic 6 above represents very advanced numbers (representing figures as of column 2 of the table 4 above titled „Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority“) for 2012 in comparison with data reported for 2011 following proactive measures implemented in

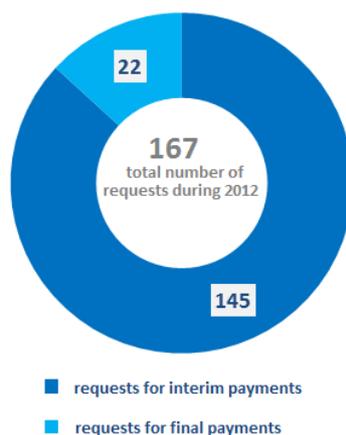


order to enhance performance and intensify procedures within the framework of programme implementation, financial management, etc.

The graphic 7 below represents that the number of requests for payments submitted within 2012 is 167 (incl. 145 requests for interim payments and 22 requests for final payments). Taking into account that during 2012 there are 53 subsidy contracts in process of implementation and it is allowed in three months period the beneficiaries to submit requests for payments, it is considered that the number of submitted requests for payment is insufficient.

Graphic 7

Number of submitted requests for interim and final payments within year 2012



2.1.4. Assistance by target groups

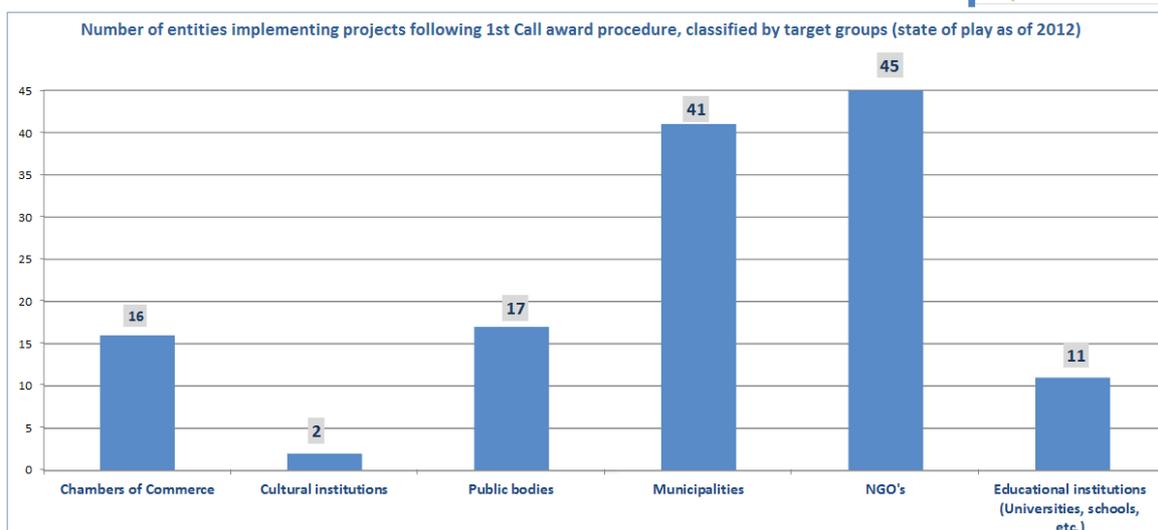
- **Assistance by target groups**

Wide range of target groups are involved in implementation of subsidy contracts funded within the programme. There are 132 project partners involved in awarded 53 subsidy contracts (38 under priority axis 2 “Enhancing capacity for joint planning, problem solving and development” and 15 under priority axis 1 “Development of small-scale infrastructure”) implemented during 2012 within the First call for proposals under the programme. Variety of entities (Municipalities, District administrations, NGO’s, cultural and educational institutions, etc.) carry out activities for implementation of the relevant subsidy contracts.

The number of entities involved in subsidy contracts implementation, classified by target groups (state of play as of 2012) is graphic 8 presented below:



Graphic 8



- **Assistance repaid or re-used**

Not applicable.

2.1.5. Qualitative analysis

- **Qualitative analysis**

From a programme management point of view, during 2012 the efforts were concentrated on ensuring a sufficient speed in the implementation of the programme in order to avoid de-commitment and to forward the dissemination activities.

The significant delay in starting of Bulgaria – Serbia IPA Cross-Border Programme affects absorption of the funds, and thereupon the current financial status still shows slow progress of the programme. The absorption of funds from the projects side increased, but additional efforts are still required concerning the FLC system and quality of the request for payment submitted by beneficiaries. The close cooperation with the NA and consultations to the beneficiaries will continue in order to support the very demanding tasks in meeting formalities in relation to the Programme's requirements.

During 2012, major steps were taken in order the accumulated delay to be overcome and the de-commitment to be avoided. The assessment process under the Second call for proposals was finalised during 2012. Owing to the large number of quality proposals, the Joint Monitoring Committee took a decision for re-allocating 2012 and 2013 financial allocation to the 2nd Call thus allowing contracts to be signed earlier and therefore future delays in Programme implementation to be avoided. The pre-contract site visits and negotiation procedures were carried out smoothly.

The majority of the subsidy contracts under First call for proposals were finalised during 2012. Thanks to the support to the beneficiaries provided by the Joint Technical Secretariat, no risks of termination of subsidy

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contracts have been established. The system for regular monitoring of the projects by visits, quarterly progress reports and analyses of the projects implementation has also contributed to projects implementation.

In order to facilitate the beneficiaries, MA and JTS introduced an innovative and beneficial for the project partners practice of publishing on the website of the Programme filled in examples of the PRAG tender dossiers (works, supplies and services) for most frequently used procedures. In addition, training and consultation tools, and section “Frequently Asked Questions” (FAQ) on the programme’s webpage were applied.

The horizontal themes are also taken into consideration through the standard format of the application form developed in the context of the Programme. As result, the applicants and beneficiaries are requested to justify how their projects observe the Programme provisions on horizontal themes. During the implementation of the projects, these rules are observed, since such a provision is inserted in the progress project reports.

- **Comparative and quantitative analysis**

Comparison related to contracted amounts for subsidy contracts under First call and spent amounts (incl. own contribution and advance payments) till end of December 2012

The figure 3 below represents comparison and linkage between contracted amounts for subsidy contracts under First call and spent amounts (incl. own contribution and advance payments) till end of December 2012.

Figure 3



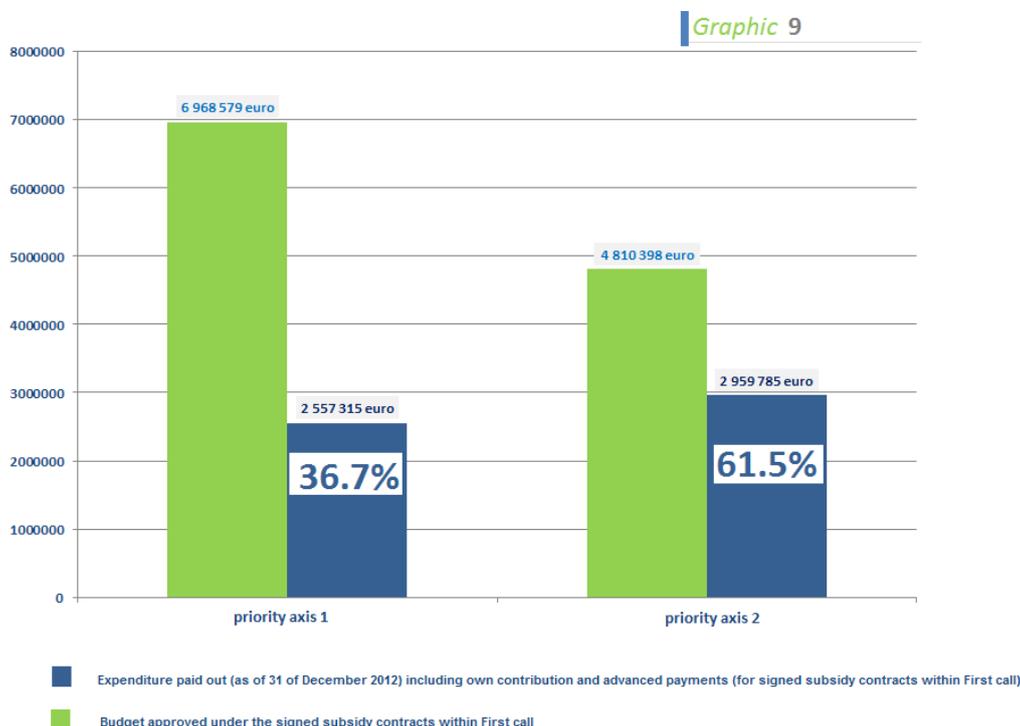
The subsidy contracts signed within First call are 53 for the total amount of 11 778 977.37 euro (incl. under priority axis 1 – 6 968 579.20 euro and under priority axis 2 – 4 810 398.17 euro). Within the period till 31st of December 2012 the amounts spent by the beneficiaries within priority axes 1 and 2, including own contributions and advanced payments amounted to 5 517 101.04 euro (incl. under priority axis 1 – 2 557 315.65 euro and under priority axis 2 – 2 959 785.39 euro) representing 46,8% from the total amount of contracted under the First call. The data show that expenditures and relevant requests for payments for more than a half of the funds (53.2%) under First call of the programme will be submitted during 2013.



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The graphic 9 below shows values of signed subsidy contracts under the First call and spent amounts (including own contribution and advanced payments) within the implementation process as of 31st of December 2012, represented by priority axes.



For the 53 subsidy contracts (amount of 11 778 977.37 euro) signed under First call share of amounts between priority axes is as follows: 59,2% for investment projects under priority axis 1 and 40,8% for soft measures projects under priority axis 2. For the end of December 2012 the share of absorption is as follows: amounts spent are representing share of 36,7% from the contracted amounts for priority axis 1 and share of 61.5% from the contracted amounts for priority axis 2. The spending for soft measures amounted to 2 959 785.39 euro and exceeds the spending for investment projects amounted to 2 959 785.39 euro till end of 2012. The data show that the main spending for investment projects (within priority axis 1) under the First call are pending for 2013.





The table 5 below presents summarized data for the number of subsidy contracts until First call of the programme for which spending as of 31st of December 2012 exceeds share of 60% of contracted amounts.

Table 5

	NUMBER of subsidy contracts under First call for which SPENDING (share in percentage of the total amounts of respective subsidy contract) as of 31st December 2012 is		
	up to 30%	between 30% and 60%	over 60%
<i>within Priority axis 1</i> "Development of small-scale infrastructure"	8	6	1
<i>within Priority axis 2</i> "Enhancing capacity for joint planning problem solving and development"	5	12	21
Total:	13	18	22

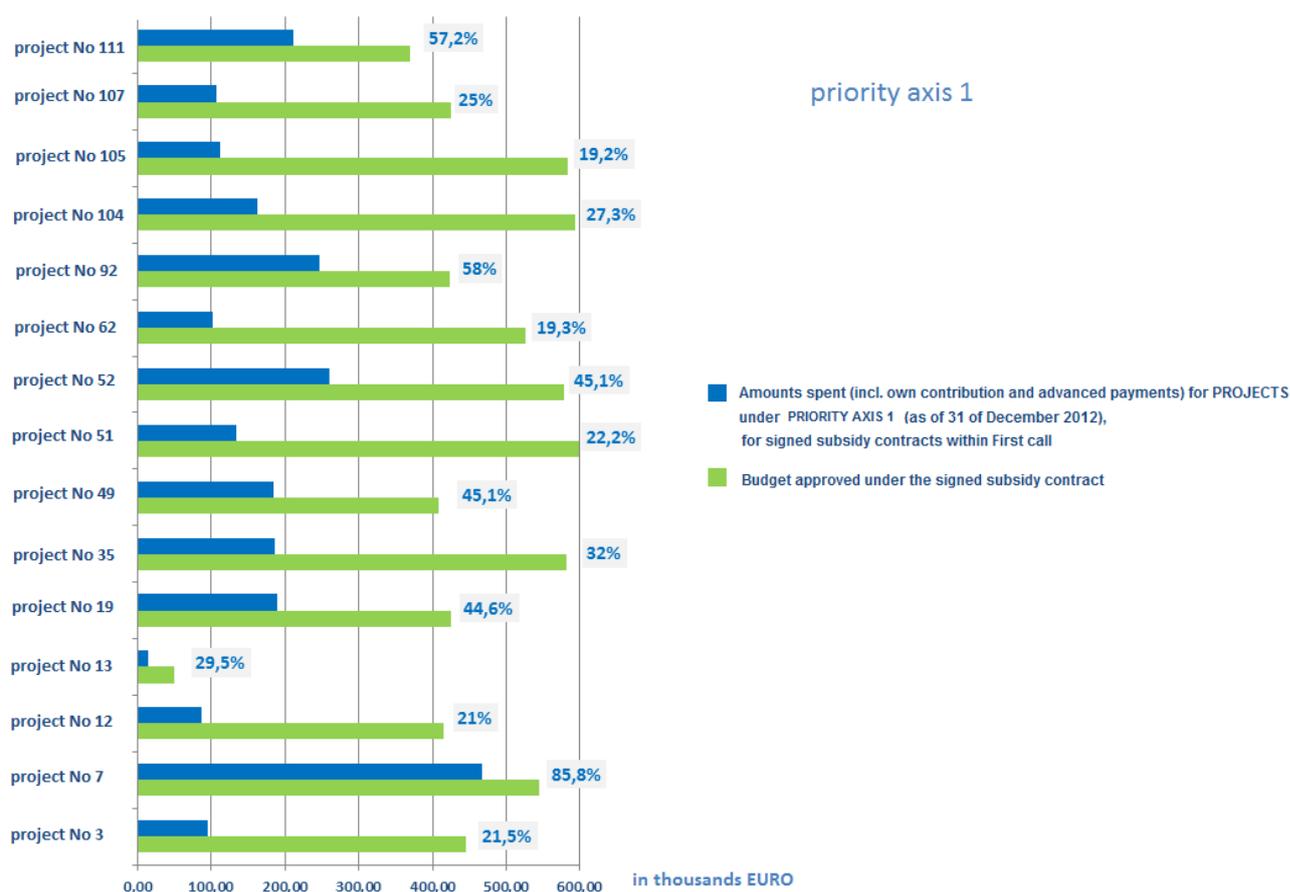
Data show that at the end of December 2012 there is 1 (one) investment project out of 15 (fifteen) contracted projects under priority axis 1 within First call for which share of spending exceeds 60% of the total sum of the subsidy contract. As a whole the biggest number 22 (twenty two) of the projects out of 53 (fifty three) contracted projects within First call, show that the share of spending exceeds 60% of the total sum of the respective subsidy contracts. For the 31 (thirty one) of the projects contracted under the First call of the programme the spending at the end of December 2012 is below 60% of the contracted amounts.

The share in percentage of amounts spent as of December 2012 for each subsidy contract signed under First call is presented in the graphic 11 and graphic 12 below:



➤ Projects implemented under priority axis 1 (contracted within First call of the programme)

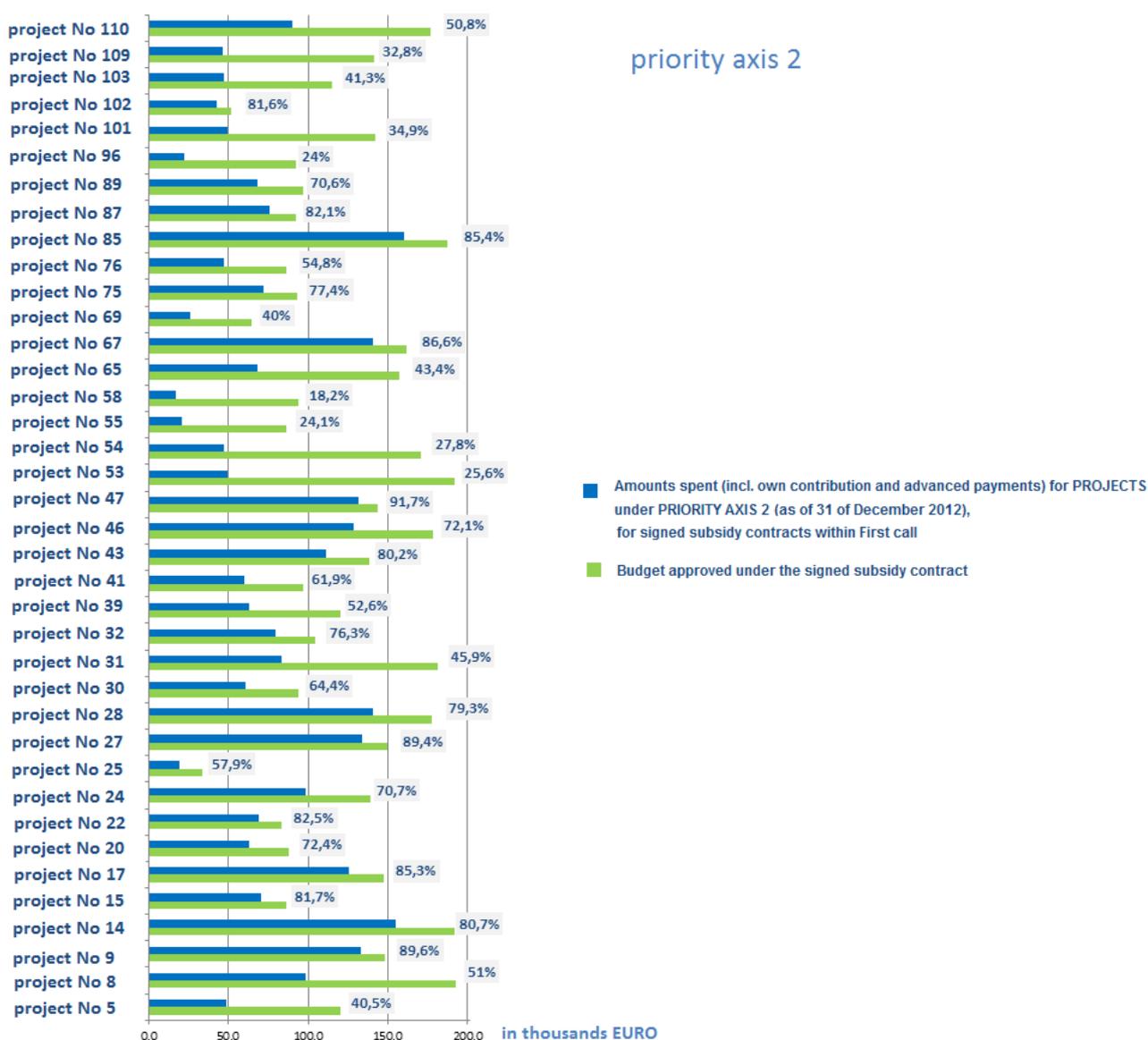
Graphic 11





➤ Projects implemented under priority axis 2 (contracted within First call of the programme)

Graphic 12



Comparison related to intensity of the First level control workload

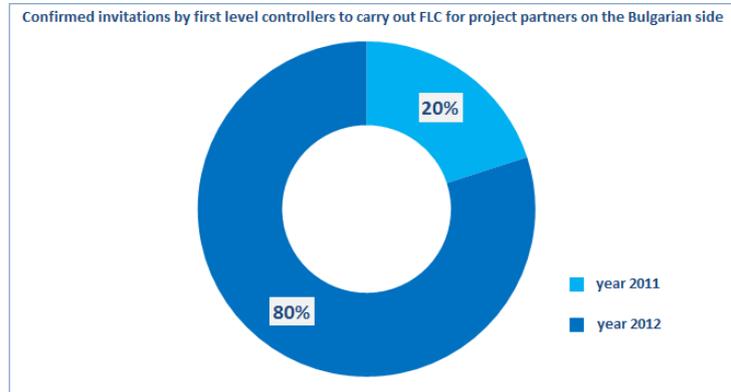
The summarized data related to confirmations by First level controllers for performing FLC on Bulgarian





project partners under the programme show dominated share for year 2012 in comparison with 2011. The confirmed invitations in 2012 for FLC for Bulgarian project partners within the programme are 156 which represents share of 80%.

Graphic 13



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

Trends and fluctuations in submission of requests for FLC by lead partners of respective subsidy contracts under First call of the programme are presented in figure 4 below:

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Figure 4

Subsidy contracts under First call	year 2011		Submitted requests for FLC										year 2012	
	11 month	12 month	1 month	2	3	4	5	6	7	8	9	10	11	12
1 project No 3				•			•			•			•	
2 project No 5		•		•			•			•		•		
3 project No 7	•			•			•			•		•		
4 project No 8				•			•				•			
5 project No 9				•			•			•				
6 project No 12							•							
7 project No 13							•				•			
8 project No 14	•			•			•			•				
9 project No 15	•			•			•			•				
10 project No 17	•			•			•		•					
11 project No 19	•			•			•			•			•	
12 project No 20	•	•		•			•			•				
13 project No 22	•			•			•			•				
14 project No 24	•			•			•			•				
15 project No 25				•			•			•				
16 project No 27	•			•			•			•				
17 project No 28	•			•			•			•				
18 project No 30			•				•		•				•	
19 project No 31	•			•			•			•				
20 project No 32	•			•			•			•				
21 project No 35	•						•			•			•	
22 project No 39			•				•		•					•
23 project No 41	•	•		•			•			•				
24 project No 43	•			•			•		•					
25 project No 46	•			•			•	•	•					
26 project No 47				•			•			•				
27 project No 49	•	•					•			•				
28 project No 51	•			•			•			•				•
29 project No 52	•			•			•			•			•	
30 project No 53	•			•			•			•				
31 project No 54										•				•
32 project No 55	•								•				•	
33 project No 58										•				
34 project No 62														•
35 project No 65	•			•			•			•				
36 project No 67	•	•			•		•			•				
37 project No 69		•		•						•				
38 project No 75	•				•		•			•				
39 project No 76				•			•		•					
40 project No 85	•	•		•			•			•				
41 project No 87	•				•		•			•				
42 project No 89	•			•			•			•				
43 project No 92							•			•			•	
44 project No 96							•				•	•	•	
45 project No 101			•			•			•			•		
46 project No 102				•			•			•				
47 project No 103	•			•			•			•				
48 project No 104										•				
49 project No 105				•										
50 project No 107				•			•			•			•	
51 project No 109							•							
52 project No 110	•			•			•			•				
53 project No 111	•			•			•			•			•	

The figure 4 above shows that 6 (six) of all 53 (fifty three) signed subsidy contracts under First call of the programme, in the period till end of December 2012 are submitted only one request for FLC per subsidy





contract.

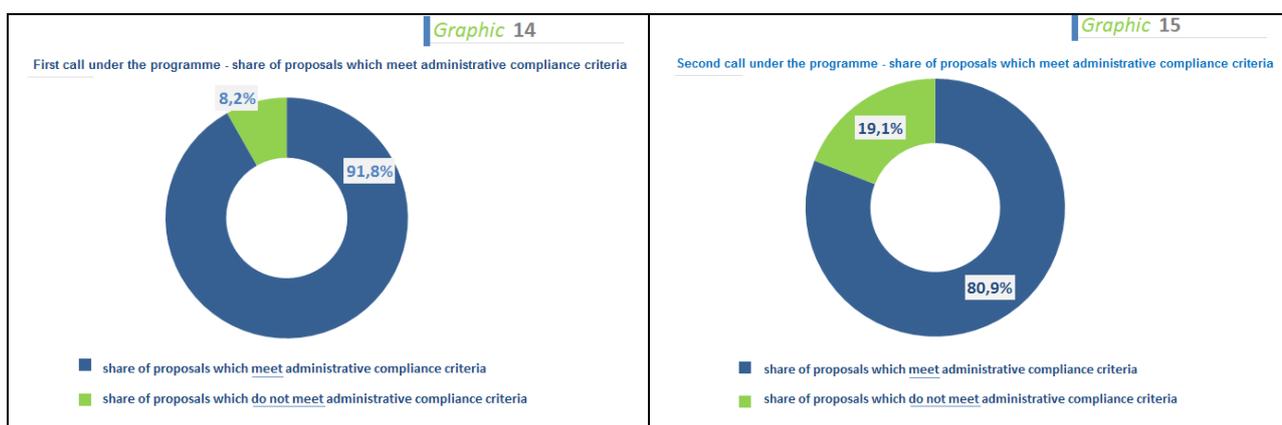
Comparison related to evaluation stages within the First and Second call for proposals

In brief comparison based on the data from the evaluation processes under the programme shows that number of project proposals which do not meet the administrative compliance criteria within the Second call for proposals is higher than the figures and shares from the First call for proposals.

The figures from the technical and quality evaluation (evaluation encompasses four main dimensions related to management capacity, consistency, methodology and budget) of project proposals show that around 80% of applicants achieved average score over the threshold of 65 points within the First and Second call for proposals under the programme.

The summarized data from the evaluation process within the First and Second call for proposals under the programme is presented below.

➤ *Administrative compliance check*

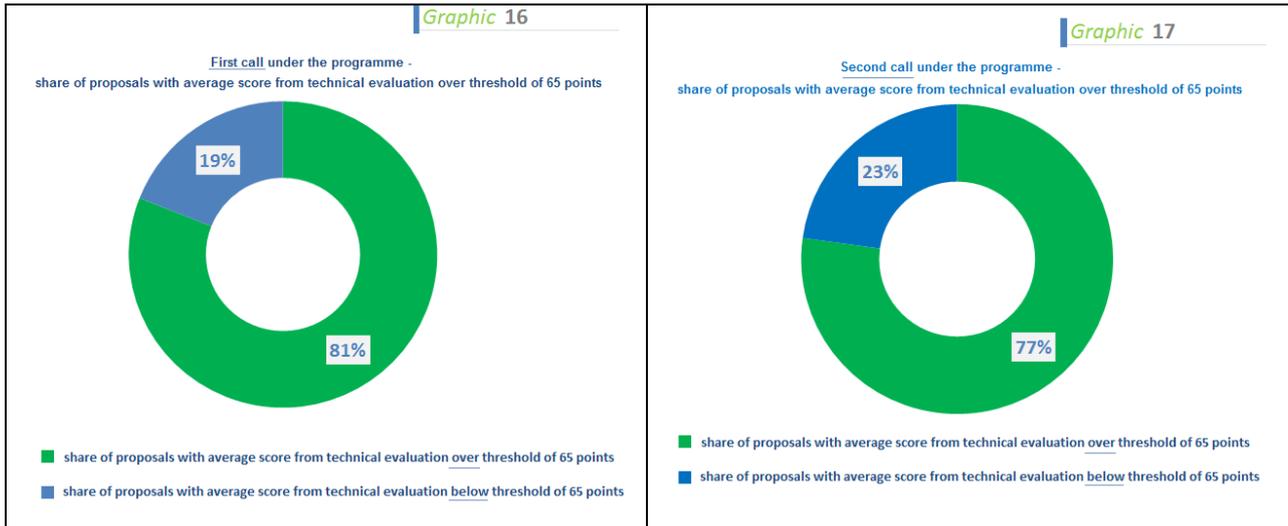


Within the First call the number of submitted project proposals which meet administrative compliance criteria is 101 (number of proposals which do not meet the administrative compliance criteria is 9) representing share of 91,8% of proposals submitted before the deadline. Within the Second call the number of submitted project proposals which meet administrative compliance criteria is 208 (number of proposals non-compliant with eligibility criteria is 49) representing share of 80,9% of proposals submitted before the deadline.

➤ *Eligibility compliance check*

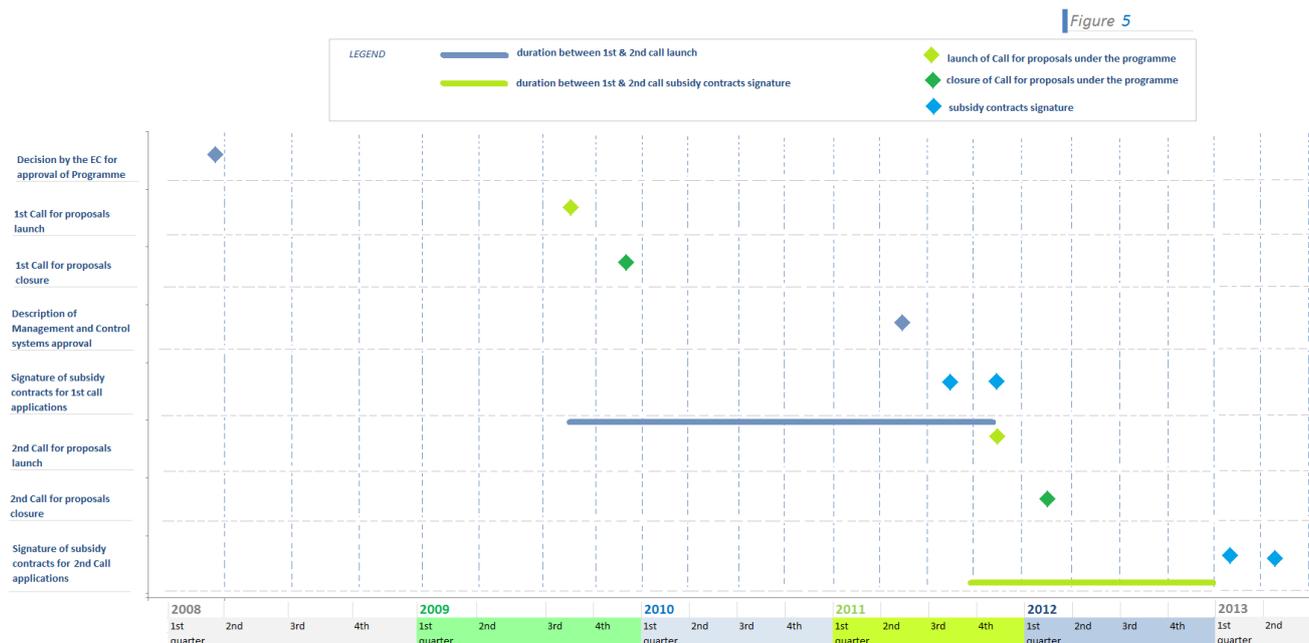
Within the First call the number of proposals compliant with eligibility criteria is 100 (number of proposals which do not meet the administrative compliance criteria is 1) representing share of 99% of proposals passed the administrative compliance stage. Within the Second call the number of proposals compliant with eligibility criteria is 206 (number of proposals non-compliant with eligibility criteria is 2) representing share of 99% of proposals passed the administrative compliance stage.

➤ *Technical and quality evaluation*



Within the First call the number of proposals with average score from technical evaluation over threshold of 65 points is 81 (number of proposals with average score below 65 points is 19) representing share of 81% of proposals passed the eligibility compliance stage. Within the Second call the number of proposals with average score from technical evaluation over threshold of 65 points is 159 (number of proposals with average score below 65 points is 47) representing share of 77% of project proposals passed for technical and quality evaluation stage.

Figure representing time framework for key milestones within the programme implementation



The figure 5 above clearly shows the gap between the launch of the First call for proposals under the programme and the time period till the signature of subsidy contracts. The figure also represents duration between First and Second call for proposals under the programme as well as duration between subsidy contracts signature under the respective calls.



Simultaneously it shows the speed up in the process in the period when at the time of the signature of the subsidy contracts under the First call of the programme, the Second call for applications was announced.

In terms of assessment of duration of processes (duration of payments performed, etc.) it is expected more detailed assessment (incl. assessment of potential for improvements in order to optimise procedures impacted financial absorption and respectively to avoid de-commitment) to be presented within 2013 with finalisation of Ongoing evaluation of the programme.

2.2. Information about compliance with Community law

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

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

The overall strategic goal and the priority axes of the Programme are fully compliant with main Bulgarian and Serbian national strategies and programmes, which are indicated in the Programme document.

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

2.2.1. Memorandum of Understanding

On 8th of December 2010, the Council of Ministries approved the draft version of the MoU and gave the Minister of Regional Development and Public Works, Republic of Bulgaria a mandate for negotiation and signature of the MoU. The MoU was officially signed by the two partnering countries on 18th of March 2011 and was expected to enter into force once the ratification procedure was completed.

The inter-ministerial coordination procedure for proposal to the National Assembly for ratification of the MoU was initiated by the Ministry of Regional Development and Public Works on 10th of May 2011. A remark by the Ministry of Finance, based on recent amendment of the Bulgaria – Serbia IPA Cross-border cooperation Programme, led to the need to prepare an Addendum to the MoU, concerning the proportions of national co-financing provided by the partnering countries.

Therefore, a new inter-ministerial coordination procedure for approval of the Addendum to the MoU was initiated by the Ministry of Regional Development and Public Works, and after its completion the Council of Ministers approved the draft version of the Addendum on 28th September 2011. On 18th October 2011 the Minister of Regional Development and Public Works received an official authorization from the Ministry of Foreign Affairs to negotiate and sign the Addendum to the MoU.

After completion of the coordination procedure on the Serbian side, the Addendum to the MoU was signed by the two partnering countries on 11th July 2012.



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On 19th September 2012, the Council of Ministers of Republic of Bulgaria approved the proposal to the National Assembly for ratification of the signed MoU and the signed Addendum to the MoU, and on the 25th September 2012 the ratification procedure was officially initiated. Both documents were ratified by the Bulgarian National Assembly on 2nd November 2012.

Since then, formal procedures for entry into force of the Memorandum of Understanding and Addendum to the MoU on the Serbian side were completed on 31.01.2013.

2.2.2. Changes in Bulgarian legislation affecting the Programme implementation

The Bulgarian Parliament has passed the Law on ratification of the Memorandum of understanding between the Minister of the regional development and public works on behalf of the Government of Republic of Bulgaria and Government of Republic of Serbia on the implementation of the Bulgaria – Serbia IPA CBC Programme with CCI Number: 2007 CB16IPO006 and the Addendum to it. The law was promulgated in State Gazette on 2nd of November 2012 and entered into force on the date of promulgation. Formal procedures for entry into force of the Memorandum of Understanding and Addendum to the MoU on the Serbian side were completed on 31.01.2013.

2.3. Significant problems encountered and measures taken to overcome them

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

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

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

- The summary of main measures for limiting and avoiding decommitment is presented as follows:

✓	Related to appropriate coordination and management	
	<ul style="list-style-type: none"> - Setting up coordination between different programme authorities; - Conducting regular meetings between the different authorities of the programme; - Elaborate scenario for risk of de-commitment, relevant analysis. 	☑
✓	Related to possibilities to speed up relevant procedures	
	<ul style="list-style-type: none"> - Establishment of schedule for submission of declarations of expenditure and 	☑





✓ Related to appropriate coordination and management	financial claims; - Avoid delays with contracting procedures; - Speed up the verification process; - Continues monitoring and timely dissemination of necessary information.	
✓ Related to timely identification of possible problems	- Identification of projects and themes at risk; - Continuation with applied measure for elaboration of quarterly analysis which encompass detailed analysis for each contract and relevant conclusions categorised in three main categories – (1) without identified problems, (2) with insignificant problems and (3) with significant problems in the process of implementation. The subsidy contracts covered by category “3” to be subject to regular meetings and concrete steps for overcoming of problems to be undertaken in compliance with relevant action plan; - Adapting and using adequate monitoring instruments; - Ad hoc visits in order to identify potential shortcoming and to provide appropriate assistance to project partners who face difficulties in implementation; - Awarding appropriate external evaluations with relevant independent opinion and recommendations in order to optimize procedures and performance; - Adopt well drafted subsidy contracts.	<input checked="" type="checkbox"/>
✓ Related to awareness	- Rising awareness among all partners; - Assistance and regular raising awareness of Lead partners and ensuring dissemination of relevant information to all project partners; - Providing specific information and trainings; clarifying the link between eligibility of expenditures and automatic decommitment.	<input checked="" type="checkbox"/>

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

- Regarding issues related to facilitation and problems solving at project partners level main measures undertaken encompass:
 - ✓ Training sessions for beneficiaries regarding all aspects of project cycle management;
 - ✓ Appointment of regional experts in the JTS in order to intensify the processes for review of requests for payments and financial consultations with beneficiaries;
 - ✓ Open days for beneficiaries;
 - ✓ Carrying out *ad hoc* visits and conducting meetings;
 - ✓ Participating as observers at tender opening sessions;



- ✓ Providing day to day consultations to the project teams in project implementation issues (main topics: tender procedures, preparation of documents for reporting the status of implementation, etc.);
- ✓ Improvements of the MIS system – more information, easy access and better maintenance of the data bases;
- ✓ Improvements of the programme website in order to facilitate stakeholders; introducing module for JMC members for easy search of documentation, coordination, submission of comments, etc.
- ✓ Updating Questions & Answers section on the programme web site;
- ✓ Providing templates of the most frequently used documents, such as various reporting documents or Tender dossiers for PRAG procurement procedures, etc.

2.4. Changes in the context of the programme implementation (if relevant)

The Bulgaria-Serbia IPA Cross border programme was amended in compliance with the Multi-annual Indicative Financial Framework adopted by the EC and relates to new financial allocations. Official proposal was send for the financial allocation changes on 19th of November 2011. The Commission decision was uploaded on 12th of September 2012. New proposal for amendments of the Programme was presented to EC via SFC2007 on 19th of September 2012 which was then additionally updated on 8th November 2012.

2.5. Complementarity with other instruments

The Bulgaria – Serbia IPA Cross-border Programme is developed and managed in complementarity with other instruments and in compliance with 2020 targets. The programme is based on partnership principle and good will for cooperation present an opportunity to unlock the potential for more intensive relations and at the same time to articulate on more targeted measures and efforts to respond adequately to the wide array of needs and territorial specifics. In this context the programme maintained within the EU IPA instrument contributes and allows the values for smart, sustainable and inclusive growth to be implemented at cross-border level.

Complementarily with other financial instruments is ensured through mechanisms foreseen in the programming document. Programme coordination with other financial instruments will be done by the national coordination structures in both participating countries. The representatives of national coordination structures participate in JMC sessions. Representatives from ministries managing sectorial programmes also participate as observers in JMC sessions ensuring coordination and avoiding overlapping.

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

The Danube region covers a wide range of territories with specific features and different level of development. At the same time, the region presents an outstanding potential for development, given the internationality it is characterised by, the natural resources present in the region, the density of population in its basin. The European Commission has prioritized 4 (four) main pillars for the Danube strategy which are presented in the table below.

4 main pillars for the Danube strategy





<p>1) Connecting the Danube Region:</p>	<ul style="list-style-type: none"> ✓ aims to improve mobility and multimodality, encourage more sustainable energy and promote culture and tourism, people to people contacts. ✓ key aspects in this pillar refer to availability of qualified staff, to better training and career opportunities, to road, rail and air infrastructure, to development of regional energy markets and use of renewable energy, as well as promotion of culture and tourism in the region and construction of a world “brand” of the Danube Region.
<p>2) Protecting the Environment in the Danube Region:</p>	<ul style="list-style-type: none"> ✓ aims to restore and maintain the quality of waters, manage environmental risks and preserve biodiversity, landscapes and the quality of air and soils. ✓ key aspects include improving the quality of water and of sustainable water management, protection from disastrous events such as floods and industrial accidents, facilitation of green infrastructure, application of long-term, eco-system based solutions, land use intensification.
<p>3) Building Prosperity in the Danube Region:</p>	<ul style="list-style-type: none"> ✓ aims to develop the knowledge society through research, education and information technologies, support the competitiveness of enterprises, including cluster development and invest in people and skills ✓ key aspects of the third pillar refer to the necessity to harmonise different levels of education and skills across regions, by investing in people, research infrastructure, enlargement of networks between providers, companies, policy makers, and obtain better connections between innovation and business supporting institutions, etc.
<p>4) Strengthening the Danube Region:</p>	<ul style="list-style-type: none"> ✓ aims to step up institutional capacity and cooperation and work together to promote security and tackle organised and serious crime. ✓ key aspects of the fourth pillar include the need for improvement of private and public sector decision-making structures and capacity, share of intelligence and effective joints to approach the problems of corruption, organised and serious crime.

Bulgaria and Serbia in the Danube Region

Bulgaria and Serbia are bordered in the North by the Danube, in the regions of Vidin and Montana, and Bor, respectively. However, the entire territory of both countries is a part of the EU Strategy for Danube Region, therefore all the eligible area of IPA CBC Bulgaria – Serbia is a part of the Strategy for Danube.

Despite the fact that there are neither programming nor implementation arrangements in place aimed at creating synergies between the Programme and the Strategy, both priority axes of the IPA CBC programme are correlated with the Danube strategy, by targeting, on the one hand, development of infrastructure that facilitates connection between the two countries and, on the other hand, creation of linkages between business, education and research entities that can foster socio-economic activity and development.





In the first pillar of the Danube strategy, the goal to develop connection measures that facilitate communication and mobility can be reflected in the measure 1.1 (Physical and Information Infrastructure) of the IPA CBC Bulgaria - Serbia programme, while promotion of culture and tourism, and people to people contacts are similar to the objectives of measures 2.2 (Sustainable development through efficient utilization of regional resources) and 2.3 (People to people actions) of the IPA CBC Bulgaria – Serbia programme (2007-2013).

The second pillar of the Danube strategy aims, among others, to restore and maintain quality of waters. This issue can be observed in the measure 1.2 (Infrastructure concerning environmental issues) and 1.3 (Assistance for project preparation) of the IPA CBC Bulgaria – Serbia programme. Also, the Danube strategy looks at the management of environmental risks, and so does through measure 1.2, but also to reservation of biodiversity, landscapes and the quality of air and soils, targeted by measure 1.3 of the IPA CBC Bulgaria – Serbia programme.

The third pillar of the Danube strategy aims to develop the knowledge society through research, education and information technologies, similar to measure 2.1 (Links and networking on the institutional, business and education levels) of the IPA CBC Bulgaria – Serbia programme. The strategy's support for the competitiveness of enterprises, including cluster development, is reflected in measure 2.2 and the interest to invest in people and skills in measure 2.3 of the IPA CBC Bulgaria – Serbia programme.

The fourth pillar of the Danube strategy, related to improvement of institutional capacity and cooperation and to tackling of organised and serious crime, is partially reflected in the IPA CBC Bulgaria – Serbia programme. In particular through measure 2.1 (Links and networking on the institutional, business and education levels) and 2.3 (People to people actions), although overall the programme addresses cooperation.

Short list of relevant projects (implemented under First call of the IPA CBC Bulgaria – Serbia programme 2007-2013) which results could be multiplied in order to contribute for Danube strategy values are presented below:

Thematic scope	Selected projects as of the First call of IPA CBC Bulgaria – Serbia programme (2007-2013)
<ul style="list-style-type: none"> ○ environment; ○ education and skills; ○ investing in people; ○ research activities; ○ networking; ○ etc. 	<ul style="list-style-type: none"> ✓ Zones of growth. Investment promotion of brown and green zones in the Vidin, Zajechar and Bor regions; ✓ Assessment of flood risk – a base for sustainable development in upper part of Nishava catchment; ✓ Green Ambassadors for Climate Change Prevention: Raising the awareness of young people on climate change and responsible environmental and civil behaviour; ✓ Creation of a database of pollutants from industrial waste in a trans-boundary aspect and a logical framework for problem solving; ✓ Increase the competitiveness of enterprises by focusing on technology and know-how transfer between SMEs, research, industry and educational institutions in the sphere of energy efficiency, renewable energy sources and ICT for the Sofia and Nishava district; ✓ Linking innovation with SME performance in Eastern Serbia and





Northwest Bulgaria;

- ✓ Renovation and creation of small scale infrastructure and sports development in the municipality of Lom and the city municipality of Pantelej - town of Nish;
- ✓ Energy efficiency in households – a long road or just a step away;
- ✓ Cross-Border awareness raising activities on Management standards for enterprises - good practices for business development;
- ✓ Building cross-border competitiveness through partnership and networking;
- ✓ Constructing of Recreation park, Tourist information centre, renovation of an existing eco-trail route, an information infrastructure that will serve the needs of the Tourist information centre, etc.

Synergy effect

The Danube strategy could be considered as a driving force for initiating activities related to connectivity, accessibility, quality of environment, investing in people and sustainable development as a whole of the region.

The IPA CBC Bulgaria-Serbia programme (2007-2013) is elaborated in compliance with priorities of the Danube strategy and there are no obstacles for implementation of projects and achievement of synergy effects.

2.6. Monitoring, coordination, control and evaluation

Monitoring of the Programme is focused on ensuring quality of implementation and compliance with applicable rules and procedures. The development and implementation of the monitoring system of the Programme is responsibility of the Managing Authority. The Managing Authority and the Joint Monitoring Committee are responsible for monitoring the Programme implementation in accordance with the principle of sound financial management and the indicators for output and results specified in the Programme. The Joint Monitoring Committee observes the monitoring of the Programme implementation and ensures the achievement of the Programme objectives through a rational use of the allocated resources.

The “Monitoring, Evaluation and Programming” Department within the Managing Authority of the programme is responsible for performance of monitoring at programme level and the JTS and its branch office carry out monitoring at project level.

2.6.1. Meetings and decisions of the Monitoring committee, MA, NA, JTS, management information system

➤ Joint Monitoring Committee





During the reported period the JMC meeting was organized as follows:

- on the **14th of September in Belogradchik, Bulgaria**. The JMC meeting was led by Nikolay Nankov, who was at the time Deputy Minister of the Ministry of Regional Development and Public Works of the Republic of Bulgaria and Head of the Managing Authority. Ognjen Miric, Assistant Director at the Serbian Office for European Integration and EU funds coordinator, participated in the meeting on behalf of the National Authority.

On behalf of the European Commission, the participants were greeted by Anna Repullo-Grau from the DG "Regional Policy". The participants were also welcomed by Tsvetan Asenov, governor of the Regional Administration Vidin, and Boris Nikolov, mayor of Belogradchik. Official guest at the meeting was Aleksandar Milicevic – First Counselor at the Embassy of the Republic of Serbia in the Republic of Bulgaria.

The Joint Monitoring Committee, which includes representatives of the central administration from both countries as well as the representatives of the non-governmental organizations and the regional administration from the cross-border region, has discussed the results of the projects evaluation and 70 projects under the Second Call for proposals with partners from both countries have been approved for financing from the Programme funds totaling 20 397 606,05 euro.

During 2012, the JMC written procedures were carried out as follows:

Fifteen written procedures, in total, were launched in 2012. All of them were initiated by the Head of the Managing Authority and approved by the JMC. The abovementioned written procedures include:

- **Written procedure No. 10**, initiated by MA with official letter no. 99-00-2-901/10.02.2012 for corrigendum of the Guidelines for Applicants for the 2nd Call for proposals under the Bulgaria-Serbia IPA Cross-border Programme, concerning the financial allocation available for the Call. The proposed corrigendum was approved by JMC Decision from 15th of February, 2012. For review of the corrigendum, please refer to the following link: <http://www.ipacbc-bgrs.eu/page.php?c=20&d=67>
- **Written procedure No. 11**, initiated by MA with official letter no. 99-00-2-2426/27.04.2012 for extension of the implementation period of project 2007BG16IPO006-2009-1-13 – "Technical documentation for miracle caves". The proposed extension with 2 months was approved by JMC Decision from 18th of May, 2012.
- **Written procedure No. 12**, initiated by MA with official letter no. 99-00-2-2595/04.05.2012 for approval of amendment to the Bulgaria-Serbia IPA Cross-border Programme, concerning revised financial allocation, following the automatic de-commitment according to the n+3 rule, and responsibilities of MA and NA in selection procedures and signature of framework contracts with external assessors and first level controllers. The proposed amendment was approved by JMC Decision from 15th of May, 2012.
- **Written procedure No. 13**, initiated by MA with official letter no. 99-00-2-3161/30.05.2012 for approval of request for budget modification of the project "Beekeeping without borders" with ref. no 2007BG16IPO006-2009-1-47 / Subsidy contract N RD-02-29-205/28.07.2011, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed budget modification was approved by JMC Decision from 30th of May, 2012.



- **Written procedure No. 14**, initiated by MA with official letter no. 99-00-2-3289/05.06.2012 for approval of the Annual report for implementation of Bulgaria-Serbia IPA Cross-border Programme. The proposed Annual report was approved by JMC Decision from 5th of June, 2012.
- **Written procedure No. 15**, initiated by MA with official letter no. 99-00-2-3656/18.06.2012 for extension of the implementation period of seven projects, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed extensions of implementation periods of projects were approved by JMC Decision from 18th of June, 2012.
- **Written procedure No. 16**, initiated by MA with official letter no. 99-00-2-3752/21.06.2012 for approval of request for modification of the project “Promotion of cross-border cooperation through modernization of social infrastructure in the field of sport in the municipalities of Botevgrad and Palilula” with ref. no 2007BG16IPO006-2009-1-49 / Subsidy contract N RD-02-29-220/28.07.2011, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed modification was approved by JMC Decision from 21th of June, 2012.
- **Written procedure No. 17**, initiated by MA with official letter no. 99-00-2-4411/20.07.2012 for approval of request for Instructions for the beneficiaries related to eligibility of expenditures under Bulgaria-Serbia IPA Cross-border Programme. The proposed instruction was approved by JMC Decision from 20th of July, 2012.
- **Written procedure No. 18**, initiated by MA with official letter no. 99-00-2-4706/01.08.2012 for approval of request for modification of the project “Centre for exchange of information on cross-border economic cooperation” with ref. no 2007BG16IPO006-2009-1-3 / Subsidy contract N RD-02-29-245/02.08.2011, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed instruction was approved by JMC Decision from 01th of August, 2012.
- **Written procedure No. 19**, initiated by MA with official letter no. 99-00-2-4863/03.08.2012 for extension of the implementation period of project “Creation of a database of pollutants from industrial waste in a transboundary aspect and a logical framework for problem solving” with ref. no 2007BG16IPO006-2009-1-101 / Subsidy contract N RD-02-29-330/03.10.2011, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed instruction was approved by JMC Decision from 20th of August, 2012.
- **Written procedure No. 20**, initiated by MA with official letter no. 99-00-2-5876/04.10.2012 for extension of the implementation period of two projects, financed under Bulgaria-Serbia IPA Cross-border Programme. The proposed extensions of implementation periods of projects were approved by JMC Decision from 24th of October, 2012.
- **Written procedure No. 21**, initiated by MA with official letter no. 99-00-2-6928/03.12.2012 for approval of Negotiation report of performed site visits and negotiation with applicants, approved for financing under the Second Call for proposals of Bulgaria-Serbia IPA Cross-border Programme. The proposed Negotiation report was approved by JMC Decision from 27th of December, 2012.
- **Written procedure No. 22**, initiated by MA with official letter no. 99-00-2-6972/05.12.2012 for extension of the implementation period of project 2007BG16IPO006-2009-1-52 – “Cooperation for sustainable development of cultural tourism in the municipalities of Bobov Dol and Palilula”. The proposed extension with 3 months was approved by JMC Decision from 27th of December, 2012.



- **Written procedure No. 23**, initiated by MA with official letter no. 99-00-2-7088/10.12.2012 for extension of the implementation period of project 2007BG16IPO006-2009-1-51 – “Promotion of cross-border cooperation through development of social sports infrastructure in the municipalities of Pravets and Pirotd”. The proposed extension with 4,5 months was approved by JMC Decision from 27th of December, 2012.
- **Written procedure No. 24**, initiated by MA with official letter no. 99-00-2-7088/10.12.2012 for approval of the documents, related to the Technical Assistance budget for 2013 of the Bulgaria-Serbia IPA Cross-border Programme. The documents encompass “Eligibility of Technical Assistance Expenditures”; “2013 Annual Technical Assistance Plan”; “Communication Plan”; “2013 Annual Work Plan of the JTS” and “2013 Annual Technical Assistance Budget”.

➤ **Managing Authority**

Referring to Council of Ministers Decision No 523/31.07.2007 (amended by Council of Ministers Decisions No 67/03.02.2009 and No 40/28.01.2010) (Annexes 1.1, 1.1a and 1.1b), the Directorate General Territorial Cooperation Management (DG TCM) is appointed as **Managing Authority** for IPA Cross Border Programmes (Bulgaria – Serbia, Bulgaria – Turkey and Bulgaria – former Yugoslav Republic of Macedonia).

The DG TCM is part of the specialized administration within the Ministry of Regional Development and Public Works of the Republic of Bulgaria.

➤ **National Authority**

Following the Serbian Governmental Decision No. 337-8105/2010 dated on November 4, 2010, the Serbian European Integration Office (SEIO) was appointed as National Authority in the cross-border and transnational programs implemented under shared management modality. Deputy Director, coordinator of EU funds representing the Serbian European Integration Office, is appointed as Head of National Authority.

Department for Cross-border and Transnational Cooperation Programs is Department within Serbian European Integration Office with the main aim of coordination of activities regarding implementation of cross-border, transnational and territorial programs co-financed under IPA component II – Cross-border Cooperation.

The Department for Cross-border and Transnational Cooperation Programmes performs duties relating to: participation in establishing institutional structures for the management and implementation of IPA component II and cooperation with authorities responsible for the establishment of decentralized management, preparation, management and program monitoring and reporting, coordination of programs with priorities of the Republic of Serbia; monitoring of programs, including the appointment of the Joint Monitoring Committee members (JMC) for the Republic of Serbia, participation in the JMC, training and coordination of the Serbian representative in the JMC, the identification of strategic projects in cooperation with competent national institutions and partner countries, preparation and implementation of technical assistance projects together with the partner country institutions, monitoring the implementation of the program objectives, impact assessment of projects and contributions to development processes in the territories covered by the program as well as the entire territory of Serbia, the development strategy of information and promotion programs, and monitoring of the implementation; preparation of reports, creation of conditions for the further development of programs, preparation and monitoring of agreements, contracts and other legal documents relevant for cross-border cooperation and harmonization of national regulations in the field of cross-border cooperation with EU regulations and monitoring and analysis of agreements between the countries involved in the program,



participation in the work international bodies, organizations and associations for the Republic of Serbia, which deal with issues of territorial cooperation, provision of resources for co-financing and pre-financing, participation in the activities of the Republic of Serbia on the preparation and implementation Regional Danube Strategy, as well as other activities in this area.

Technical meetings between representatives of Managing Authority and National Authority

The representatives of the Managing Authority, the National Authority and the Joint Technical Secretariat have officially met during two formal technical meetings within 2012.

- The first technical meeting was held on the 7th of March 2012 at the premises of the Ministry of Regional Development and Public Works of Bulgaria. The participants discussed in details the deadlines and organization of work of in MA and JTS regarding the new procedure for Project Progress Reports approval, the procedure and documents for contract modification, the procedure for derogation to the rule of origin and risk assessment at project level.
- The second technical meeting was held on the 13th of September 2012, one day prior to the JMC meeting, in Belogradchik, Bulgaria. The main issues discussed were the projects proposed for financing under the Second Call for proposals, the pre-contracting visits and the budget negotiations, the modification of the subsidy contract and the Project Implementation Manual, monitoring of the projects under the Second Call, Technical Assistance budget for 2013 and timing for the onset of the working on next programming period.

A number of informal technical meetings are conducted within 2012 for discussion of different issues related to the smooth implementation of the programme and enhanced performance.

Technical meeting was held on 13th of December 2012 focused on “grounds for elaboration of cross-border cooperation programme between Bulgaria and Serbia under EU Instrument for pre-accession assistance for programming period 2014-2020”.

➤ **Positive assessment for the management and control systems**

The European Commission issued (May 2011) the letter with positive assessment on the Description of management and control systems (in accordance with Article 115 and 116 of Commission Regulation (EC) No 718/2007) on Bulgaria-Serbia IPA CBC Programme.

➤ **Joint Technical Secretariat**

The main office of the JTS under the Bulgaria – Serbia IPA cross-border programme is placed in Sofia, Republic of Bulgaria. The JTS has a branch office in the partnering country, placed in Niš, Republic of Serbia.

The JTSs assist the MA and the Joint Monitoring Committees of the respective IPA Programme and assist where appropriate the Certifying Authority and Audit Authority in carrying out their duties. The JTSs activities encompass participation in planning and organization of programme information campaigns and other





activities related to raising public awareness on the programme; establishing and managing a joint projects data base and project partners data base; supporting projects generation and development; ensuring standardized forms of project application, assessment, contracting, implementation, monitoring and reporting in cooperation with the MA; preparation and launch of Calls for proposals; advising beneficiaries on the implementation of operations; receiving and registering of applications submitted; performing a formal check of project applications in terms of administrative compliance and eligibility; presenting a detailed work plan to the MA for approval; organizing all meetings and events, drafting minutes, preparing, ensuring the administrative management of tasks and services; organizing the work of the assessors and submitting the results of the project technical evaluation sessions to the JMC; monitoring of project implementation, collecting of information from the lead beneficiaries and updating data in the Management Information System; collecting and checking project reports from the lead partners before submitting to the MA; assisting the MA in preparation of the reports on programme implementation; receiving requests from the lead beneficiaries on any modifications as well as preparation of addendums to projects and submitting them to MA or JMC respectively for approval; collaboration with central, regional and local stakeholders involved in the respective Programme, etc.

➤ **Management Information system**

In order to facilitate the overall implementation of the Programme, at both programme and project level, the Management Information System is created as practical tool for performing the task of the relevant authorities (Managing Authority, National Authority, Certifying Authority, JTS). The information system is operational and updated when necessary. The system is accessible via Internet at <https://mis-bgrs.mrrb.government.bg>. The entry is under control and requires user permission. The system's scope covers all joint programme and project level tasks as follows:

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

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

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

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

In 2012 the following changes of the system were implemented:

- Patch 1.1.02032012 – XLM export for UMIS (Unified Management Information System for management of the EU funds in Bulgaria) has been implemented insuring connection between the two systems and especially with the module for double financing checks in UMIS thus reducing the



possibility of double financing between the Programme's projects and the projects, financed under the different Operational Programmes in Bulgaria;

- Patch 1.2.07052012 – New access rights definition and changes in modules “Contracts and changes” and “Implementation”;
- Patch 1.4.21122012 – New functionality for Payments module, approval of the assessment grids for seconds and third calls has been implemented. Activation of irregularities module has been done.

The system is also connected to the Programme website. In 2012 a new website has been deployed allowing controlled access of the JMC members to a special restricted zone with information regarding the JMC sessions and written procedures.

➤ **Monitoring at Project level**

The overall monitoring at the Projects level is carried out by the Joint Technical Secretariat (JTS) for Bulgaria–Serbia IPA Cross border Programme with main office located in Sofia, Bulgaria and a branch office placed in Nish, Serbia. The JTS implements the main monitoring tools – on the spot checks and checks of PPRs, verifying the proper implementation of the projects in conformity with the provisions of the Subsidy Contracts, objectives of the Application forms and Programme rules.

2.6.2. Programme implementation manual & Project implementation manual

➤ **Programme Implementation Manual (PM)**

The legal **basis for this Manual** is, **as** a general rule, the EC regulations and decisions implementing the **Instrument for Pre-Accession Assistance** and the programming documents concerning the programme. A Programme Implementation Manual (and its annexes and appendixes), describing in detail the specific rules and procedures for implementation of the Programme, has been developed by the MA, NA and Joint Technical Secretariat (JTS).

In order to improve the consistency and to facilitate the implementation of management and control procedures, the Managing Authority has elaborated a common manual (IPA CBC Manual) for three IPA CBC Programmes, managed by the Bulgarian side for the cross-border areas with Serbia, FYROM and Turkey. The amendments to the IPA CBC Manual were approved in March and September 2012. The main amendments cover chapter 9, chapter 10, chapter 11, chapter 12 and chapter 13 and relevant annexes of the IPA CBC Manual and were initiated in order to contribute for optimization and clarification of the procedures; optimization of the procedures and reflection of the recommendations given by the CA and AA; improvement of the monitoring and risk assessment procedures, in order the distribution of tasks between responsible bodies (MA and JTS) to be clearly distinguished and to avoid delays in the management process, etc.

➤ **Project Implementation Manual (PIM)**

The **Project implementation manual (PIM)** is a guiding tool prepared by the MA, NA and JTS to help the beneficiaries in the process of project management and implementation. PIM is prepared as a guide-book,





which consists of several main topics, as: Legal and Institutional Framework, Contracting and contract's modifications, Project's implementation, Procurement, Financial Management and Control, Information and Publicity, Monitoring and audit of the project, etc. PIM is available for downloading on the web-site of the Programme: <http://www.ipacbc-bgrs.eu>.

The first major revision of **PIM – version 2**, was approved by the Head of MA on February 2012. PIM's contents was organized in the following main chapters: Chapter 1. Purpose and content of the project implementation manual; Chapter 2. Institutional framework; Chapter 3. Initial activities and project setting up; Chapter 4. Sub-tendering procedures; Chapter 5. Reporting; Chapter 6. Financial management of the project; Chapter 7. Modification of subsidy contract; Chapter 8. Monitoring and audit of the project; Chapter 9. Information and publicity; Chapter 10. Amendments of the project implementation manual. Version 2 of PIM was revised and updated on April, 2012 to version 2.1, after the approval of the Head of MA.

2.6.3. First Level Control

➤ **First Level Control system**

During the 2012 year First Level Control system is duly implemented for the purposes of verification of expenditures for amounts spend by the project partners implementing projects signed under the First call for project proposals.

The first level control (FLC) system is developed in accordance with Art. 16 of Regulation (EC) 1080/2006 in order to make possible in the framework of the IPA CBC Bulgaria-Serbia Programme (2007-2013) to verify: (1) the delivery of the products and services co-financed; (2) the soundness of the expenditure declared for operations or parts of operations implemented on the respective cross-border territory; (3) the compliance of respective expenditures and related operations with Community rules and applicable national rules.

The Bulgarian side set up a decentralized FLC system and Serbian side adopted centralized FLC system.

In Bulgaria the first level control is carried out by controllers selected by the DG "Territorial Cooperation Management" within the Ministry of Regional Development and Public Works in accordance with respective national rules from a list of external independent controllers (established on state level), authorized by the Ministry in its capacity of a managing authority for IPA CBC Bulgaria-Serbia (2007-2013).

The MA implements a set of measures in order to enhance quality and responsibility of first level controllers (who carried out FLC for verification of expenditures of the Bulgarian project partners), as well as to maintain effective management and control over FLC system.

The "quality control" over performance of the first level controllers is carried out on a "sample basis" in percentage of the number of the controllers who have executed FLC within quarterly period. The first level controllers covered by the sample are subject to on-the-spot quality checks. The quality control over

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performance of the first level controllers is carried out by documentary check, on-the-spot checks on a sample basis and on-the-spot checks in result of received notice/signal for potential irregularity.

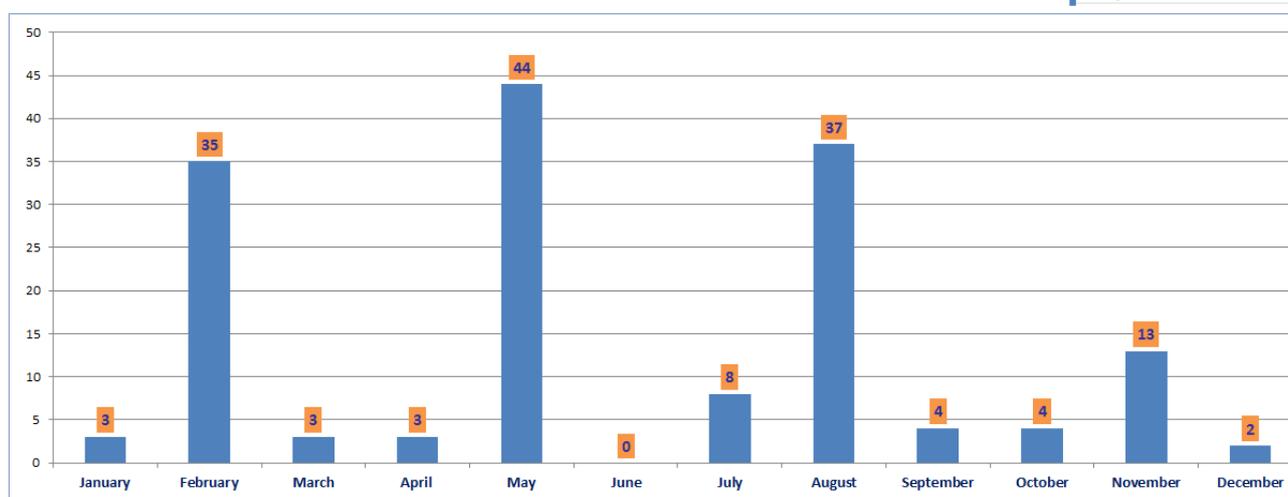
On behalf of MA a number of measures are implemented in result of audit findings and in order to enhance effectiveness and improve the FLC performance of controllers performing verifications for Bulgarian project partners. Within the established pool of external independent controllers there will be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

In Serbia, first level controllers are full-time employees of the CFCU, Ministry of Finance of Republic of Serbia. The designation of controlling duties between the FLC controllers for specific project partners is carried out by the Head of FLC unit.

Within the year 2012 the number of submitted requests for first level of control under the programme is 156.

The graphic 18 below represents the flow of confirmed invitations (on monthly basis) by First Level Controllers who carried out FLC for project partners on the Bulgarian side.

Graphic 18



The Bulgarian First Level Control for 2012 under the programme includes 191 on-the-spot visits on the premises of respective project partners in Bulgaria which represents 52 projects and total verified (by MA) expenditures amounted to 2.473.651,38 euro.

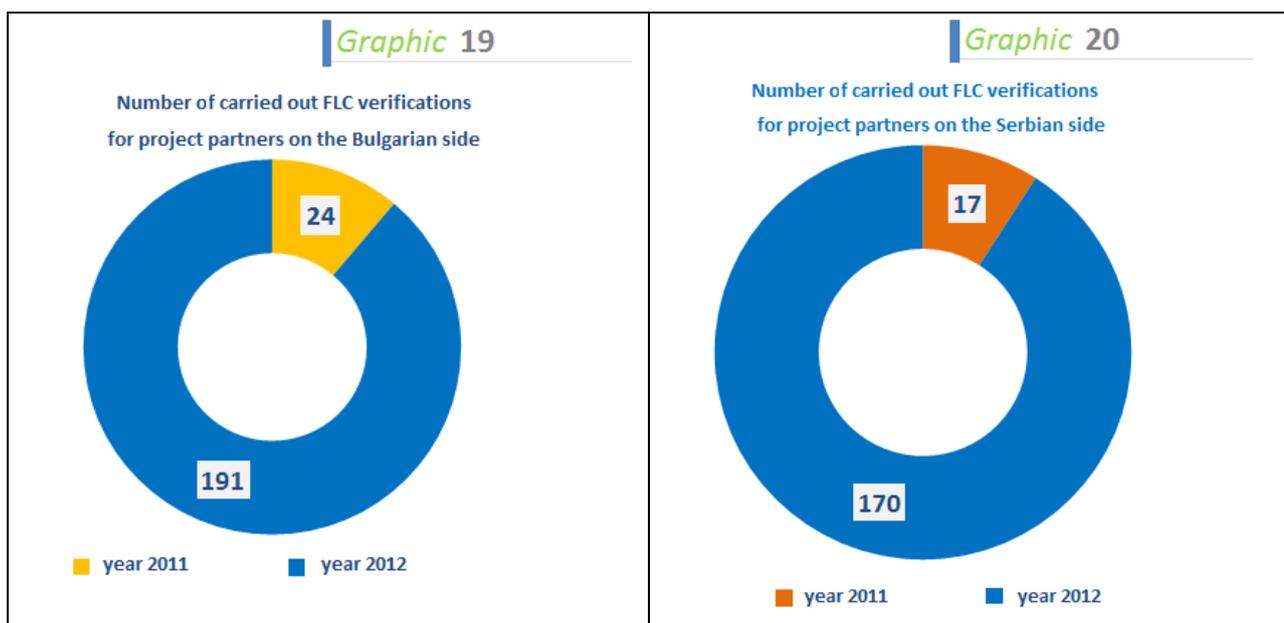


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The Serbian First Level Control for 2012 under the programme encompasses 170 checks on the expenditures of respective project partners in the Serbian area which represents 47 projects and total verified expenditures amounted to 1.409.818,07 euro.

The summarized data (presented in the graphic 19 and graphic 20 below) related to the carried out FLC on Bulgarian and Serbian project partners under the programme show dominated share for year 2012 in comparison with 2011. The number of carried out FLC verifications in 2012 (in comparison with 2011) for FLC for Bulgarian project partners represents share of 88,8% and for Serbian project partners in 2012 (in comparison with 2011) share is 90,9 %.



2.6.4. Group of auditors meetings, annual control report, system audit, audit of operations

➤ Group of Auditors meeting

Within the 2012 the Group of auditors (GoA) held its third meeting (13th and 14th of December 2012). The main topics which were subject to discussion by all the members of GoA encompass the used audit approach in the systems audit performed, the preliminary and final results of the audit engagement, draft annual control report, scheduling of future audit engagements for 2013.

In 2012 a new Audit Body was established on the territory of Republic of Serbia – Audit Authority office of EU Funds to the Government of Republic of Serbia. The Rules of procedures of the Group of auditors were signed with the newly established Audit Body. New members of the Group of auditors were nominated, who performed checks on the territory of Republic of Serbia within the system audit in 2012.

➤ Annual control report

The Executive Agency “Audit of European Union Funds” (AEUFEA) of the Republic of Bulgaria, which is an Audit Authority (AA) for the Bulgaria-Serbia IPA Cross border programme (2007-2013) duly elaborates annual control reports in accordance with Article 105, paragraph 1, point c (i) Regulation (EC) 718/ 2007 and Article





18, paragraphs 2 and 4 of Regulation (EC) 1828/2006. In preparing these reports and auditor's opinion the models presented in Annex VI and Annex VII of Regulation (EC) 1828/2006 are followed. Within the 2012 the AEUF EA issued the fifth annual control report for the programme prepared by assigned auditors from the AA.

➤ System audit

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

The audit activities were performed by auditors from AEUFEA and Audit body in Republic of Serbia. The scope of the audit includes all seven key requirements to the management and control systems. The audit team examined the respective control activities undertaken by the MA during the period from 30th of June 2011 to 30th of July 2012.

The results of assessment of management and control systems established in NA on the territory of Republic of Serbia were submitted on 4th of December 2012 by the Audit body. The Serbian auditors gave an assessment of the management and control systems at the NA, the FLC system and the JTS Antenna, according to the four-level scale, at level 2 “Works well, but some improvements are needed”.

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

The first system audit of the CA under the Programme was performed in the period October - November 2012. The scope of the audit includes all four key requirements to the management and control systems, established within the Certifying Authority in the period January 2007- September 2012. The final audit report is issued on 14th of December 2012. According to the audit results the effectiveness of management and control systems established within the CA are assessed according to the four-level scale, at level 1 “Works well, only minor improvements needed”.

➤ Audit of operations

Within the 2012 the AEUFEA has conducted audit of operations for assurance that the certified expenditures are correct and the underlying transactions are legal and regular. During the audit mission expenditures related to the Technical Assistance and certified in the period 1.01.2007-31.12.2011 were checked. The AA has underlined two similar findings without financial impact for both of the checked Requests for payment, for which the relevant corrective measures have been undertaken by MA. The findings have been considered closed in the final report dated 4th of September 2012.

2.6.5. Programme evaluation





Multi-annual Evaluation Plan for Bulgaria – Serbia IPA Cross-Border Programme 2007-2013 was elaborated and approved by JMC on 13th May 2011. The Evaluation Plan defines and explains the overall coordination arrangements for the on-going evaluation process under the programme. Following the evaluation plan, the Programme is subject to three evaluations aiming to improve the quality, effectiveness and consistency of the assistance and the strategy and implementation of the Programme, taking due attention to sustainable development issues and horizontal objectives. The first programme evaluation was performed in 2011 and aimed at examination of the level of achievement of the objectives set out in the Communication plan for the period of 2007-2010. Detailed information about the findings and recommendation from the internal analysis was presented in the previous Annual implementation report.

On 29th of November 2012 a service contract was signed with external consultant for elaboration of On-going evaluation of Bulgaria-Serbia IPA CBC programme (2007-2013). The tender dossier was elaborated in collaboration between MA and NA following PRAG rules and was launched on 4th of July 2012.

The deadline for submission of offers was 2nd of August 2012. Three offers were submitted within the deadline which were subject to evaluation by Evaluation commission appointed by the Head of MA. Evaluation report with results of the evaluation process was approved by Head of MA on 10th of October 2012.

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

Technical meeting with the consultant was held on 29th of November 2012 covering issues related to communication protocol and discussion of details related to the kick-off meeting for the on-going evaluation of the programme.

The kick off meeting was held on 14th of December 2012 on which the evaluation team performed detailed presentation regarding methodology to be followed within the on-going evaluation, approach and phases of evaluation, calendar of activities, evaluation themes and questions, sources of information, outline of the evaluation report, evaluation team, etc.



The first version of the Inception report for on-going evaluation of the programme was submitted on 29th of December 2012. The report encompasses information about the overall vision for organization of implementation of the whole range of evaluation tasks, the work programme, methodology, time schedule for implementing the activities, use of resources to achieve the intended results, evaluation instruments, etc.

According to approved timeframe the interim report is scheduled within three months following inception report and the final report of On-going evaluation of Bulgaria-Serbia IPA CBC programme will be submitted in end of July 2013.

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

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

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

- **Under Priority Axis 1** - Number of small-scale projects addressing physical infrastructure improvement, Number of small-scale projects addressing information infrastructure improvement, Number of small-scale projects addressing social infrastructure improvement, Number of existing facilities upgraded, Number of institutions/bodies reached by programme activities, Training places created, Number of joint friendly environmental projects, Number of small-scale infrastructural projects concerning environmental protection, Partnerships for cases of natural disasters established, Numbers of institutions/bodies reached by programme activities, Improved small-scale infrastructure, Increase of public transport coverage (% of population), Decreased pollution in the region.
- **Under Priority Axis 2** - Number of linkages between different institutions created, Number of management plans/strategies/researched developed, Number of education/business partnerships, Number of common marketing initiatives, Number of institutions participating in knowledge economy activities, SMEs involved/addressed in CBC projects, Number of people involved in projects' activities, Management and job-related training courses, Number of common cross-border tourist products and services, Tourist destinations created/developed, Number of projects concerning common products and services, Number of projects concerning exchange and transfer of know-how, Awareness campaigns carried out, Number of people involved, Number of joint information services established, Improved environment for development of relationships across the border, Increased cross-border movement of people and exchange of goods and services in the region, Increased public awareness regarding sustainable use of regional resources, Number of new partnerships created.



The detailed information for carried out examination of output and results indicators which are going to be achieved in result of project implementation under First and Second call for proposals is presented in Annex 2 to this report.

2.7. National performance reserve (where applicable and only for the annual implementation report)

Not applicable.

3. IMPLEMENTATION BY PRIORITY

3.1. Priority axis 1 “Development of small-scale infrastructure”

3.1.1. Achievement of targets and analysis of progress

- **Information on the physical and financial progress of the priority**

The overall objective of this Priority axis 1 “Development of small-scale infrastructure” is development of partnership cooperation within the range of improvement of the cross border infrastructure condition oriented towards spatial integration, better quality of the environment and accessibility, more favorable business environment for new business activities and attractiveness for inhabitants and investors.

Following the financial plan for the period 2007-2013 the funds available for the Priority axis 1 amounted to 19 663 469 euro (incl. 16 713 948 euro Community funding and 2 949 521 euro National funding).

Under the First call for proposals 15 projects are financed within Priority axis 1 “Development of small-scale infrastructure” shared between the measures as follows:

- Measure 1.1 “Physical and information infrastructure” – 11 projects;
- Measure 1.2 “Infrastructure concerning environmental issues” - 3 projects;
- Measure 1.3 “Assistance for project preparation” – 1 project.

The majority of contracted projects cover measure 1.1. which in percentage represents 73,3% of all the contracted projects under priority axis 1.

➤ **Tables with indicators under Priority axis 1 - Development of small-scale infrastructure**

The indicators that will be used to measure the progress of axes are shown in the table 6, table 7 and table 8 below:

Measure 1.1 Physical and information infrastructure

Table 6



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Programme Output Indicators		2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016	Total
Number of small-scale projects addressing physical infrastructure improvement	Achievement	0	0	0	0	2	17					
	Target 2016	5										
	Baseline	6										
Number of small-scale projects addressing information infrastructure improvement	Achievement	0	0	0	0	2	4					
	Target 2016	3										
	Baseline	0										
Number of small-scale projects addressing social infrastructure improvement	Achievement	0	0	0	0	7	7					
	Target 2016	3										
	Baseline	3										
Number of small-scale projects addressing business and innovation facilities	Achievement	0	0	0	0	0	7					
	Target 2016	7										
	Baseline	9										
Number of existing facilities upgraded	Achievement	0	0	0	0	2	26					
	Target 2016	7										
	Baseline	6										
Number of institutions/bodies reached by programme activities	Achievement	0	0	0	0	6	106					
	Target 2016	45										
	Baseline	24										
Training places created	Achievement	0	0	0	0	0	5					
	Target 2016	3										
	Baseline	0										

Measure 1.2 Infrastructure concerning environmental issue

Table 7

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of joint friendly environmental projects	Achievement	0	0	0	0	1	6					
	Target 2016	5										
	Baseline*	2										
Number of small-scale infrastructural projects concerning environmental protection	Achievement	0	0	0	0	2	6					
	Target 2016	3										
	Baseline	0										
Number of projects for pollution prevention and flood reduction	Achievement	0	0	0	0	1	4					
	Target 2016	3										
	Baseline	3										
Partnerships for cases of natural disasters established	Achievement	0	0	0	0	0	3					
	Target 2016	2										
	Baseline	0										
Number of joint eco-itineraries created/developed	Achievement	0	0	0	0	0	6					
	Target 2016	5										
	Baseline	3										



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Number of institutions/bodies reached by programme activities	Achievement	0	0	0	0	3	19					
	Target 2016	10										
	Baseline	8										

Measure.1.3. Assistance for project preparation

Table 8

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Feasibility studies	Achievement	0	0	0	0	0	10					
	Target 2016	10										
	Baseline*	4										
Preliminary and detailed design works	Achievement	0	0	0	0	0	7					
	Target 2016	7										
	Baseline	8										
Project environmental assessments	Achievement	0	0	0	0	0	2					
	Target 2016	2										
	Baseline	1										

* above table 6, table 7 and table 8 represent data on the grounds of contracted projects level and successfully finalized activities

• Qualitative analysis

The above table 6, table 7 and table 8 represent summarized data of the output indicators under priority axis 1 for the year 2012, achieved by the implementation of the projects. During 2012 the subsidy contracts signed within First call were in final stage of implementation.

For the three areas of intervention (measure 1.1 – “Physical and information infrastructure”; measure 1.2 – “Infrastructure concerning environmental issue”; and measure 1.3 – “Assistance for project preparation”) within the priority axis 1 there are 16 indicators defined for reporting outputs. For year 2012 there are reported data for the whole scope of defined output indicators. For 12 (twelve) of the defined output indicators there are reported figures for achieved outputs which exceeded the targeted figures for year 2016. For 4 (four) indicators the data is equal with the targeted figures for 2016 and there are no figures below the targeted outputs.

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

In brief comparison of achievements

The reported figures for year 2012 comprehensively cover achieved outputs within all the defined indicators. For comparison during 2011 there is no reported figures for achieved outputs for 7 (seven) of the indicators defined within the priority axis 1 of the programme.

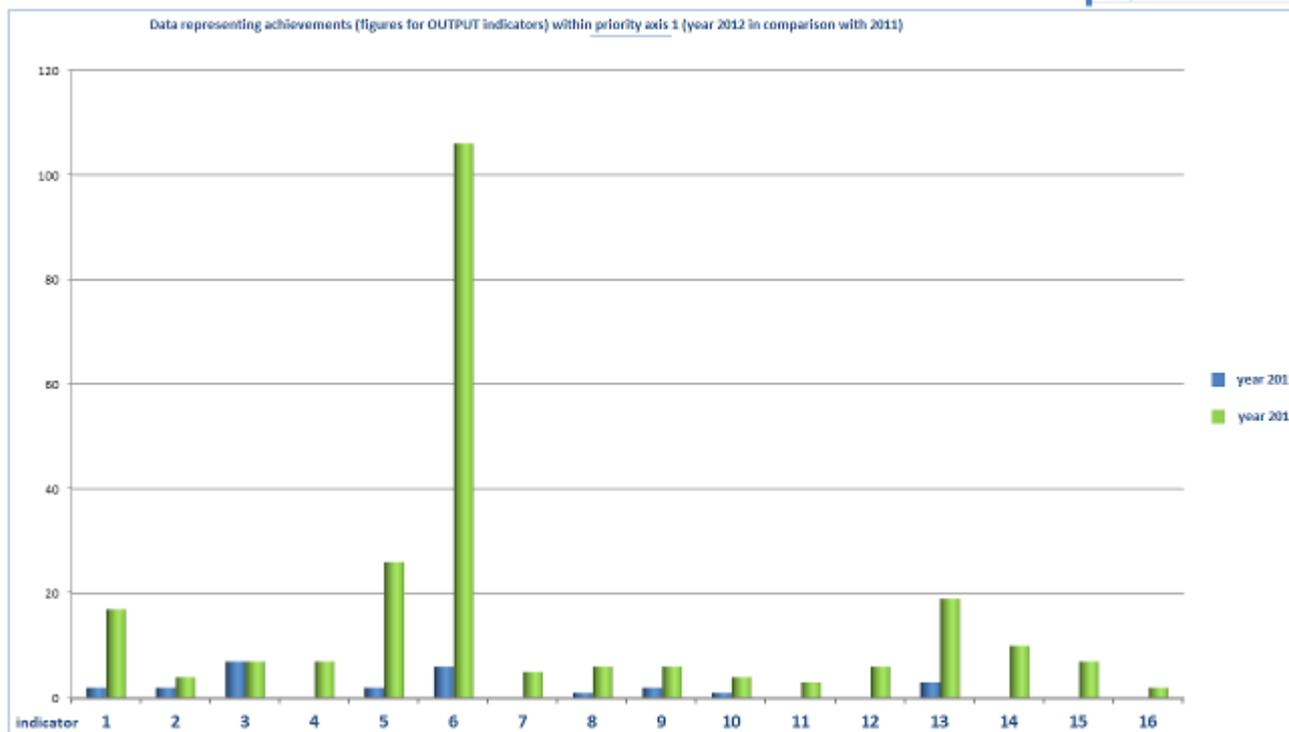


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The graphic 21 below represents data related to achievements (figures for output indicators) within 2012 (& comparison with 2011). For all the sixteen output indicators under priority axis 1, the figures within 2012 are higher than figures reported for year 2011.

Graphic 21



Legend:

<i>Output Indicator 1</i>	Number of small-scale projects addressing physical infrastructure improvement
<i>Output Indicator 2</i>	Number of small-scale projects addressing information infrastructure improvement
<i>Output Indicator 3</i>	Number of small-scale projects addressing social infrastructure improvement
<i>Output Indicator 4</i>	Number of small-scale projects addressing business and innovation facilities
<i>Output Indicator 5</i>	Number of existing facilities upgraded
<i>Output Indicator 6</i>	Number of institutions/bodies reached by programme activities
<i>Output Indicator 7</i>	Training places created
<i>Output Indicator 8</i>	Number of joint friendly environmental projects
<i>Output Indicator 9</i>	Number of small-scale infrastructural projects concerning environmental protection
<i>Output Indicator 10</i>	Number of projects for pollution prevention and flood reduction
<i>Output Indicator 11</i>	Partnerships for cases of natural disasters established
<i>Output Indicator 12</i>	Number of joint eco-itineraries created/developed
<i>Output Indicator 13</i>	Number of institutions/bodies reached by programme activities
<i>Output Indicator 14</i>	Feasibility studies
<i>Output Indicator 15</i>	Preliminary and detailed design works
<i>Output Indicator 16</i>	Project environmental assessments



3.1.2. Significant problems encountered and measures taken to overcome them

No significant problems could be encountered in implementing the priority axis 1 of the programme.

3.2. Priority axis 2 “Enhancing capacity for joint planning, problem solving and development”

3.2.1. Achievement of targets and analysis of progress

- **Information on the physical and financial progress of the priority**

The overall objective of Priority axis 2 “Enhancing capacity for joint planning, problem solving and development” is to improve the capacity of the region to deal with regional issues as: identification of problems and tracks for solutions, partnerships establishment, strengthening of institutional and business structures to respond to market requirements, establishment of models for cooperation based on best practices and common needs.

Following the financial plan for the period 2007-2013 the funds available for the Priority axis 2 amounted to 12 513 116 euro (incl. 10 636 149 euro Community funding and 1 876 967 euro National funding).

Under the First call for proposals 38 projects are financed within Priority axis 2 “Enhancing capacity for joint planning, problem solving and development” shared between the measures as follows:

- Measures 2.1 “Links and networking on institutional, business and educational levels” – 13 projects;
- Measure 2.2 “Sustainable development through efficient utilization of regional resources” - 13 projects;
- Measure 2.3 “People to people actions” - 12 projects.

➤ **Tables with indicators under Priority axis 2 - Enhancing capacity for joint planning problem solving and development**

The indicators that will be used to measure the progress of axes are shown in the table 9, table 10 and table 11 below:

Measure 2.1. Links and networking on institutional, business and educational levels

Table 9

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of linkages between different institutions created	Achievement	0	0	0	0	70	0					
	Target 2016	7										
	Baseline*	22										
Number of joint databases created	Achievement	0	0	0	0	7	2					
	Target 2016	3										

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Number of management plans/strategies/researches developed	Baseline	32										
	Achievement	0	0	0	0	15	77					
	Target 2016	3										
Number of education/business partnerships	Baseline	63										
	Achievement	0	0	0	0	101	0					
	Target 2016	5										
Number of common marketing initiatives	Baseline	90										
	Achievement	0	0	0	0	3	9					
	Target 2016	2										
Number of institutions participating in knowledge economy activities	Baseline	7										
	Achievement	0	0	0	0	47	28					
	Target 2016	5										
SMEs involved/addressed in CBC projects	Baseline	81										
	Achievement	0	0	0	0	169	12538					
	Target 2016	7										
Number of people involved in projects' activities	Baseline	380										
	Achievement	0	0	0	0	821	18677					
	Target 2016	400										
Management and job-related training courses	Baseline	4858										
	Achievement	0	0	0	0	12	47					
	Target 2016	15										
Number of people trained	Baseline	14										
	Achievement	0	0	0	0	230	802					
	Target 2016	250										
	Baseline	1203										

Measure.2.2. Sustainable development through efficient utilization of regional resources

Table 10

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of common cross-border tourist products and services	Achievement	0	0	0	0	1	32					
	Target 2016	7										
	Baseline*	18										
Tourist destinations created/ developed	Achievement	0	0	0	0	15	5					
	Target 2016	2										
	Baseline	0										
Number of projects concerning common cultural heritage	Achievement	0	0	0	0	0	13					
	Target 2016	10										
	Baseline	6										
Number of cultural events carried out	Achievement	0	0	0	0	0	18					
	Target 2016	15										
	Baseline	20										



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Number of projects concerning common products and services	Achievement	0	0	0	0	0	23						
	Target 2016	10											
	Baseline	7											
New jobs created	Achievement	0	0	0	0	3	68						
	Target 2016	50											
	Baseline	2											
Number of projects concerning exchange and transfer of know-how	Achievement	0	0	0	0	2	18						
	Target 2016	7											
	Baseline	8											
Number of cross-border business events, seminars, workshops carried out	Achievement	0	0	0	0	11	43						
	Target 2016	15											
	Baseline	83											
Awareness campaigns carried out	Achievement	0	0	0	0	20	66						
	Target 2016	30											
	Baseline	46											

Measure 2.3. People to people actions

Table 11

Programme Output Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Number of people to people collaboration projects	Achievement	0	0	0	0	148	150					
	Target 2016	50										
	Baseline*	32										
Number of institutions/bodies involved	Achievement	0	0	0	0	59	120					
	Target 2016	100										
	Baseline	93										
Number of people involved	Achievement	0	0	0	0	777	5596					
	Target 2016	300										
	Baseline	1624										

* above table 9, table 10 and table 11 represent data on the grounds of contracted projects level and successfully finalized activities.

• Qualitative analysis

The above table 9, table 10 and table 11 represent summarized data of the output indicators under priority axis 2 for the year 2012, achieved by the implementation of the projects.

For the three areas of intervention (measure 2.1 – “Links and networking on institutional, business and educational levels”; measure 2.2 – “Sustainable development through efficient utilization of regional resources”; and measure 2.3 – “People to people actions”) within the priority axis 2, there are 22 indicators defined for reporting outputs.

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During 2012 there are 19 (nineteen) of the defined output indicators under priority axis 2, for which the reported figures for achieved outputs exceeded the targeted figures for year 2016. For 2 (two) indicators there is no data reported for outputs achieved during year 2012.

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

In brief comparison of achievements/figures

The reported figures for year 2012 cover achieved outputs within 20 (twenty) of the defined indicators under priority axis 2 of the programme. For comparison during 2011 there is no reported figures for achieved outputs for 3 (three) of the indicators defined within the priority axis 2.

For 18 (eighteen) indicators out of all 22 (twenty two) output indicators under priority axis 2, figures within 2012 are higher than reported figures for year 2011 and for 4 (four) indicators the figures within 2012 are lower than figures in 2011.

3.2.2. Significant problems encountered and measures taken to overcome them

No significant problems could be encountered in implementing the priority axis 2 of the programme.

4. MAJOR PROJECTS

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



5. TECHNICAL ASSISTANCE (priority axis 3)

The aim of the Technical Assistance (TA) is to provide effective and efficient administration and implementation of the Programme. The priority axis “Technical Assistance” finance the preparatory, management, monitoring, evaluation, information and control activities of the programme as well as activities to reinforce the administrative capacity for implementing the programme.

The management and spending of funds under the priority axis Technical Assistance of the programme are performed in compliance with the decisions (eligibility of expenditure rules) taken by the Joint Monitoring Committee as well as the internal rules adopted by MA for utilization of the TA funds under the Programme and where applicable - in line with the provisions of the Practical Guide to Contract Procedures of the European Communities External Actions (PRAG).

For the period 2007-2013 amounts of 3 038 899 euro Community funding is available for priority axis “Technical Assistance”.

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

The “Technical assistance” budget for 2012 is amounted to 887 334 euro, from which 684 380 euro allocated for MA and 202 954 euro for NA. The TA budget for 2012 has been approved (following written procedure) by the JMC on 27th December 2011.

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

The main activities carried out under priority axis TA within 2012 are as follows:

- The assessment process for the project proposals under the Second call for proposals. The Assessment Working Group (AWG) appointed by the MA entered in Opening session on 28th February 2012. The Administrative Compliance Check sessions of the AWG were held as follows: First meeting: February 29 – March 9, 2012; Second meeting: May 7 – 11, 2012. The sessions of AWG for eligibility assessment took place on 21-23 and 30-31 May 2012. The sessions of the Assessment Working



Group (AWG) for Technical and Quality Assessment were held as follows: 11 June 2012 and 2-3 July 2012.

- Training for assessors was conducted before the start of technical and quality assessment phase of the assessment process for the project proposals under the Second call of the programme.
- Trainings for First level controllers take place in Sofia, Bulgaria three times during 2012.
 - on the 3rd of February 2012 in Sofia, Bulgaria on the premises of the “City” hall of the Best Western hotel. Training sessions encompass three main modules related to requirements regarding documentations, check-lists and reporting of activities carried out by First level controllers, financial issues, frequent errors and lessons learnt, public procurements and PRAG rules, etc.
 - on 20th and 21st of March 2012 in Sofia, Bulgaria a number of First level controllers attended the training sessions of the INTERACT seminar conducted in Sofia. The training modules encompass issues related to FLC tasks and responsibilities, control procedures, public procurements, analysis on irregularities, recoveries and decommitment, etc.
 - on the 4th of May 2012 in Sofia, Bulgaria on the premises of the Ministry of Regional Development and Public Works of Bulgaria. Training sessions encompass six main modules covering information about the cross-border cooperation programmes, main principles of the FLC, FLC system, verification process, public procurements, procedures under PRAG rules, irregularities, etc.
- regarding expenditures for external expertise tenders for two global price service contracts were launched within 2012: (1) Lot 1: Elaboration of On-going evaluation of Bulgaria-Serbia IPA CBC programme (2007-2013) with budget of maximum 60 000 euro; and (2) for preparation of IPA Cross-border cooperation programmes 2014-2020 for which the Bulgarian side will be a Managing authority – Lot 1: Preparation of Bulgaria – Serbia IPA cross-border programme 2014-2020, with budget of maximum 80 000 euro;
- maintenance and upgrade of the new programme website, maintenance of MIS;
- supply of furniture and IT equipment to facilitate activities of the JTS;
- promotional materials, participation in various events, information and awareness rising, publicity etc. (detailed information is presented in part 6 “Information and publicity” and annex I of this report).

Programming for the period 2014-2020

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

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





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



Part II

Information and publicity

6. INFORMATION AND PUBLICITY – events, printed and promotional material, website, media presence

INFORMATION AND PUBLICITY

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

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

Programme website

During 2012 the official website of the Programme www.ipacbc-bgrs.eu was one of the main publicity tools used to promote the Programme and disseminate the relevant information. In 2012 it appeared with a new structure and user-friendly interface. The whole range of information concerning the Programme (e.g. general information, priority axes, documents, questions and answers etc.) was presented in a more comprehensive way. The website has been regularly updated with relevant information on the Programme. The “News” section was particularly useful to both general public and the potential beneficiaries since it was continuously updated with information on all relevant events, trainings, info-days, and news in general.

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

- www.mrrb.government.bg - Bulgarian Ministry of Regional Development and Public Works
- www.eufunds.bg – EU Structural Funds website
- www.seio.gov.rs – Serbian European Integration Office (National Authority).

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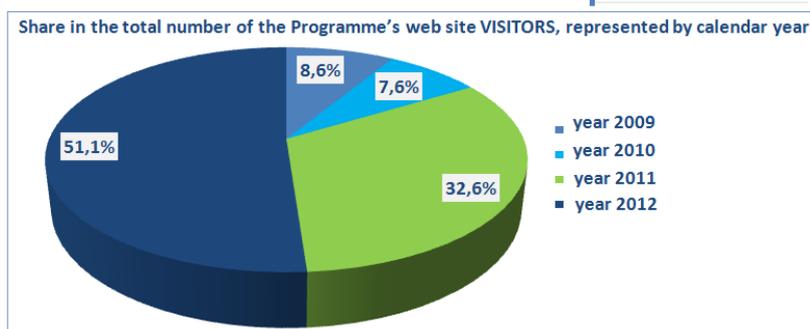


The website partners search tool was also very useful in facilitating the integration among actors and promoting joint activities and ideas. New 193 potential partners have been added to the database for the Second Call for proposals.

The above described efforts for regular update of the Programme website led to serious increase in the number of website visits – 47527 visits, or 57% increase compared to the previous year. This fact indicates that the promotion of the Programme has been very effective during 2012 and that the Programme attracted much greater public attention than in the previous years.

The figures below present share of the Programme's web site visitors. During 2012 the number of visitors exceeded the figures from the three previous years.

Graphic 22



Bulgaria-Serbia IPA Cross-border Programme website statistics is as follows:

Year	Visitors	Unique	Impressions
2012	47 527	40 214	166 896
2011	30 270	24 616	130 170
2010	7 105	6 404	28 628
2009	8 034	6 386	50 186

The new Programme website interface is presented below



Promotional materials



Bulgaria – Serbia IPA Cross-border Programme
CCI No. 2007CB16IPO006



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

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

The “Visibility Manual 2012” is one of the main visibility tools created during 2012 for the purpose of helping the beneficiaries in the process of project implementation and specifically communication and visibility. The manual is a comprehensive collection of rules, recommendations and best practices from a variety of sources, and is strictly in line with the basic “Project Implementation Manual” rules.

Information seminars

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

- The “Europe for us” (Sofia, Bulgaria - National Palace of Culture, 16 - 18 June 2012) second annual conference and exhibition. The purpose of the exhibition was to present European funded programmes and projects to the widest range of interested stakeholders.
- The Annual Coordination Meeting (Plovdiv, Bulgaria, 4 - 6 July 2012) of the European Information networks in Bulgaria. The conference was organized by the European Commission representation in Bulgaria and the general topic of the conference was “Communicating Europe Together – challenges and opportunities”.
- The European Cooperation Day (ETC day) initiative was coordinated by INTERACT II Programme and the goal of the campaign was to highlight the role of cooperation across borders in the European Union and with its neighbours.

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

Mass media campaign

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



Active training

Four trainings for beneficiaries, two trainings for First Level Controllers and one - for external assessors were organized during 2012.

During 2012 all of the activities envisaged in the Communication plan have been organized and performed accordingly; trainings for potential applicants have been successfully organized, various types of promotional materials have been disseminated to the target audience, the Programme Web site has been redesigned and maintained. The mass media campaign greatly contributed to the successful promotion of Programme and the Second call for proposals. The Programme' visual identity and graphics standards have been maintained and widely disseminated to all the Programme's stakeholders. Detailed information is presented in annex I to this report.

Overall, the Programme communication activities have been developed and implemented in compliance with EC principles and standards and in coherence with regional objectives and sustainability policies. One of the main indicators that the communication and visibility actions during the year 2012 have been successful is the number of project proposals submitted under the Second call for proposals. The deadline for submitting project proposals was the 20th of February 2012 and 257 project proposals have been submitted on the premises of the JTS (compared to the 110 project proposals received under the First call for proposals in 2009). It can be concluded that the transparency principles are properly followed, that the visibility rules are fully respected and the Communication plan is duly implemented.

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Indicators for communication and publicity measures

Table 12

	Activity	Indicator	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total	
Programme website	Website functionality	Number of web-site visits	0	0	8 034	7 105	30 270	47 527						
		Target 2016	2000 per year											
		Baseline	0											
	Partners' search facility	Increase in the number of web site visits (on a yearly basis)			n/a	-12%	+326%	+57%						
		Target 2016	2% per year											
		Baseline	0											
Programme website	Partners' search facility	Number of new potential PPs in the database	0	0	92	2	193	193						
		Target 2016	20 per call											
		Baseline	0											
Promotional materials	Leaflets	1) Number of leaflets produced	0	0	1 000	0	3000	6000						
		Target 2016	500 per call											
		Baseline	0											
	Leaflets	2) Number of leaflets distributed			100		95	5600						
		Target 2016	80% of leaflets produced											
		Baseline	0											
	Brochures	1) Number of brochures produced	0	0	750	0	1000	1300						
		Target 2016	500 per year											
		Baseline	0											
	Brochures	2) Number of brochures distributed			100		95	1250						
		Target 2016	80% of brochures produced											
		Baseline	0											
Other promotional materials (gadgets)	1) Number of materials prepared for promotion of the programme	0	0	3 002	0	5890 (not including 4200 folders/binders)	3950							
	Target 2016	200 per call												
	Baseline	0												
Other promotional materials (gadgets)	2) Number of materials distributed					70% on average								
	Target 2016	80% of the materials produced												
	Baseline	0												
Information seminars	Info-days	Number of organizations/bodies attending	0	0	300	0	120							
		Target 2016	40 per event											
		Baseline	0											
Information seminars	Thematic seminars/ workshops	Number of organizations/bodies attending	0	0	650	80	97							



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Mass media campaign		Target 2016	20 per event									
		Baseline	0									
	Print media campaign	Number of newspapers publishing issue(s) concerning the programme	0	0	4	0	4	8				
		Target 2016	4 per year									
		Baseline	0									
	Press conferences	Number of press conferences held				n/a*	2	3				
		Target 2016	2 for the duration of the Programme									
		Baseline	0									
	Press releases	Number of press releases published				n/a*	6	3				
		Target 2016	1 per call									
		Baseline	0									
	Press Advertisements	Number of press advertisements published	0	0	5	0	2					
		Target 2016	2 per call									
		Baseline	0									
	Internet media advertisement	Number of advertisements/eBanners				n/a*	2	2				
		Target 2016	2									
		Baseline	0									
	eNewsletter	Number of eNewsletters				n/a*	1					
		Target 2016	2									
		Baseline	0									
Participation in regional initiatives and forums	Number of events				n/a*	1	1					
	Target 2016	1										
	Baseline	0										
TV and Radio campaign	1) Number of TV advertisements aired					0						
	Target 2016	1 for the duration of the Programme										
		Baseline	0									
	2) Number of radio advertisements aired					2						
	Target 2016	1 per country for each Call										
	Baseline	0										
Active trainin	Increasing the competence of the potential beneficiaries	Percentage of submitted projects that pass the minimum threshold of 65 points				74	61					
		Target 2016	50%									



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	Strengthening the capacity of the MA/NA/JTS through attending trainings/seminars	Baseline	0									
	Number of participants					48 (figure represents all attended trainings/seminars)	83					
	Target 2016	min 50% of the total staff										
	Baseline	0										
	Increasing the availability and quality of the information disseminated to the public	1) Increase in the number of project proposals submitted for the last Call for Proposals in comparison to the number of projects submitted for the preceding Call for Proposals				n/a*	132	132				
	Target 2016	2%										
	Baseline	0										
	2) Percentage of submitted projects whose final assessment score that pass the minimum threshold of 65 points				n/a*	74	61					
	Target 2016	min 50% out of the total number of projects submitted for the relevant Call										
	Baseline	0										
	Beneficiaries' trainings	1) Number of participants				630	243					
	Target 2016	min 20										
	Baseline	0										
	2) Number of trainings					5	4					
	Target 2016	min 1										
	Baseline	0										
	Controllers performing FLC trainings	1) Number of participants				75	94					
	Target 2016	min 30										
	Baseline	0										
	2) Number of trainings					3	2					
Target 2016	min 1											
Baseline	0											
External assessors trainings	1) Number of participants				14	20						
Target 2016	min 10											
Baseline	0											
2) Number of trainings					1	1						
Target 2016	min 1											
Baseline	0											

*the indicator was established in 2011 and data for the previous periods were not recorded.



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Attachment:

ANNEX 1 to the Annual Report 2012

The annex encompass information related to publicity, promotion, information dissemination, media campaigns, etc.

- ✓ Programme web site
- ✓ Promotional materials
- ✓ Bulgaria-Serbia IPA Cross-border Programme events in 2012
- ✓ Information days
- ✓ Joint Monitoring Committee meeting
- ✓ Programme trainings in 2012
- ✓ Publicity/Media campaigns
- ✓ A number of publications in electronic media concerning the Bulgaria-Serbia IPA Cross-border Programme in 2012

ANNEX 2 to the Annual Report 2012

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





ANNEX 1 to the Annual Report 2012

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

Promotional materials 2012

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

- ✓ 3000 leaflets containing the basic Programme information – 1500 in Bulgarian and 1500 in Serbian language,
- ✓ 320 brochures containing basic Programme information as well as the basic information about each project implemented under the First Call for proposals. The brochures are made in English language and are illustrated with the images and photographs provided by the beneficiaries,
- ✓ 2000 standard cardboard folders with folded pockets,
- ✓ 50 conference business folders with writing pads in A4 format and eco-leather binding,
- ✓ 50 conference name tags with custom lanyards,
- ✓ 200 standard binders for A4 documents,
- ✓ 600 writing pads in A5 format,
- ✓ 200 agenda organizers in A5 format with eco-leather binding,
- ✓ 100 pocket notepads in A6 format,
- ✓ 3000 business cards for the JTS team and the MA/NA representatives,
- ✓ 50 business card binders,
- ✓ 1000 plastic pens,
- ✓ 200 metal pens,
- ✓ 50 umbrellas with square tops,



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- ✓ 50 USB drives (8 GB),
- ✓ 500 durable paper bags with handles,
- ✓ 600 pocket calendars for year 2013,
- ✓ 100 wall calendars for year 2013 with photo illustrations from the cross-border region,
- ✓ 400 table calendars in a pyramid form also illustrated with the photos from the region.

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

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







Programme web site

The official Programme web site was effectively released on the 21st of August 2009. The address of the web site is:

www.ipacbc-bgrs.eu

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

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

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

www.mrrb.government.bg - Bulgarian Ministry of Regional Development and Public Works,

www.eufunds.bg – EU Structural Funds website,

www.seio.gov.rs – Serbian European Integration Office (National Authority).

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

Number of visits to the Bulgaria-Serbia IPA Cross-border Programme website

Month	Year 2009	Year 2010	Year 2011	Year 2012
January	0	588	683	9835
February	0	547	867	7818
March	0	483	942	3429
April	0	555	844	3015
May	0	442	1470	3150
June	0	452	1486	2783
July	0	480	1741	3226
August	278	534	2819	2911
September	1839	521	2460	4292
October	2613	810	2269	3036
November	2729	980	7281	2476
December	575	713	7408	1556
TOTAL	8034	7105	30270	47527

The significant increase in the number of visits to the Programme web site indicates that the promotion of the Programme has been very effective during 2012 and that the Programme attracts much greater

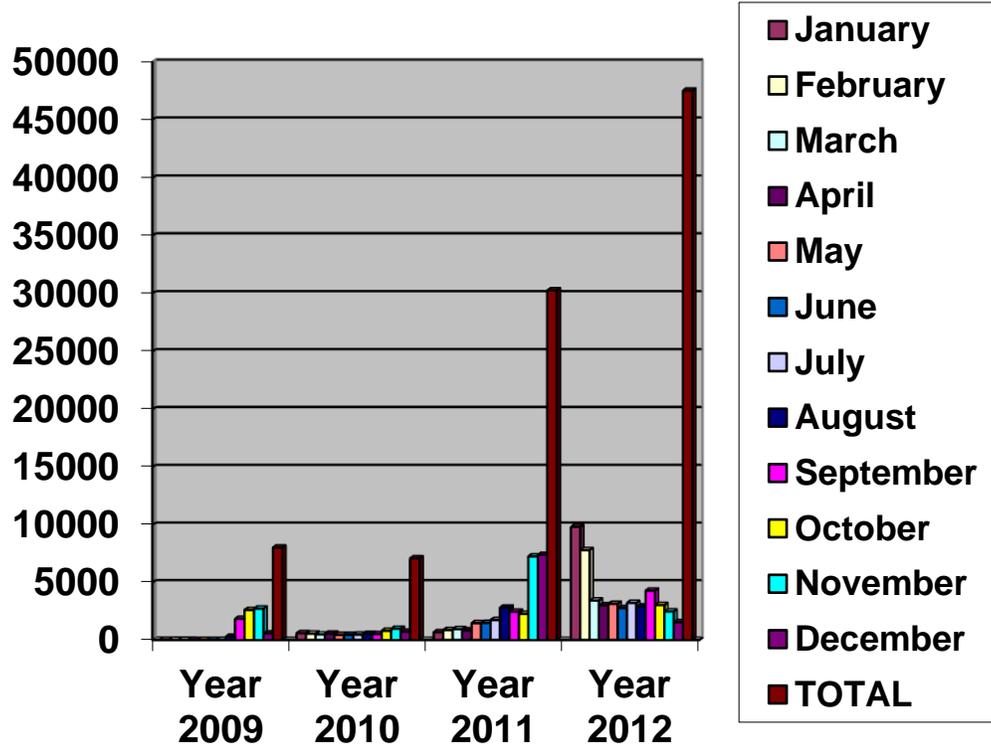


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public attention than in the previous years. The very high number of visits to the web site can be partially explained by the fact that the Second Call for proposals was open until the late February 2012 and all the relevant information concerning the evaluation was regularly published on the web site in all the three languages.

Diagram illustrating the increase in the number of visits to the Bulgaria-Serbia IPA Cross-border Programme website during the period 2009 – 2012



Compared by the activity during 2011, the number of visits to the Programme web site has increased by 17 525 visits or approximately 57%. Detailed statistics concerning the number visits to the Programme website can be found here: <http://www.tyxo.bg/d/82609/daily>

Following an official service procurement procedure, “Strategma Agency” (www.strategma.bg) has won the tender for improvement of the Programme website and the MIS system. The development and launching of the improved version of Programme web site was carried out during the course of several months and the JTS communication officer drafted a new user-friendly version of the sitemap structure which allows the users to find the necessary information more easily. The improved version of the Programme web site was launched on the 2nd of November 2012 and all the beneficiaries have been



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notified via e-mail about the change and new web site features.

The main improvements to the Programme web site are:

The new “Projects funded” section which can be accessed by clicking on a button located on the upper left side of the web site. The section contains an **interactive map** of the cross-border region, showing the number and types of projects implemented in the selected region/s.

Project ID	Acronym	Project title	Leading partner
2007CB16IP0006-2009-1-007		RECONSTRUCTION OF THE LOCAL ROAD IN ACCORDANCE WITH SUSTAINABLE DEVELOPMENT	SURDULICA MUNICIPALITY
2007CB16IP0006-2009-1-008		Cross-border awareness raising activities on Management standards for enterprises – good practices for business development	Association Horizon

Projects Funded section with an interactive map of the cross-border region

Calendar of events section is always visible on the left side of the web site and it contains notifications about all the Programme related events such as the Information days, workshops, and JMC meetings. Also, the Calendar of events may display information about any relevant project events. The beneficiaries can notify by e-mail the JTS communication officer about any significant project events that could be of interest to the general public such as project conferences, training events, festivals, etc. The communication officer can then highlight the day of the project event in the calendar and the title of the event as well as the start and end dates will be displayed below the calendar (see example below).

The new Joint Monitoring Committee section on the Programme web site is a very useful tool which allows all the JMC members a quick and easy access to all the written procedure documents. The access to the section is restricted and each JMC member has to login using his/her own unique user name and password in order to see the available documents. The section is particularly useful for approval of documents which take up a lot of memory space and cannot be sent out to the JMC members via e-mail.

CALENDAR OF EVENTS
November 2012

mon	tue	wed	thu	fri	sat	sun
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

-- Choose --

An exhibition "Europe for Us" brings together all the programmes in Bulgaria, co-financed by the EU
Start: 16.06.2012 09:00
End: 18.06.2012 19:00

JOINT MONITORING COMMITTEE

Period: Last

Joint Monitoring Committee written procedure No. 27 for 22-03-2013 (46.03 MB)

Category: Joint Monitoring Committee
Uploaded on 22 March 2013 15:30 •
Uploaded by Nebojsa Nikolic •
Downloaded 15 times •





Calendar of events

Joint Monitoring Committee section

Photo gallery and video gallery have also been added to the Programme web site, as sub-menu sections within the *MEDIA* section. The photo gallery section contains not only the photos uploaded but also the short news description for each album available. There are currently six albums available in the Photo gallery section illustrating some of the most important Programme events for the past three years.

The video gallery is a completely new addition to the Programme web site content and it is still under development. So far, no Programme video materials have been produced. However, there are several appropriate video clips produced under the First Call for proposals which are going to be added to the section. The video materials are first going to be edited by “Strategma” agency in order to fit the size and format requirements of the Programme web site before being uploaded to the section.

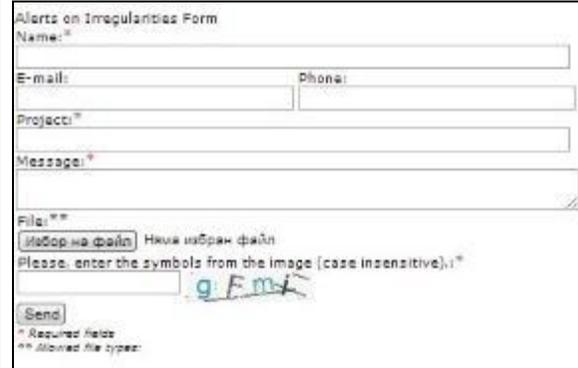
The eNewsletter section is another new addition to the Programme web site which allows to visitor to register for regular e-mail updates whenever there is new content on the web site. In order to register for the eNewsletter, the visitor needs only to submit and confirm his/her e-mail address. Since launching of the new Programme web site 28 people have provided their e-mail for newsletter subscription in 2012, but 11 have not confirmed it or have dropped it.

The “Alerts on irregularities” section is easily accessible by only one click on the “Alerts on irregularities” button. The button is integrate in the main web site menu and is always visible on the left side of the screen no matter which page of the web site is user viewing. The section contains the basic information about the purpose of the section and the way in which the visitors can anonymously report irregularities. The form for reporting irregularities is directly available on the same page and any reports submitted are directly sent to the “irregularities” officers of the Programme. No other person, including the web site administrator (the JTS communication officer) has access to the irregularities reports submitted.

Frequently asked question section is easily accessible from the main web site menu. The section is divided into three sub-sections: “General questions”, “Questions on the First Call” and “Questions on the Second Call” in order to allow the visitors to more easily find the answers to the concrete questions they have. The “Questions on the Second Call” section contains detailed answers to exactly 120 questions raised during the application phase of the Second Call for proposals compared to the 78 questions and answers from the First Call for proposals.



Photo gallery section



The "Alerts on Irregularities" form

Programme trainings in 2012

The Joint Technical Secretariat, in cooperation with the Managing Authority and the National Authority, had organized four trainings for potential applicants under the Second Call for proposals during January 2012. The trainings were organized more than a month prior to the submission deadline in order to provide the potential applicants with enough time to successfully complete their project proposals. Two of the training sessions have been organized in Bulgaria and two have been organized in Serbia. The trainings were made in local languages and were focused on the main application requirements and preparation of all the application documents, including the project budget. The training seminars for potential applicants under the Second Call for proposals of the Bulgaria-Serbia IPA Cross border Programme were successfully completed as follows:

- on the 17th of January in Sokobanja (Serbia),
- on the 18th of January in Belogradchik (Bulgaria) and Leskovac (Serbia),
- on the 20th of January in Kyustendil (Bulgaria).

Over 240 participants attended the training events, including representatives of municipalities, NGOs, regional administrations, cultural and educational institutions as well as the local media.



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The Joint Technical Secretariat conducted two anonymous surveys among the participants of the training events in Kyustendil and Belogradchik in order to assess their quality. In total 85 individual questionnaires have been filled and submitted by the participants and the JTS communication officer reviewed the results. Overall, the participants have been very satisfied with the quality and of the trainings, especially with the covered topics, the quality of the presentations and the practical examples given. The detailed results of the surveys are available as an annex to the Annual report. The photos



from all the four events can be seen below.



Training in Trilakovo, Sokobanja



Training in Kyustendil

Publicity/Media campaign¹

Joint Technical Secretariat of the Bulgaria-Serbia IPA Cross-border Programme has continued to be actively involved in a variety of promotional and visibility activities during the year 2012. The communication officer paid special attention to the promotion of the Second Call of proposals and attracting as many potential beneficiaries as possible. At the same time, JTS continuously supported the beneficiaries under the First Call for proposals in the efforts to implement and promote their respective

¹ All the recordings of the audio and video materials collected as well as the original newspaper publications are available at the JTS main office premises.



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projects. The Programme promotional and visibility activities during 2012 can be best analysed by looking at the following specific categories: “Promotion of the Second Call for proposals”, “Visibility Manual 2012”, “Events”, and “Mass media”. The “Mass media” section is further sub-categorized into following four sections: “Newspapers”, “Radio”, “Television” and “Internet”.

- **Promotion of the Second Call for proposals**

Promotion of the Second Call has been one of the most important tasks for the JTS communication officer at the beginning of the year 2012. The deadline for submission of the project proposals have been the 20th of February 2012 and the goal of the JTS has been not only to attract as many potential beneficiaries but to receive project proposals that are good in quality. With this goal in mind, the JTS organized an extensive media campaign and series of Info days and a Partner Search forum during the end of 2011. While the main activities for promotion of the Second Call have been performed by the end of 2011, some important activities continued during the first two months of 2012. The JTS actively used the Programme web site in order to keep the potential beneficiaries and the general public informed concerning the developments, rules, recommendations and deadlines concerning the Second Call for proposals and also for helping the potential beneficiaries to find potential project partners with common interests.

Finding a good project partner across the border proved a challenge for many of the potential beneficiaries and the JTS did its best to help them in the process. Following the **Partner Search forum** in Pernik which took place on the 14th of December 2011 the JTS communication officer prepared a **Partner Search Table** (with names, contacts, and general project interests summarized) for over 200 potential project partners from both Bulgaria and Serbia. The table has been published on the Programme website and also forwarded by e-mail to the potential beneficiaries. The final version of the table has been published on the 25th of January 2012:

<http://www.ipacbc-bgrs.eu/page.php?c=20&d=75>

The JTS also collected an abundance of questions concerning the Second Call for proposals from the potential beneficiaries during the period. The answers to all the 120 questions received have been published on the Programme web site on the 9th of February 2012:

<http://www.ipacbc-bgrs.eu/page.php?c=14&d=69>



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The active promotion of the Second Call and the Programme in general resulted in a record high number of visitors to the Programme web site, numbering 9835 visits in January only, which is more than the number of visits for each of the years 2009 and 2010. Even more importantly, the JTS received 257 project proposals prior to the deadline, compared to the 110 project proposals received under the First Call for proposals. The overall quality of the project proposals was also very high, with as many as 156 project proposals receiving more than 65 points quality threshold during the technical assessment.

- **“Visibility Manual 2012”**

The “Visibility Manual 2012” is one of the main visibility tools created during 2012 for the purpose of helping the beneficiaries in the process of project implementation and specifically communication and visibility. The manual is a comprehensive collection of rules, recommendations and best practices from a variety of sources, and is strictly in line with the basic “Project Implementation Manual” rules. It also incorporates the rules and recommendations of the European Commission, published in the “Communication and Visibility Manual for European Union External Actions”. Most importantly, the manual contains numerous examples and tips which help illustrate the most important Programme visibility rules, especially in relation to the promotional materials such as brochures, leaflets, posters, logos, etc. The manual is divided into eight specific categories: “Key visibility elements”, “Development and implementation of visibility activities”, “Promotional materials”, “Vehicles, supplies and equipment”, “Project logo – design tips and examples”, “Visibility at the project events”, “Project Visibility in the mass media” and “Useful links”. The Manual has been finalized and added to the Programme web site in November 2012. It can be found on the Programme web site in the section “Media” from the main menu as well as the section “Documents” under the “Second Call for proposals”:

- **Events**



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



The Annual Coordination Meeting of the European Information networks in Bulgaria took place from the 4th until the 6th of July 2012 in Plovdiv, Bulgaria. The conference was organized by the European Commission representation in Bulgaria and the general topic of the

conference was “Communicating Europe Together – challenges and opportunities”. On the final day of the event the JTS communication officer made a special presentation and answered questions from the audience, which consisted mostly of the representatives of the NGO sector in Bulgaria and communication experts from the other EU funded projects and programmes. The event was an excellent opportunity for promotion of the Programme in general but also for exchanging experiences and best practices with the other communication experts.

The Meeting of the European Information networks, 4-6 July 2012, Plovdiv - Bulgaria



Bulgaria – Serbia IPA Cross-border Prog
CCI No. 2007CB16IPO006

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The European Cooperation Day (ETC day) initiative was coordinated by INTERACT II Programme and the goal of the campaign was to highlight the role of cooperation across borders in the European Union and with its neighbours. European Cooperation Day, under slogan „Sharing borders, growing closer” was celebrated through over 280 local events, organized and coordinated by 72 programmes in almost 40 countries, including the Bulgaria-Serbia IPA Cross-border Programme. The JTS of the Programme organized an ETC day event under slogan “Growing Closer through Cultural Cooperation” on the 21st of September 2012 at the public community center “Bratstvo 1869” in Kyustendil, Bulgaria.

The event attracted the attention of not only the local public, but also the local and regional authorities, representatives on NGO organizations and the local media. The celebration was open by the governor of the regional administration Kyustendil – Vladislav Stoikov, and Maria Duzova, director general of the Directorate General “Territorial Cooperation Management”.

The first part of the event was a classical music concert called “Music without borders”, during which the musicians from the community center “Bratstvo 1869” and the Music School of Nis performed pieces by Mozart, Handel, Brahms, Schubert, Mascagni, and other famous composers. The second part of the event was a dancing performance prepared by the Association “Partners” from Kyustendil and the Municipality of Bosilegrad, which included pieces from the dancing performance “Balkan Synthesis”. In the short pause between the two performances the JTS organized a lottery event for the audience. Each Programme leaflet given away at the entrance contained a specific number and signature of a JTS representative. During the short break a Programme representative have randomly selected ten numbers in front of the public and gave away rewards to the lucky winners. People with the winning leaflets have been awarded sets of Programme promo materials such as: conference bags, notebooks, pens, t-shirts, coffee mugs, USBs, etc.





Programme celebration of the European Cooperation Day 2012, 21st of September, Kyustendil - Bulgaria

Media

- Internet

In addition to the promotion through the Programme website and the websites of the official institutions directly related to the Programme, both the Programme and the projects funded received a good deal of online media attention. In order to reach even broader audience, JTS Communication officer regularly prepares and sends out specific Programme press-releases in all the three languages to the representatives of local and regional media as well as to the “EU Funds” web site (administered by the Bulgarian Council of Ministers) which has more than five hundred and fifty thousand visits during 2012 Programme celebration of the European Cooperation Day 2012, 21 of September, Kyustendil - Bulgaria alone. Furthermore, the JTS encourages the Programme beneficiaries to promote the Programme and



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the respective projects by using the web sites and social media pages of the project partners. Some of the beneficiaries have created project specific web sites which are of great use to the general population for learning more about the Programme and project results. During 2012, more than **50 separate online publications** (other than on the Programme website) have featured information about the Programme in general and the projects implementing the First Call for proposals, including the web sites of the very popular national media from the two countries such as “Radio Television of Serbia”, “Dnevnik.bg”, “Standartnews.com”, “Focus” radio and “Darik” radio. HTML, PDF and screenshot records of these web sites and the articles published are available.

- **Radio**

During 2012 there have been no new Calls for proposals and, therefore, there have been no radio advertising campaign like in 2011. However, as a part of the media campaign promoting the celebration of the “European Cooperation Day 2012” in Kyustendil, JTS organized production and eight prime-time airings of an advertisement on the local frequencies of “**Darik**” radio during the week prior to the event. “Darik” radio is one of the most popular radio stations in Bulgaria and, since the advertisement was aired only on the regional radio frequency covering the Kyustendil region, the financial cost for production and airing of the advertisement was very low. The advertisement

On the 15th of September 2012 Maria Duzova, director general of the Directorate General “Territorial Cooperation Management” at the Bulgarian Ministry of Regional Development and Public Works (Managing Authority), participated in a radio interview with the Bulgarian “**Evranet**” radio. The interview was focused on the “European Cooperation Day 2012” celebrations in Bulgaria organized by the IPA cross-border Programmes, including the Bulgaria-Serbia IPA Cross-border Programme. Maria Duzova used the opportunity to promote the cross-border Programmes in general and explained the nature of projects implementing under the Programmes. “Evranet” radio, which is under patronage of the “Bulgarian National Radio” network and is part of the initiative by the European Commission to promote the radio stations and programmes that are relevant for promotion of the EU financed Programmes and projects.²

² “Bulgarian National Radio” web site report on the role and importance of the “Evranet” initiative:
http://bnr.bg/sites/radiobulgaria/Lifestyle/BulgariaAndEurope/Pages/Evranet_plus.aspx



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Some of the beneficiaries under the First Call for proposals also used radio as a medium for promotion of their respective projects during 2012. Representatives of the project “Reconstruction of the local road in accordance with sustainable development”, implemented by the Municipality of Surdulica (Serbia) and Municipality of Tran (Bulgaria), gave an interview to the “**Blagoevgrad Radio**” on the 9th of October 2012. Stanislava Asenova, project PR expert, presented the general project information including the project goals and results while stressing on the benefits for the general population on the both sides of the border and the strong cross-border effect the project has achieved.

“**RTV Sezam**”, a local radio/television station in Bor (Serbia) produced and aired a special media report concerning the project “Selenium as a natural microelement for the human health protection” on the 7th of November 2012. A ten minute radio report covered one of the major project conferences covering the project topics. JTS expert from the branch office in Nis, Maja Jovanovic, also participated in the media report and explained the importance of the project within the Programme.

- **Television**

Six projects under the First Call for proposals managed to get the attention of local and national television stations during 2012. Some of the video clips in question have been produced by the project partners and disseminated through the media while the other TV reports have been a result of the media participating in the project events and press conferences. All of the video materials are professionally made and comply with the Programme visibility rules. The following projects under the First Call for proposals have produced and aired video materials on the local and national television in Bulgaria and Serbia:

- **Project 9**, “Exchange of good practices for quality management of municipal administrations” - the video report concerning the project seminar held in Leskovac the 6th of July 2012 was aired on the same day on “**Panorama TV - Leskovac**”, Serbia.
- **Project 17**, “Network for cross-border cooperation between Bulgaria and Serbia in the tourist sector” – the project partners have produced a short movie under title “Roots of love”. The film is five minutes long and shows scenes from some of the most attractive tourist destinations in the cross-border region. The film was aired on three television stations: “**Belle Amie**” TV from Nis



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(Serbia), “Nis TV” from Nis and “Rameks TV” from Vratsa (Bulgaria). The movie was aired during August and September 2012.

- **Project 24**, “Selenium as an essential natural microelement for the human health protection” – twenty minute coverage on the conference concerning the importance of selenium for protection of health held in Bor (Serbia) was aired on the local television station “Sezam TV” on the 7th of October 2012.
- **Project 32**, “Doing Business in the EU” – The journalists from the “Media Centre Nis” have participated in the final project conference that was held on the 25th of July 2012 in Nis (Serbia). “Media Centre Nis” actively participates with the journalists from two local TV stations from Nis: “Belle Amie” TV from Nis and “Nis TV”.
- **Project 67**, “Publicity, transparency and partnership – a basis for social and regional development” produced a twenty minutes long video report under title “Dobra Vlada” (“Good government”) that was aired several times on “RTV B92”, a national radio/television station in Serbia. The film contains general information about the project as well as coverage from a programme conference and interviews with representatives of project partners. The film was aired in June and August 2012.
- **Project 75**, “United in struggle against drugs” – “TV Vidin” aired on the 17th of May 2012 a three minute long video report on the project lecture “Symptoms and signs of drug addiction” held in Vidin, Bulgaria. The recording of the video clip is available on the web site of the television station: http://vidin.tv/bg/news/obedineni_v_borbata_sreshtu_drogata.7862.html)



Screenshots from two TV reports: “Roots of love” on the left and “Dobra vlada” on the right





- **Newspapers**

The following five projects under the First Call for proposals have achieved certain visibility in the local and national newspapers in 2012:

- **Project 14**, “Linking Innovation with SME Performance in Eastern Serbia and Northwest Bulgaria – a report concerning the project was published on the 28th of July 2012 in “**Timok**” newspaper from Timok, Serbia,
- **Project 17**, “Network for cross-border cooperation between Bulgaria and Serbia in the tourist sector” – a project press-release was published in the April/May edition of the “**Infokom**”, a bi-monthly newsletter published by the Regional Chamber of Commerce in Nis, Serbia,
- **Project 32**, „Doing Business in the EU“ – “**Narodne novine**”, a local newspaper from Serbia, published on the 5th of May 2012 a report promoting a project booklet „Doing Business in the EU“,
- **Project 52**, „Cooperation for sustainable development of cultural tourism in the municipalities of Bobov Dol and Palilula“ – „Narodne novine“ from Nis published a report on the project on the 1st of October 2012.
- **Project 67**, “Publicity, transparency and partnership – a basis for social and regional development” – four Bulgarian newspapers have published reports about the project: “**Cherga**” on the 11th of September 2012, „**Dnes**“ on the 2nd of July 2012, „**Novinar**“ on the 3rd of July 2012 and the 26th of April 2012 and „**Telegraf**“ on the 3rd of July 2012,
- **Project 111**, „Adequate Social Services in Effective Tandem“ – the Etropole Municipality newspaper, “**Etropolski pregled**”, published on two occasions, in January and October 2012, extensive reports on the project implemented by the municipality.



Screenshots of the newspaper articles published by the "Etopolski pregled" newspaper

JMC and technical meetings during 2012



Joint Monitoring Committee meeting held on 14.09.2012 at Belogradchik, Bulgaria





Technical meeting held on 13.09.2012 at Belogradchik, Bulgaria



Technical meeting held on 07.03.2012 at MRDPW, Sofia, Bulgaria



ANNEX 2 to the Annual Report 2012

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

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

The subsidy contracts under the Second Call for proposals were prepared and concluded in 2013 and the actually achieved results shall be reported with the Annual report for 2013.

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

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

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

➤ **Under Priority Axis 1** - Number of small-scale projects addressing physical infrastructure improvement, Number of small-scale projects addressing information infrastructure improvement, Number of small-scale projects addressing social infrastructure improvement, Number of existing facilities upgraded, Number of institutions/bodies reached by programme activities, Training places created, Number of joint friendly environmental projects, Number of small-scale infrastructural projects concerning environmental protection, Partnerships for cases of natural disasters established, Numbers of institutions/bodies reached by programme activities, Improved small-scale infrastructure, Increase of public transport coverage (% of population), Decreased pollution in the region.

➤ **Under Priority Axis 2** - Number of linkages between different institutions created, Number of joint



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databases created, Number of management plans/strategies/researched developed, Number of education/business partnerships, Number of common marketing initiatives, Number of institutions participating in knowledge economy activities, SMEs involved/addressed in CBC projects, Number of people involved in projects' activities, Management and job-related training courses, Number and people trained, Number of common cross-border tourist products and services, Tourist destinations created/developed, Number of projects concerning common products and services, New jobs created, Number of projects concerning exchange and transfer of know-how, Awareness campaigns carried out, Number of institutions/bodies involved, Number of people involved, Number of new partnerships created.

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



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OUTPUT INDICATORS									RESULT INDICATORS (according methodology)								
Priority	Area of Intervention	Programme Outputs	Target 2016	Baseline 2003 - 2005	Programme indicators' target 2016 (accumulated with baseline)	Quant after 1st Call	Quant after 2nd Call	Achievement of the programme's indicators (in %)	Programme Results	Baseline 2003 - 2005	Target 2016	Programme indicators' target 2016 (accumulated with baseline)	Quant after 1st Call	Quant after 2nd Call	Achievement of the programme's indicators (in %)		
Priority Axis 1. Development of small-scale infrastructure for social and economic networking	1.1. Physical and Information Infrastructure	Number of small-scale projects addressing physical infrastructure improvement	5	6	11	8	31	354,55%	Improved small-scale infrastructure	31	2,50%	31,78	36	31	210,82%		
		Number of small-scale projects addressing information infrastructure improvement	3	0	3	4	3	233,33%									
		Number of small-scale projects addressing social infrastructure improvement	3	3	6	4	14	300,00%									
		Number of small-scale projects addressing business and innovation facilities	7	9	16	2	0	12,50%	Increase of public transport coverage (% of population)	3,48	2%	3,54	3,081	3,16	176,30%		
		Number of existing facilities upgraded	7	6	13	14	22	276,92%									
		Number of institutions/bodies reached by programme activities	45	24	69	96	53	215,94%									
			Training places created	3	0	3	48	19	2233,33%								
	1.2. Infrastructure Concerning Environmental Issues	Number of joint friendly environmental projects	5	2	7	2	10	171,43%	Decreased pollution in the region	3	2%	3,06	1	4	163,40%		
		Number of small-scale infrastructural projects concerning environmental protection	3	0	3	3	11	466,67%									
		Number of projects for pollution prevention and flood reduction	3	3	6	1	3	66,67%									
		Partnerships for cases of natural disasters established	2	0	2	2	2	200,00%	Increased attractiveness of the region based on preservation of natural resources	8	2%	8,16	3	4	85,78%		
		Number of joint eco-itineraries created/developed	5	3	8	2	3	62,50%									
		Numbers of institutions/bodies reached by programme activities	10	8	18	12	29	227,78%									
	1.3. Assistance for Project Preparation	Feasibility studies	10	4	14	3	4	50,00%	Projects actually applied	10	3%	10,30	1	4	48,54%		
		Preliminary and detailed works design	7	8	15	3	4	46,67%									
Project environmental assessments		2	1	3	3	1	133,33%										
Priority Axis 2. Enhancing capacity for joint planning, problem solving and development	2.1. Links and networking on the institutional, business and educational levels	Number of linkages between different institutions created	7	22	29	111	287	1372,41%	Number of joint information services established	32	3	32,96	9	16	75,85%		
		Number of joint databases created	3	32	35	20	20	114,29%									
		Number of management plans/strategies/researched developed	3	63	66	71	100	259,09%									
		Number of education/business partnerships	5	90	95	243	144	407,37%	Improved environment for development of relationships across the border	43	3%	44,29	12	18	67,74%		
		Number of common marketing initiatives	2	7	9	10	37	522,22%									
		Number of institutions participating in knowledge economy activities	5	81	86	165	299	539,53%									
		SMEs involved/addressed in CBC projects	7	380	387	19082	84895	26867,44%									
		Number of people involved in projects' activities	400	4858	5258	18654	4024	431,30%									
		Management and job-related training courses	15	14	29	45	41	296,55%									
	Number and people trained	250	1203	1453	1125	1473	178,80%										
	2.2. Sustainable development through efficient utilization of regional resources	Number of common cross-border tourist products and services	7	18	25	29	44	292,00%	Increased cross-border movement of people and exchange of goods and services in the region	34	1,50%	34,51	11	19	86,93%		
		Tourist destinations created/developed	2	0	2	20	39	2950,00%									
		Number of projects concerning common cultural heritage	10	6	16	3	12	93,75%									
		Number of cultural events carried out	15	20	35	7	14	60,00%	Increased public awareness regarding sustainable use of regional resources	42	2%	42,84	11	21	74,70%		
		Number of projects concerning common products and services	10	7	17	7	48	323,53%									
New jobs created		50	2	52	21	270	559,62%										
Number of projects concerning exchange and transfer of know-how		7	8	15	8	284	1946,67%										
Number of cross-border business events, seminars, workshops carried out	15	83	98	59	104	166,33%											
Awareness campaigns carried out	30	46	76	63	163	297,37%											
2.3. People to people actions	Number of people to people collaboration projects	50	32	82	10	26	43,90%	Number of new partnerships created	49	7	52,43	325	22	661,83%			
	Number of institutions/bodies involved	100	93	193	101	147	128,50%										
	Number of people involved	300	1621	1921	9171	23749	1713,69%										



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

OUTPUT INDICATORS				RESULT INDICATORS		
Priority	Area of Intervention	Programme Outputs	Achievement of the programme's indicators (in %)	Programme Results	Achievement of the programme's indicators (in %)	
Priority Axis 1. Development of small-scale infrastructure for social and economic networking	1.1. Physical and Information Infrastructure	Number of small-scale projects addressing business and innovation facilities	13%			
	1.2. Infrastructure Concerning Environmental Issues	Number of projects for pollution prevention and flood reduction	67%	Increased attractiveness of the region based on preservation of natural resources	86%	
		Number of joint eco-itineraries created/developed	63%			
	1.3. Assistance for Project Preparation	Feasibility studies	50%	Projects actually applied	49%	
		Preliminary and detailed works design	47%			
Priority Axis 2. Enhancing capacity for joint planning, problem solving and development	2.1. Links and networking on the institutional, business and educational levels			Number of joint information services established	76%	
				Improved environment for development of relationships across the border	68%	
	2.2. Sustainable development through efficient utilization of regional resources	Number of projects concerning common cultural heritage	94%	Increased cross-border movement of people and exchange of goods and services in the region		87%
		Number of cultural events carried out	60%	Increased public awareness regarding sustainable use of regional resources		75%
	2.3. People to people actions	Number of people to people collaboration projects	44%			

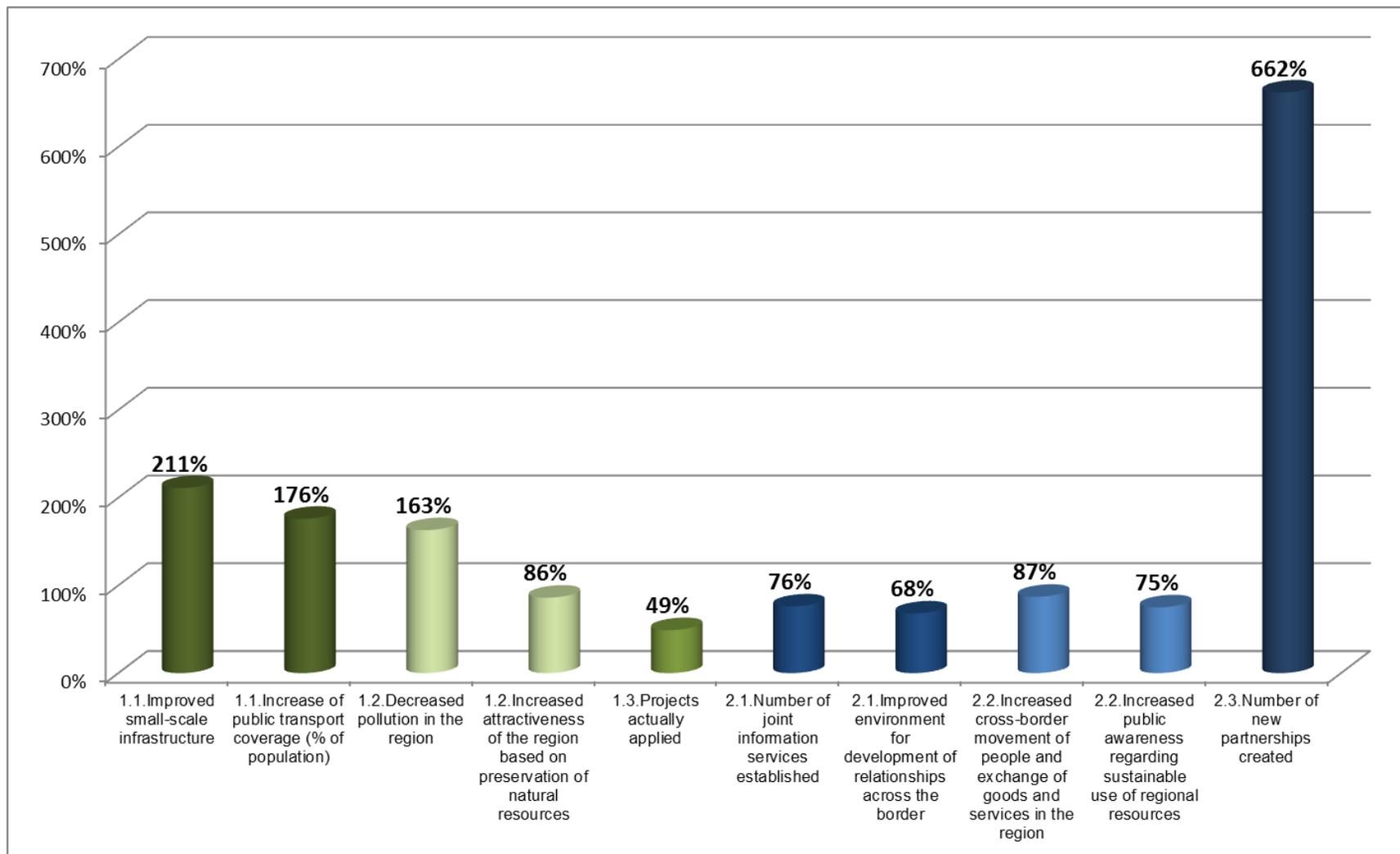
Having in mind the possibility of accumulated technical mistakes by the applicants when determining the indicator's quantities, caused by misunderstanding in indicators essence and nature, it could be considered that deliverables under the projects financed within the First Call for proposals and the projects under Second Call for Proposals will closely achieve the 2016 target values.

As mentioned above, the current analysis is based on the information presented by the applicants in their application forms, which is not relevant enough ground for analyzing the state of achievement of Programme's output and result indicators, because of technical mistakes and misunderstanding among some of the applicants when preparing their application forms and stating unrealistic and overestimated target values. On the other hand the external Consultant who performs the on-going Programme evaluation will apply more reliable approaches for determination the exact achievement of all Programme output and result indicators. According to the adopted strategy and methodology, the Consultant will examine not only the data provided in the Application forms, but also the evaluation tasks will encompass depth interviews, site visits, analysis of the specific deliverables from the projects' implementation and others.

The clear picture of the state of achievement of all expected targets and outcomes, including Programme's output and result indicators, will be given by the external Consultant. The final conclusions of the evaluation and specific recommendations for improvement will be formulated in the Consultant's Interim and Final reports.



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Summary – analysis of the achievement of result indicators (%) based on the results from 1st and 2nd Call for Proposals



Bulgaria – Serbia IPA Cross-border Programme
CCI No. 2007CB16IPO006



Findings from the analysis

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

- **Almost all output and result indicators could be gained after successful completion of projects** under the First and Second Call for proposals;
- The rate of achievement of most of output and result indicators significantly exceeds the Programme targets 2016 (over 100%). This overachievement could be either due to misunderstanding by the applicants about essence of the indicators, or as a result of lower targets of the Programme's output and results indicators (as per Programme document). It should be noted that the quantities for output and result indicators of the selected projects under the Second Call for proposals are much more realistic and achievable. This effect can be explained by the elaborated [Methodology of Programme Output and Result Indicators Assessment](#) which was published on the Programme web-page. The Methodology gives useful and practical information on Programme indicators - their core meaning and possible ways to measure their achievement. On the other hand, the less misunderstanding among applicants under the Second Call for proposals could be explained by the experience gained after implementation of projects under the First Call, because some of the applicants are the same who applied for the Second Call for proposals.
- For some of the **output indicators** the achievement of the target values is below 100 %. The reason for these low achievements could be explained on one hand by the higher targets/higher baseline values, that are set up at programming stage and from the other hand with the few number of applications received for the above specific key areas of intervention (mostly under measures 1.2 and 1.3). For that reasons there is a possible risk for non-achievement of all 2016 targets concerns the abovementioned output indicators. At the same time it should be underlined once again that the current analysis is based on information provided by the applicants in their application forms, which is not very reliable source of information. Misunderstanding by some of the applicants for the essence/core of programme indicators may cause technical mistakes and inaccuracies when preparing their application forms. However, the lower results could be determined as a risk on Programme level - risk of non-fulfillment of the goals of the Programme and mitigation measures should be addressed. Possible mitigation actions could be focused on providing successful implementation of all projects under both priority axes. The exact snapshot of the real achieved programme output and result indicators will be available after examination by the external Consultant for on-going Programme evaluation. If the risk of non-fulfillment of all Programme targets still exists, mitigation measures should be formulated by the Consultant. On the other hand the possible risk should be taken into account in the future when setting programme indicators for the next programming period 2014-2020.
- With regard to the **result indicators**, except for the indicator "Projects actually applied" (49%), within Key area 1.3. "Assistance for Project Preparation" for all other result indicators (under both priority axes) the achievement in percentage is close to or exceed the expected targets 2016. Significant



overachievement is detected for some of the result indicators, mostly under Priority axis 2. As an example could be given the result indicator "Improvement environment for development of relationships across the border" within Key area of intervention 2.1 "Links and networking on the institutional, business and educational levels". The reasons for such results could be explained either by the low targets that are set up at programming stage or by misunderstanding by the applicants about essence/core of the indicators and provision of overestimating values.

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

Recommendations

- Continuous support and assistance to the beneficiaries, selected under the First and Second Call for proposals for achieving all objectives of the Programme. Special attention should be paid to the projects under measure 1.3 "Infrastructural support for the improvement of the economic potential of the co-operation area" under Priority axis 1 "Development of small-scale infrastructure for social and economic networking" and measure 2.1. "Links and networking on the institutional, business and educational levels", under Priority axis 2 "Enhancing capacity for joint planning, problem solving and development". Successful implementation of all projects and fulfillment of all planned project output and result indicators is crucial for achievement of all Programme goals and 2016 targets. Increasing number of information days and trainings for the beneficiaries are possible approaches for it. The scope and content of the trainings sessions/events should be improved, with the purpose of avoiding possible non-fulfillment of planned targets expected projects results.
- Performance of Risk assessment in every three months in order to take timely and adequate measures to mitigate and overcome any shortcomings.
- Following the EC document "Outcome Indicators and Targets – Towards a new system of monitoring and evaluation in EU Cohesion Policy" and the findings from the current examination, it is strongly recommended the outcome (result) targets for the next programming period 2014-2020, to be explicitly linked to the regional policies for sustainable development undertaken and to the outcomes from the projects undertaken within current programming period. On the other hand the Programme indicators for the next programming period, as well as the expected targets should be timed-bound and based on rigorous analytical examination of cross-border needs and challenges. Previous experience and benchmarks, as well as the shortcomings in implementation stage, should be taken into account in defining the expected target values and baseline.