



IPA Cross-border Programme CCI Number 2007CB16IPO007

Preparation of - IPA Cross-border Programme 2014 – 2020

1st Regional Consultative Forum

Discussion of the results from the situation analysis
and the draft of the SWOT analysis

March 2014



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Project name:

**Preparation of IPA Cross-border Programme 2014-2020
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Agenda

- New programming period
- A long term vision for the Cross-border Border Area
Presentation of results of the situation and SWOT/needs analysis
- Strategic framework of the future Cross-border Programme
Presentation of possible thematic priorities and arguments for selection
- Discussion
- Conclusions and next steps



EU legislative package 2014-2020

CBC between MSs and enlargement countries – Principles

- **Single legal base:** IPA II Regulations apply on both sides of the border.
- **Single budget:** ERDF and IPA II funds pooled together (no breakdown per country).
- **Geographical coverage:** NUTS level 3 regions along land borders.
- **Shared management:** Managing authority located in the EU Member State.
- **Implementing Rules:** as in IPA I, closely mirror ETC rules (encompassing more technical details, essential for the day-to-day application of the IPA II Regulation).
- **Co-financing:** The co-financing rate at the level of each priority axis shall not be higher than [85%] of the eligible expenditure of a cooperation programme.



EU legislative package 2014-2020

*EU RULE is to select up to 4
THEMATIC PRIORITIES OUT of 8
(in accordance with art. 31 of draft IPA II Rules of
Application)*

THEMATIC PRIORITIES

(as set in EU IPA II Regulation)

- (1) Promoting **EMPLOYMENT**, labour mobility and **SOCIAL** and **CULTURAL INCLUSION**
- (2) Protecting the **ENVIRONMENT**, promoting **CLIMATE CHANGE** adaptation and mitigation, **RISK PREVENTION** and management
- (3) Promoting **SUSTAINABLE TRANSPORT** and improving **public INFRASTRUCTURES**
- (4) Encouraging **TOURISM** and **CULTURAL** and **NATURAL HERITAGE**
- (5) Investing in **YOUTH**, **EDUCATION** and **SKILLS**
- (6) Promoting **local and regional GOVERNANCE** and enhancing the planning and **administrative CAPACITY** of local and regional authorities
- (7) Enhancing **COMPETITIVENESS**, business environment and the **development of SMEs**, trade and investment
- (8) Strengthening **RESEARCH**, technological development, **INNOVATION** and **ICTs**



Situation and SWOT/needs analysis

Analysis based on the latest available regional strategies.

Core National and Regional Strategies and Programmes

Bulgaria

- National Regional Development Strategy 2012 - 2020
- District Strategy for Regional Development of Blagoevgrad district 2014-2020
- District Strategy for Regional Development of Kyustendil district 2014-2020
- Regional Development Plan of South West Region 2014 – 2020 (NUTSII)

The former Yugoslav Republic of Macedonia

- Strategy for Regional Development 2009-2019
- Programme for Development of the North-Eastern Planning Region 2009-2014
- Programme for Development of the East Planning Region 2009-2013
- Programme for Development of the South-East Planning Region 2009-2013

and on statistical data from BG National Statistical Institute and MK State Statistical Office



CBC Programme area

- Total area: **18 087** m²

MK 47.5%, BG 52.5%

- Total population: **980 375** people

MK 53.8%, BG 46.2%



CBC Programme area

- on Bulgarian side two NUTS III districts - **Blagoevgrad and Kyustendil**, comprising of 23 municipalities, 462 settlements.

District of Blagoevgrad: Bansko, Belica, Blagoevgrad, Gotce Delchev, Garmen, Kresna, Petrich, Razlog, Sandanski, Satovcha, Simitli, Strumiani, Hadjidimovo and Yakoruda;

District of Kyustendil: Bobovdol, Boboshevo, Dupnitsa, Kocherinovo, Kyustendil, Nevestino, Rila, Sapareva Banya and Trekliano.

- on side of the former Yugoslav Republic of Macedonia - **North-East, the East and the South-East** NUTS III statistical regions consisting 27 municipalities, 597 settlements.

North-East region: Kratovo, Kriva Palanka, Rankovce, Kumanovo, Lipkovo and Staro Nagorichane;

South-East region: Valandovo, Gevgelija, Bogdanci, Dojran, Radovish, Konche, Strumica, Bosilovo, Vasilevo and Novo Selo;

East region: Berovo, Pehchevo, Vinica, Kochani, Cheshinovo - Obleshevo, Zrnovci, Probishtip, Shtip, Karbinci, Delchevo and Makedonska Kamenica.



CBC Programme area

CBC programme area and population

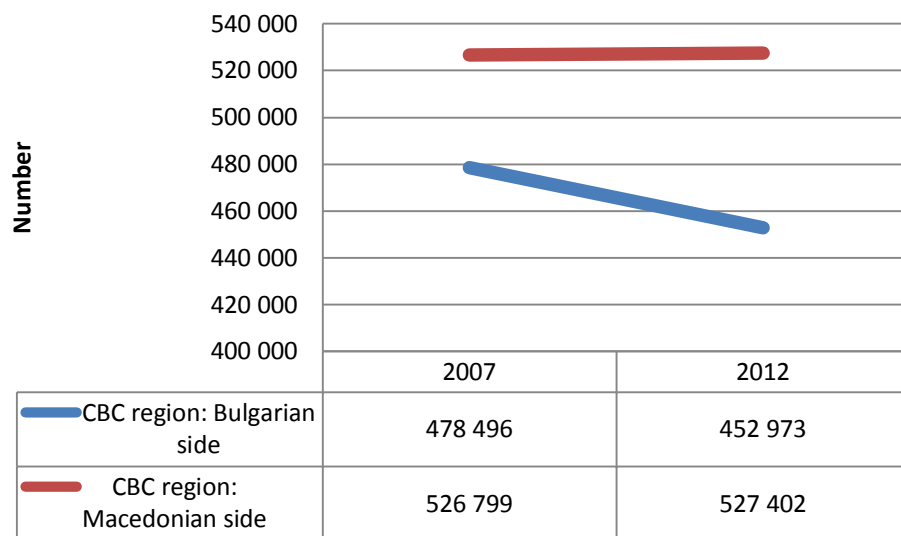
	Area (km ²)	% of total country area	Population (2012)	% of total country population
Republic of Bulgaria	111 001.9		7 284 552	
CBC region: Bulgarian side	9 501.0	8.6%	452 973	6.2%
Blagoevgrad	6 449.5	5.8%	320160	4.4%
Kjuestendil	3 051.5	2.7%	132 813	1.8%
Former Yugoslav Republic of Macedonia	25 713		2 062 294	
CBC region: Macedonian side	8 586	33.4%	527 402	25.6%
East Region	3 537	13.8%	178 551	8.7%
South-East Region	2 739	10.7%	173 291	8.4%
North-East Region	2 310	9.0%	175 560	8.5%
Programme Region Total	18 087	15.1%	980 375	12.5%

Source: Bulgaria-National Statistical Institute; former Yugoslav Republic of Macedonia-State Statistical Office



CBC Programme area: Demography

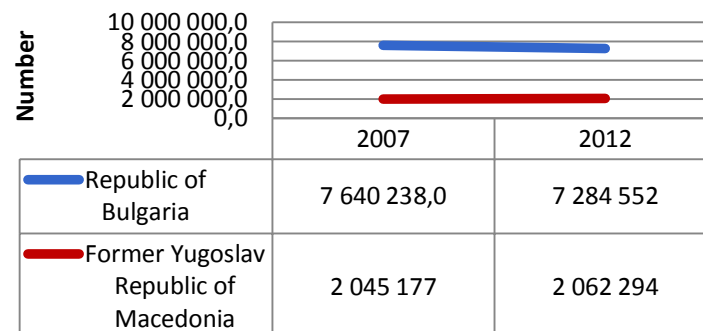
Development of the population 2007 - 2012
CBC region



- Low population density, decreasing birth rates and aging population
- Depopulation extremes, especially in BG

Republic of Bulgaria	-4.66%
CBC region: Bulgarian side	-5.33%
Blagoevgrad	-2.78%
Kyustendil	-10.98%
Former Yugoslav Republic of Macedonia	0.84%
CBC region: Macedonian side	0.11%
East Region	-1.04%
South-East Region	0.61%
North-East Region	0.82%
Programme Region Total	-2.48%
EU - 27	1.08%

Development of the population 2007 - 2012
National level



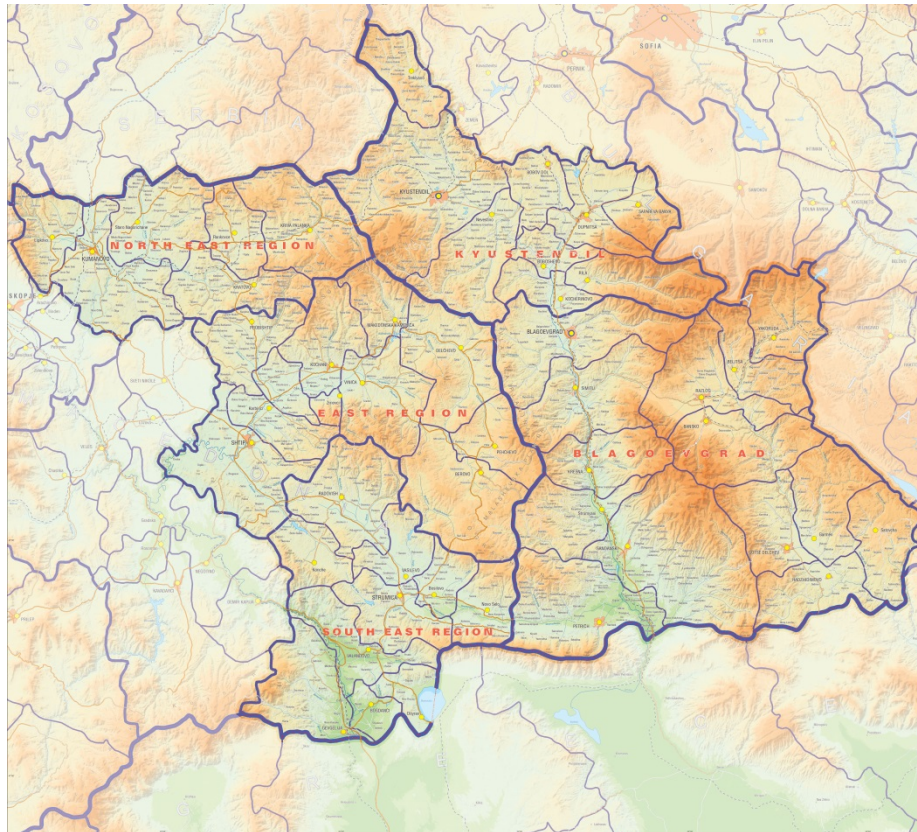
CBC Programme area: Transport and accessibility



- 3 TEN-T corridors cross the region
- Intensive traffic especially on EU transport corridor IV
- Region served mainly by road transport
- No CB railway connection at present
- Transport network oriented to serve national needs
- Poor accessibility in mountainous and rural areas, incl. to tourist sites
- Insufficient public transport systems



CBC Regional resources, environment



Rich and well preserved natural and cultural resources:

- Forest occupy 46.5% of total area
- Fertile, comparatively clean land
- Rich in water resources (rivers, lakes)
- Rich in thermal waters
- Rich historical heritage

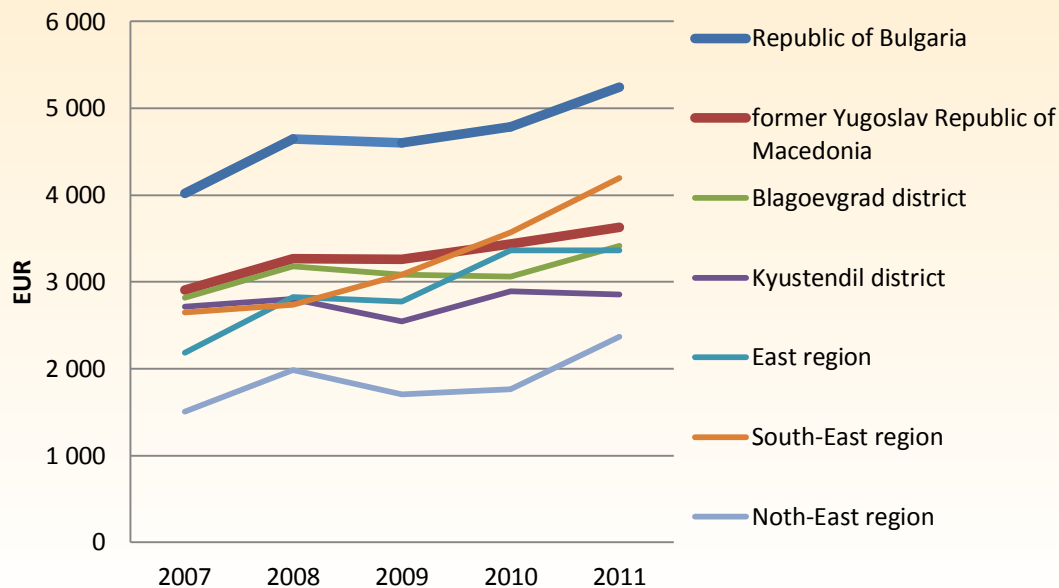
Environment, climate change:

- Polluted rivers
- Low resource efficiency
- Risk of fires, floods, land erosion
- Potential for power generation of RES

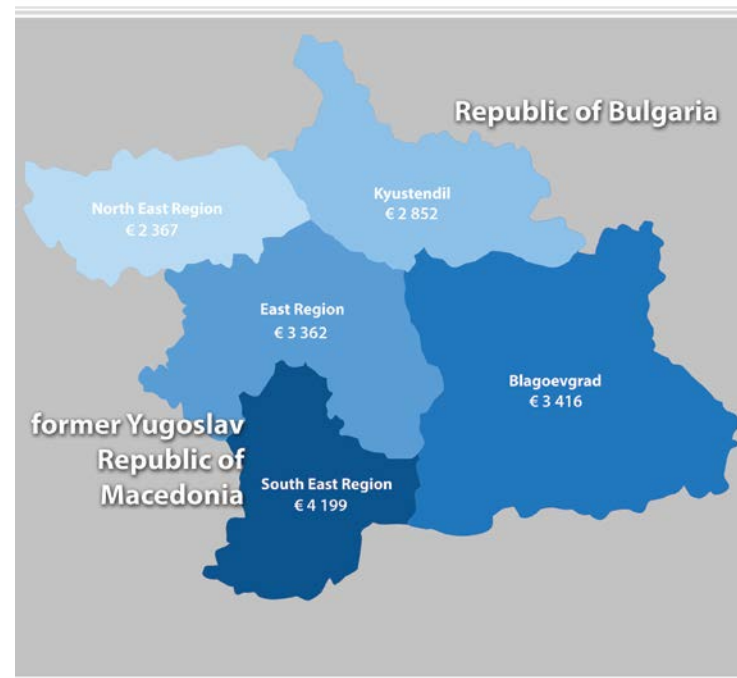


CBC Programme area: Economic overview

GDP per Capita, CBC regions 2007- 2011



- Inter-regional disparities
- Leader: South-East region (MK)
- Poorest: North East region (MK)

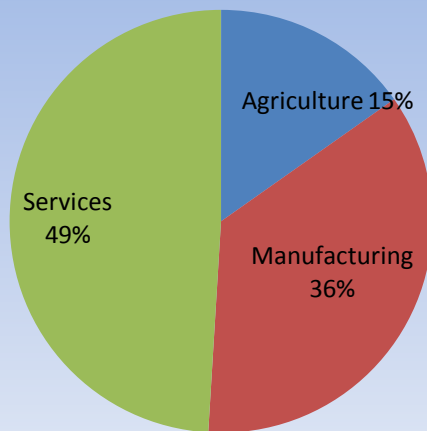


- Much fragmented agricultural land on BG side
- Low added value of products
- Low internationalization of companies
- Low level of FDIs



CBC Programme area: Economic structure

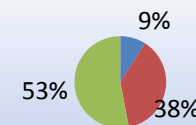
Economic structure by GVA (2011):CBC programme area



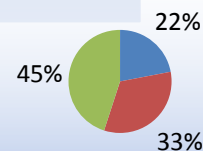
Large share of the agricultural sector, particularly in MK:

- South-East region (MK) – 33%
- Kyustendil district: 5.55%

BG: Blagoevgrad and Kyestendil districts



MK: South-East, East, North-East regions

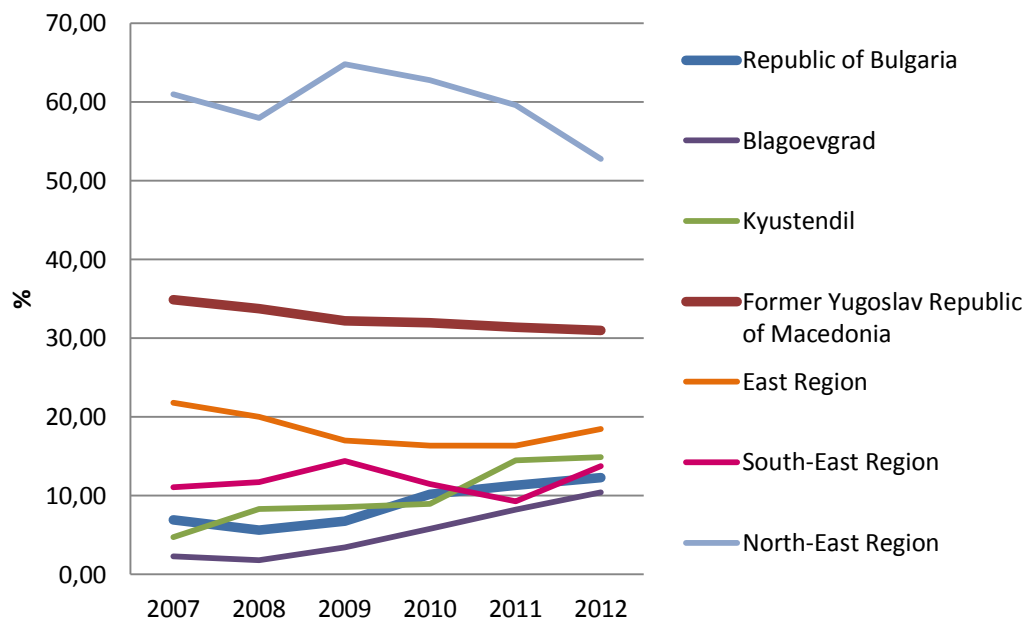


- Industry concentrated in several urban centres
- Regional specialisation in labour intensive industries



CBC Programme area: Labour market, education, social inclusion

Annual unemployment rates, CBC region and national levels

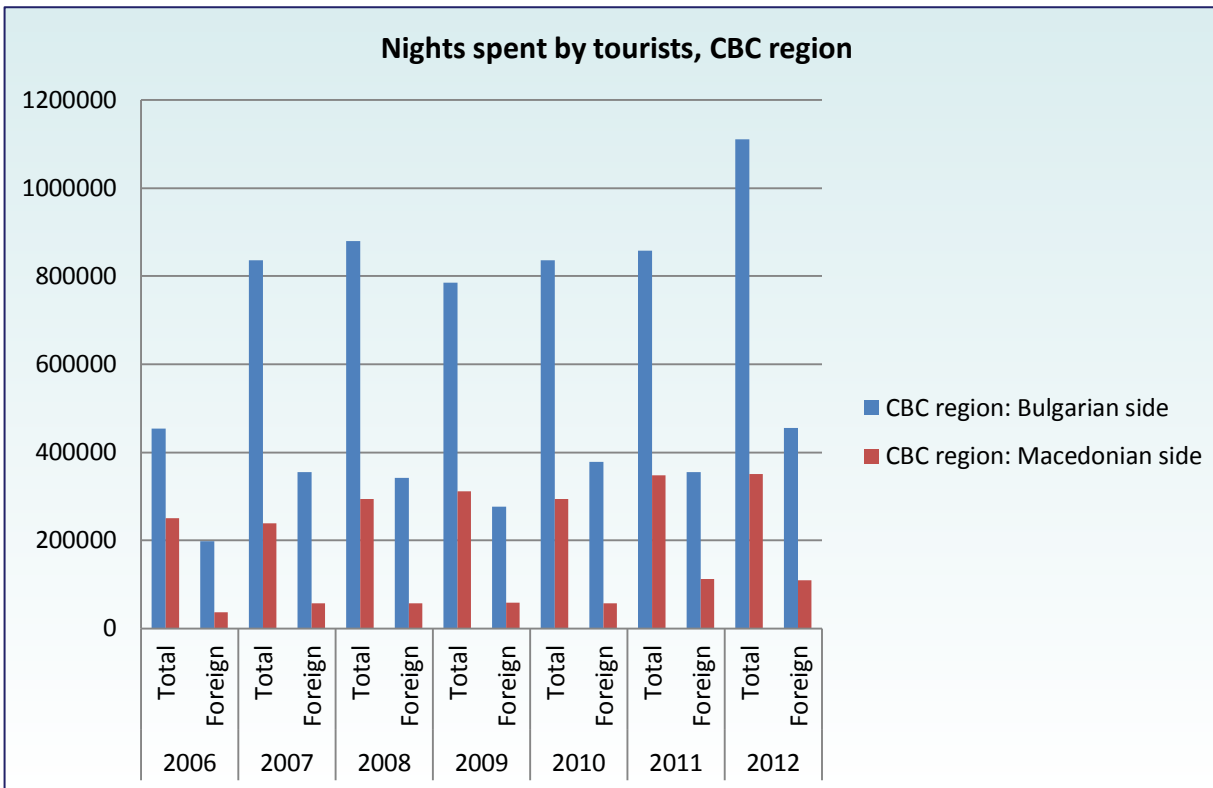


- Regional imbalances, negative trends for the BG part (high unemployment rates)
- High unemployment in rural areas; high youth unemployment
- Low mobility of labour force
- Skills and knowledge in traditional sectors
- High poverty levels in MK (30.4%)
- Hindered access to health services for the people in rural areas (esp. in BG)
- Well developed social services network

- Well established network of educational institutions, incl. Universities
- Education and training do not meet the needs of the economy



CBC Programme area: Tourism and culture

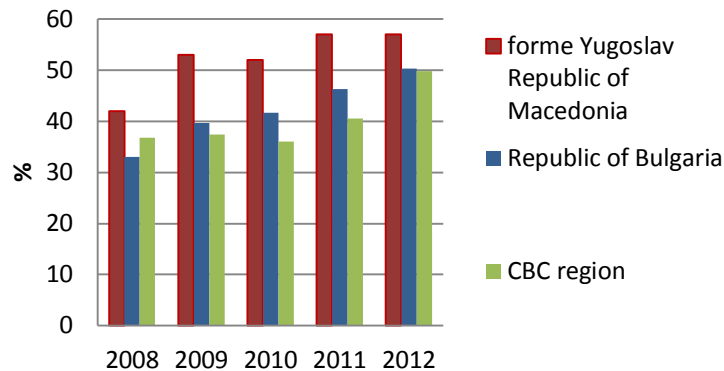


- CBC region has a great tourism potential in various aspects (ski, spa, cultural, eco, etc.)
- Positive growth trends on the BG side; low development on MK side
- Under developed tourist products
- Difficult access to tourist sides
- Need for qualified labour force for the sector



CBC Programme area: Innovations and ICT

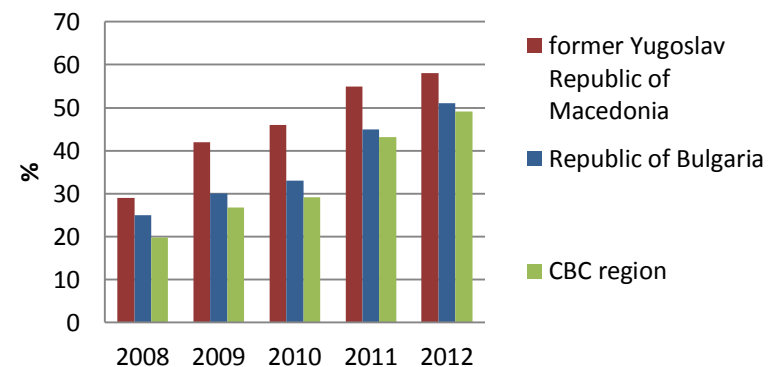
Individuals aged 15/16-74 regularly using Internet - CBC region and national levels, %



- Low ICT usage (49%) – lower than national levels, much lower than in EU-27 (76%)
- Lower usage and hindered access to ICT in rural areas

- Low level of technology development of companies, low capacity for innovation
- Low R&D potential
- Existing good practices for cooperation (clusters) in BG part

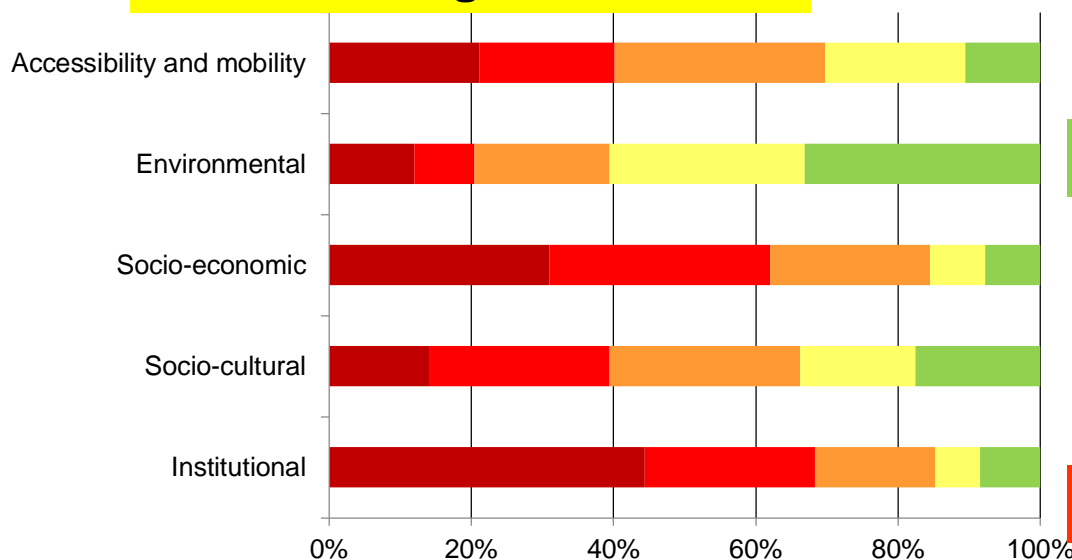
Share of households using Internet - CBC region and national levels, %



on-line survey February 2014

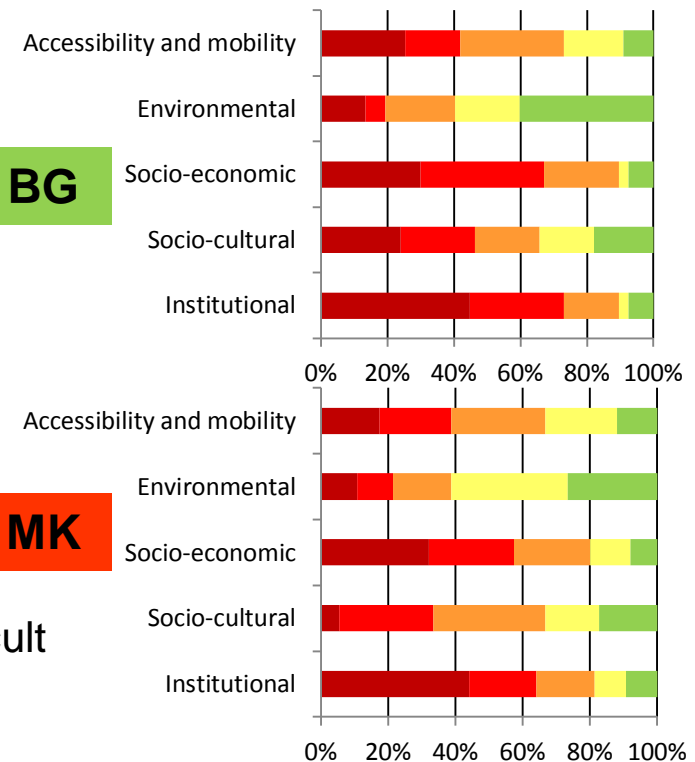
Problems and barriers for cross-border cooperation

CBC Region total



BG

MK



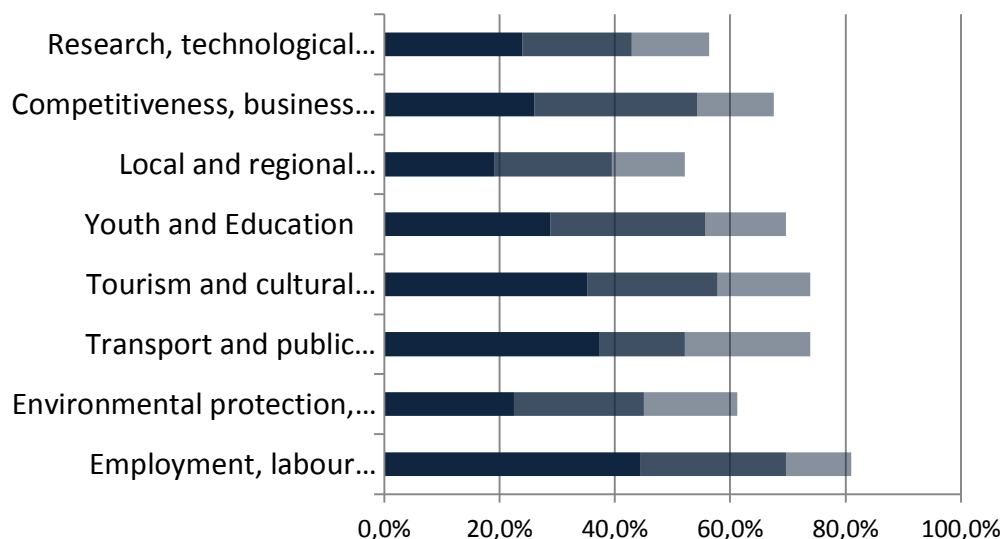
- Institutional barriers, Socio-economic reasons and Difficult accessibility most important
- Similar situation in Bulgaria and the former Yugoslav Republic of Macedonia



on-line survey February 2014

Priority areas for cross-border cooperation

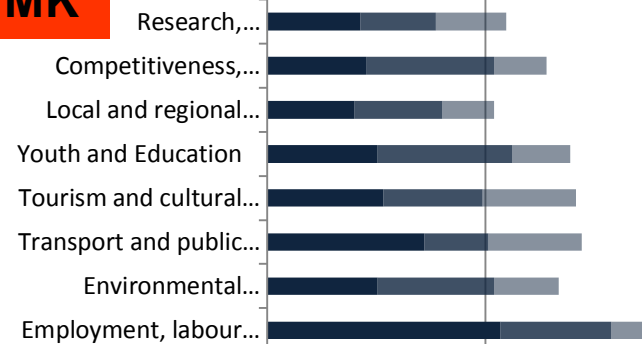
CBC Region total



BG



MK



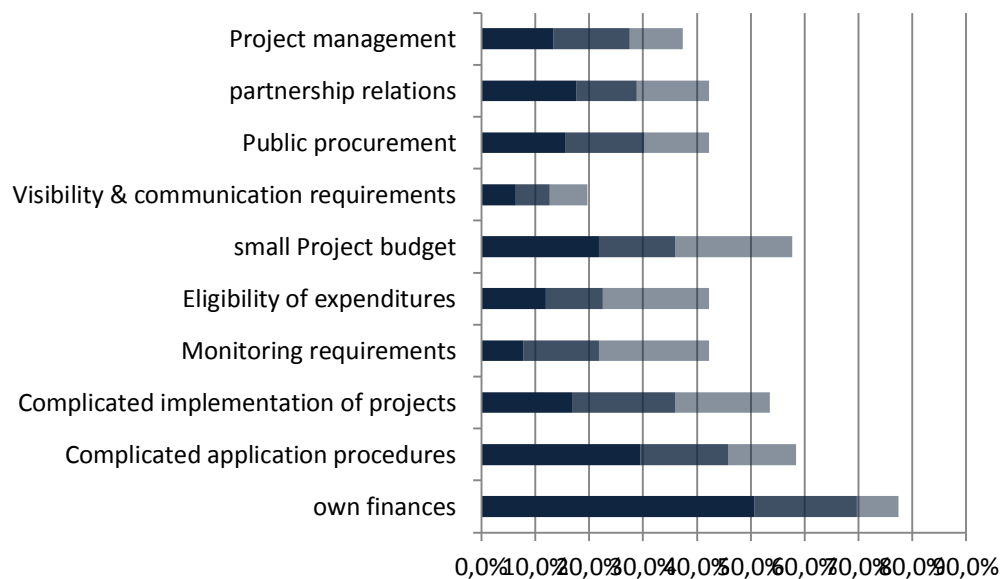
- Employment & labor mobility, Tourism & culture and Transport are most important
- In Bulgaria Tourism & culture are 1st priority



on-line survey February 2014

Problems for cross-border cooperation projects

CBC Region total



Similar situations in BG and MK, but

BG

In BG more problems than in MK with public procurement and finding reliable partners

MK

In MK more problematic than in BG with complicated application and implementation procedures, tight project budgets, eligibility of expenditures and reliable partners



Criteria for choosing the TP

- **Availability of alternative funding:** Likelihood of other funding sources (national, EU, other donors') to be available to support the TP development in the CB eligible area.
- **Importance in national strategies:** The importance of the TP field in the national strategies.
- **Quality of life for the people living in the CB area:** Impact of the TP in order to improve the living conditions of the population residing in the CB area, e.g. access to public services, quality of livelihood/environment, cultural and social aspects, links to urban areas.
- How **relevant** and / or **important** is cross-border cooperation to address this issue?



Criteria for choosing the TP

- **Feasibility of the implementation:** The emphasis rests on technical assumptions such as tender documentation availability, construction permits received, presence of skilful competent applicants in the CB area and the financial envelope available can have a tangible impact on that area too.
- **Trigger for development of other TP:** The implementation of actions under the TP would have multiplier effects on other TPs (e.g. infrastructure - economic development, environment - tourism, etc.)
- **Effect on the CB area/population / added value of the CBC approach:** To which extent is the CBC types of actions more effective and efficient to address the needs of the CB area under the TP compared to other types of programmes?
- **Integration of the CB area:** How well this TP can improve the interaction, relations and collaboration of people and institutions living in the CB area?



THEMATIC PRIORITIES

- T1** Promoting employment, labour mobility and social inclusion
- T2** Protecting the environment and promoting climate change adaptation and risk prevention
- T3** Promoting sustainable transport and improving public infrastructures
- T4** Encouraging tourism and cultural heritage
- T5** Investing in youth and education
- T6** Promoting local and regional governance, planning and administrative capacity building
- T7** Enhancing competitiveness, business and SME development, trade and investment
- T8** Strengthening research, technological development, innovation and ICT

Should this area be a priority for the future CBC Programme?

What do you consider as possible CBC actions / activities / projects that should be realized in this area?



TP 1 - Promoting **employment**, labour mobility and **social and cultural inclusion**

Challenges and needs for cooperation

- joint local employment initiatives, information and advisory services and joint training on topics of mutual interest;
- labour mobility - stimulation and promotion;
- stimulate start up SMEs and self-employment – CBC business incubators, consultancy schemes to support small entrepreneurs in rural areas;
- implementation of local development initiatives and joint structures providing services to create new jobs;
- exchange of experience in the social service sector;
- support to cross-border social enterprises.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 1 - Promoting **employment**, labour mobility and **social and cultural inclusion**

Positive and negative aspects

- + very important priority for both sides
- reasonable projects mainly on national level
- coordination of employment agencies could be covered under TP 6 (governance)

What other arguments you see for selecting this as a priority for the future programme?



TP 2 – Protecting the **environment** and promoting **climate change** adaptation and mitigation, **risk prevention** and management

Challenges and needs for cooperation

- Protection of natural resources and their sustainable utilisation (including improved connection between environment and tourism);
- Cooperation in the areas of risk prevention: flood-protection measures, joint work on prevention and extinguishing of fires;
- Integrated policies and concepts of land and water use management;
- Joint approaches, actions and awareness-raising campaigns on preservation of biodiversity;
- Further implementation of energy efficiency measures with special focus on public buildings;
- Awareness-raising, good practices, exchange of experience, sharing of technologies, training and education on all aspects of environmental protection, RES, energy efficiency, climate change consequences and risk prevention.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 2 – Protecting the **environment** and promoting **climate change** adaptation and mitigation, **risk prevention** and management

Positive and negative aspects

- + common environmental problems for both countries: environmental issues don't stop in front of border, need to be addressed regionally and on cbc level (water, natural protection, fire protection)
- + climate change is very relevant for both sides, EU and national priorities
- + need to raise awareness and measures on climate changes as it have impact on economy and life
- environment is not so high on regional priority lists
- climate change is not so much regional priority
- larger initiatives require bigger budgets and environmental assessment

What other arguments you see for selecting this as a priority for the future programme?



TP 3 – Promoting **sustainable transport** and improving **public infrastructures**

Challenges and needs for cooperation

- Technical conditions of II and III class regional and local roads are not to the desired standard – constant rehabilitation is needed to improve accessibility of peripheral areas (border, rural, mountainous)
- Building of new road sections, improve access to distant areas and tourist sites
- Development of sustainable energy saving transport and communication system is lagging behind. Further mobility management and awareness raising for sustainable transport as “soft measures” can be supported
- Need of more border crossings

Are there changes necessary to these needs (to delete / amend / add something)?



TP 3 – Promoting **sustainable transport** and improving **public infrastructures**

Positive and negative aspects

- + huge need to improve CBC accessibility through improving transport networks
- + transport accessibility is precondition for more intensified cooperation between people
- + transport priorities on national level are limited to the important transregional networks, but in region smaller links are needed
- huge investments needed
- larger transport projects need long preparatory time
- many transport projects would have effect only locally/regionally but lacking cross border dimension
- no joint approach to border crossings in BG and MK; unclear political support

What other arguments you see for selecting this as a priority for the future programme?



TP 4 – Encouraging **tourism** and **cultural** and **natural heritage**

Challenges and needs for cooperation

- Need of improved tourism promotion;
- Protection, promotion, valorisation of cultural heritage;
- Renovation and improved management of touristic sites and facilities;
- Improved access to tourist sites;
- Need of qualified staff for provision of adequate touristic services;
- Joint strategies for development of regional tourist routes;
- Joint initiatives to develop new tourism products;
- Development of alternative forms of tourism / continued improvements (spa, rural/eco, cultural/historical, sport tourism);
- Exchange of experience and best practices in the field of tourism.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 4 – Encouraging **tourism** and **cultural** and **natural heritage**

Positive and negative aspects

- + huge interest in the region
- + high potential (culture, nature) and still deficits for exploitation
- + experience in on-going programme
- + joint topics to address (Tracian, monasteries, ...)
- + positive employment effect: high involvement of young and female population

- imbalances in tourism development BG-MK
- risk of duplicating of actions and interventions
- not relevant for all sub-regions

What other arguments you see for selecting this as a priority for the future programme?



TP 5 – Investing in **youth, education and skills**

Challenges and needs for cooperation

- maintaining direct links with the local business in order to improve the quality of education and training to fully respond to the needs of the economy;
- investment in the education and training of young people;
- improving and adapting the training programmes to the present needs;
- increasing the level of education of the population in the CBC region;
- improve the access to schools and kindergartens for the children living in remote areas;
- improve the educational infrastructure (renovation of buildings and equipment).

Are there changes necessary to these needs (to delete / amend / add something)?



TP 5 – Investing in **youth, education and skills**

Positive and negative aspects

- + common need for youth employment on both sides of the border
- + youth is organised in CSOs and are willing to participate in projects
- Education and youth employment/unemployment is usually solved on national level
- education and training initiatives could be done under tourism, environment and other priorities
- joint sustainable projects is difficult under this priority

What other arguments you see for selecting this as a priority for the future programme?



TP 6 – Promoting **local and regional governance** and enhancing the planning and **administrative capacity** of local and regional authorities

Challenges and needs for cooperation

- Intensifying coordination and cooperation among all regional actors for tackling local and regional development challenges;
- Enhancing professional capacity and motivation of civil servants;
- Improving links between administration, NGO, business and citizens and stimulating stakeholders' participation;
- Implementing public measures for the promotion of the economic potential of the CBC region;
- Strengthening institutional capacity/exchange of experience of public administrations related to implementation of the EU funds;
- Development of mechanisms for provision of cross-border institutional assistance and know-how transfer.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 6 – Promoting **local and regional governance** and enhancing the planning and **administrative capacity** of local and regional authorities

Positive and negative aspects

- + perspectives for joint cooperation, capacity building and exchange of experience in many spheres
- + cross cutting issue for all topics
- only “soft measures” may be implemented

What other arguments you see for selecting this as a priority for the future programme?



TP 7 – Enhancing **competitiveness**, business environment and the **development** of **SMEs**, trade and investment

Challenges and needs for cooperation

- Supporting capacity of SMEs to grow in regional/national/international markets (agricultural markets close to producers, agribusiness centres for better flow of information for new technologies);
- Promoting entrepreneurship and cooperation for exchange of new ideas, skills and technology; fostering the creation of new firms;
- Cooperation and exchange of experience in key development sectors - agriculture, tourism, RES;
- Promoting bio-farming – possibility for diversification of the agricultural activities, especially in areas with a danger of depopulation but with clean and unique nature. Combination with ecotourism;
- Stimulating the creation of CBC clusters for increased competitiveness and sustainable growth of regional SMEs;
- Establishing of industrial parks and renovation of productions zones.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 7 – Enhancing **competitiveness**, business environment and the **development** of **SMEs**, trade and investment

Positive and negative aspects

- + very important to strengthen this sector
- + there is a need to intensify the CBC business contacts
- difficult to bring money directly to companies (no private funding)
- sustainability of newly created structures difficult to maintain
- SMEs usually not very active in such initiatives

What other arguments you see for selecting this as a priority for the future programme?



TP 8 – Strengthening **research**, technological development, **innovation** and **ICTs**

Challenges and needs for cooperation

- Increasing competitiveness of enterprises through building zones for innovations and growth (high-tech parks, innovation and R&D centres);
- Promoting technology transfer on CBC level and from third countries (incl. via cross-border incubators and clusters);
- Creating career centres for qualification of specialists and for stimulating mobility of scientists as part of the European mobility network;
- Establishing public Internet centres in the rural settlements.

Are there changes necessary to these needs (to delete / amend / add something)?



TP 8 – Strengthening **research**, technological development, **innovation** and **ICTs**

Positive and negative aspects

- + national priorities in both countries (and for EC)
- + strong needs to introduce innovations for more competitive regional economy
- not so much regional priority (and potential)
- limited scope for CB cooperation (research and innovation centres are located in capitals)
- cooperation in research is mostly on national level

What other arguments you see for selecting this as a priority for the future programme?



Road map and milestones of the programming process

2013

2014

* The time-line is indicative and it depends on the adoption of the Legal framework by the EC

Sep Oct Nov Dec Jan Feb March April May June July Aug Sep

Drafting the Programme

• 1st Draft of the Programme

Preparation and coordination of the
Pre-agreement

**Ex-ante evaluation
and SEA**

**Final
alignment**

• **Final Draft of the
Programme**

Programme Submission



Disclaimer:

This presentation has been prepared by the programming expert team for information and consultation purposes with regional stakeholders.

This presentation by no means can be considered as official position of the European Commission or the Competent Authorities of Bulgaria and the former Yugoslav Republic of Macedonia,

Sofia / Skopje, February 2014



Thank you for your attention!

