

IPA Cross-border Cooperation Programme Bulgaria – the former Yugoslav Republic of Macedonia 2014-2020



Regional Consultative Forums February / March 2014

REPORT

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Contents:

Background.....	2
Main conclusions	2
Main issues discussed.....	3
Lessons learned from the previous programme.....	3
Conclusions on the discussions of Thematic Priorities	5
TP 1 - Promoting EMPLOYMENT, labour mobility and SOCIAL INCLUSION.....	5
TP 2 - Protecting the ENVIRONMENT and promoting CLIMATE CHANGE adaptation and RISK PREVENTION.....	6
TP 3 - Promoting SUSTAINABLE TRANSPORT and improving public INFRASTRUCTURES .	8
TP 4 - Encouraging TOURISM and CULTURAL HERITAGE	8
TP 5 - Investing in YOUTH and EDUCATION.....	10
TP 6 - Promoting local and regional GOVERNANCE, planning and administrative CAPACITY BUILDING.....	10
TP 7 - Enhancing COMPETITIVENESS, business and SME development, trade and investment	11
TP 8 - Strengthening RESEARCH, technological development, INNOVATION and ICT	12
Annexes:.....	12



Background

In the context of programming the IPA Cross-border Cooperation Programme 2014-2020 between Bulgaria and the former Yugoslav Republic of Macedonia a series of public consultations with relevant stakeholders have been held in the programme region in February and March 2014.

The aim of these consultations was

- to inform regional stakeholders in all 5 program districts (NUTS III Regions) about the ongoing programming process for the IPA II cross-border Programme and the expert findings on regional analysis and identified needs
- to present and discuss a possible prioritisation of Thematic Priorities for the future Cross-border Programme
- to discuss potential actions that may be relevant for addressing the identified needs and challenges in the respective thematic priority areas.

These Regional Consultative Forums were designed as 4 hours interactive information / workshop events for about 40-60 participants. The target groups were representatives from municipalities, regional and national administration / public institutions, regional NGOs, Universities and other relevant institutions in the region.

The following events have been organized:

location	date	Number of participants	men	women
Strumica (MK)	26.02.2014	29	16	13
Stip (MK)	27.02.2014	50	27	23
Kumanovo (MK)	28.02.2014	41	22	19
Kyustendil (BG)	06.03.2014	30	21	9
Blagoevgrad (BG)	07.03.2014	32	17	15

Main conclusions

- ❑ The programming experts in cooperation with representatives of JTS and Managing / National Authorities had properly informed the participants about the frame for the new IPA CBC Programmes and the findings of the analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the region as well as the challenges and needs for further development. The participants discussed and widely supported the findings of the programming team.
- ❑ The participants discussed the main arguments for selecting Thematic Priorities of the future IPA CBC Programme as well as possible actions. (see notes below)
- ❑ The main interests of the participants were manifested for **Thematic Priorities** as follows:

Macedonian side:

TP 2 - Protecting the ENVIRONMENT and promoting CLIMATE CHANGE adaptation and RISK PREVENTION



TP 4 - Encouraging TOURISM and CULTURAL HERITAGE

TP 5 - Investing in YOUTH and EDUCATION

TP 1 - Promoting EMPLOYMENT, labour mobility and SOCIAL INCLUSION and TP 7-
Enhancing COMPETITIVENESS, business and SME development, trade and
investment

Bulgarian side:

Kyustendil: TP4, TP2, TP1, TP7

Blagoevgrad: TP4, TP2, TP7, TP8 (Strengthening RESEARCH, technological
development, INNOVATION and ICT)

Main issues discussed

Lessons learned from the previous programme.

- One of the reasons for successful implementation and big interest for the IPA CBC Programme BG-MK 2007-2013, maybe and the main reason, was coverage of the 15% **co-financing by the Governments**. *Continuation of the principle that Governments supports grant users with coverage of 15% co-financing* was considered crucial also for the next period 2014-2020. Municipalities, NGOs, education institutions still do not have enough financial capacities to cover this co-financing from their own sources (Statement provided by RWF participants and confirmed during all 3 RCF in MK). The question was raised (from MK side) about the initiative for establishment of National fund for supporting grant users for preparatory activities for applications (pre financing) and also co-financing (possibility exist with using Banks which loans are not available for all beneficiary categories).

This issue was also noted in BG, especially Kyustendil. Actually the beneficiaries have the need to communicate their opinion on implementation. They also requested that the advance payment should be increased to more than 20% (now it is 20%).

- Participants requested also to have more concrete **feedback on their unsuccessful project applications** – not only to know the points that were given by the assessors on their project but also why – so that they can improve their proposals next time.
- **Innovation**, even priority in the 2007-2013 CBC programme, only 2 projects were financed. There was *no interest expressed for this priority on Macedonian side and there are not many (even if there are some) potential beneficiaries in the cross-border region*.

This is not the case exactly in Bulgaria. Especially in Blagoevgrad this TP was selected as one of the priority ones.

- **Preparation of technical documentation** was one of the potential activities 1.3 in the 2007-2013 CBC programme, but only 3 projects were financed. *Need for that in the cross-border region, particularly on the MK side still exist in large scale* (lot of funds for regional and local development projects are available in the moment from World Bank and other donors), but this measure is not attractive for municipalities, as final output of this kind of projects is just paper (no tangible output). Public



Enterprises were not much aware about existence of this possibility (to apply for preparation of technical documentation) and even when they new about it they had financial problems with their solvency.

Indeed, in BG was also noted that there was not much interest in this type of projects, but it was also found important; it was even requested that the upper financial grant contribution for such projects should be increased as it was not enough, as well as the maximum duration should be increased to 24 months, as in BG for some projects (e.g. conservation of historical sites, etc.) it can take more time for having all necessary permits and approvals.

- **Infrastructure projects.** *MK participants stated that project duration was too short to complete all required documentation if not prepared already before. Particularly Environmental Assessment for which on BG side about 6 months are needed (much longer in many cases) where preparation period in the project is defined with only 3 months. Size of infrastructure project and its readiness are important to be defined in advance.*

Project preparation should come before, not as part of the project application. BG municipalities have already learned this lesson from the previous programming period.

- In the previous CBC programme there were not **indicators for investment projects**, so what is now evidenced is only number of investment projects. In the next programme some particular indicators need to be identified to measure successfulness of the investment projects.
- **Focus on investments:** The general opinion of BG participants was that the accent in all selected TPs should not be placed on various training, etc but more on investment/infrastructure projects. Tangible results should be seen.
- **20% clause for financing project activities outside the Program region:** Also for the implementation of the future programme it was noted as very important to allow at least 20% of the funding to be for activities which are delivered outside of the programme region if they refer and contribute to achieve the objectives of the project/programme – e.g. participation of fairs and exhibitions outside the programme area, trade missions, investment and promotion campaigns.. Particularly important for actions under TP4 (Tourism and Cultural Heritage) and TP7 (Competitiveness, business and SME development).

Other issues and proposals:

- There was a proposal (both in Blagoevgrad and Kyuestendil) to split the budget of the future programme for municipalities and NGOs.
- to make changes concerning the first-level control system: not to use external, but full-time employed controllers based in the JTS-Kyustendil.
- to increase the role of the Monitoring committee in the approval of project proposals.
- More active involvement of the MK Ministry of Local Self Government in providing relevant information for the programme/application stage/implementation. It was mentioned that in the previous CBC programme for whatever question the



beneficiaries addressed the Ministry they were channelled to the BG Ministry for Regional Development

- Complaint on long administrative procedures for starting EU project (registration, opening account) or particularly on the Secretariat for European Affairs (MK) and their long procedure for registration of the EU projects. A possible solution might be to delegate the mandate for project registration signature to other officer than the Vice-Prime Minister of EU Integration.
- Proposal to organize the second RCF with a strong cross-border character (as people could meet and discussed with their partners), possible location Sandanski (BG)

Conclusions on the discussions of Thematic Priorities

TP 1 - Promoting EMPLOYMENT, labour mobility and SOCIAL INCLUSION

For this priority the participants **in BG** were split – some insisted on it, mainly because if not selected, the social sector will not be supported. But the other part (especially the business representative organisations) argued that employment should not be supported for the sake of it; employment-related initiatives should be better supported under TP7 with the emphasis on their relevance of skills and competences for the business. Other **argument against** was also that there are large national programmes for employment initiatives and trainings.

Arguments “for selection:

- High unemployment; aging population, high % of deprived people (disabled, old, poor..) - arguments according to which the regional analysis noted the importance of this TP for the region
- Possible to achieve long term impact

Note to needs:

If selected, accent should be put on joint employment initiatives, information and advisory services” “joint structures for providing services to create new jobs” and on “start-up business and self-employment schemes.

Mobility was noted as difficult (apart from the people from BG minority living in MK and having BG passports). Inter-regional mobility yes, but cross-border is not really relevant.

Note on one of the needs presented: “start-up SMEs and self-employment...consultancy schemes to support small entrepreneurs in **rural areas**” → not to put the accent here on **rural areas only**.

Possible actions (BG):

- Joint training and initiatives for sustainable social enterprises, creating of new jobs through the creation of social enterprises. (Social enterprises, was pointed an interested topic for CBC cooperation. An example of such cooperation was mentioned)



- Exchange of experience on CB level on development of social services for old people and disabled
- Joint training, joint initiatives in enhancing employment of socially excluded groups (e.g. disabled)
- Developing of seasonal employment networks
- Exchange of experience in the area of employment in tourism
- Promoting of social entrepreneurship
- Enhancing entrepreneurship/stimulating the people from mountain areas to develop tourist activities

In MK it was an important priority for RCF participants: It was usually positioned on 3rd or 4th position. Also it was mentioned that elements from this priority could be covered by TP Competitiveness. Employment is a priority which and currently is supported on national level by different measures promoted by the Government.

Possible actions (MK)

- promoting social enterprises, EU orientated activity, possibility for crafts, food, eco tourism, raising of employment (in MK obstacle could be the non-existence of a law on social enterprises)
- care for the elderly through opening/renovation of old age homes;
- organizing network of youth to help elderly
- joint actions on labour mobility
- activities for promotion small family business, craftsmen, tourism in rural area

TP 2 - Protecting the ENVIRONMENT and promoting CLIMATE CHANGE adaptation and RISK PREVENTION

Most of the **MK RCF participants** agree that this should be 1st or 2nd priority in the next CBC BG-MK programme, as it is on national and regional Sector/Plan/Strategy agenda and priority, where neither central neither local governments have enough finances to implement what planned.

Of course not big projects could be implemented here, but awareness, small investment projects, energy efficiency, joint resource management, risk prevention, collector systems, small landfills, cultivation/resolving sites with illegal dumps, selection of waste, recycling of waste, youth engagement in activities for cleaning nature/schools/public areas, prevention of natural and biodiversity could be potential actions.

As environment is most important for our living and as environment degradation continues, this priority should continue in the next period. Weakness in MK is that environment protection laws exist, but they are not implemented properly and laws are not valid for each polluter (particularly mine lobby is very strong). Environment is cross cutting issue and could be as a must sub-activity under all other TP.

Possible actions (MK)

- joint management of river Struma - pollution is a joint problem, in recent time joint (BG-MK) meetings were organized on this subject, but on national level;
- Bogdanci anaerobic waste water treatment station;



- Ongoing CBC BG-MK project on Study for RES capacities in South-East (MK)/South-West (BG) regions (solar, wind, bio, thermal water etc....) will recommend a lot of small investments in RES as potential activities for the next programme;
- small investments in solar panels, high voltage systems, energy efficiency renovation of public buildings/schools/kindergartens. Very good experience through implemented CBC BG-MK projects, effects already visible in the first year of use these systems (30% savings of energy). When investment projects are implemented, they are accompanied with soft measures, which in the previous program projects show very good results, particularly for schools and kindergartens where soft measures were raising youth awareness.
- raising awareness on pollution and waste with the youngest generation (starting from kindergarten and primary schools)
- green project-selection of waste in houses (it could be combined with tourism, employment projects also)
- project for certifying and issuing eco-label

In both BG RCFs this priority was not selected as No1 at first. Many problems were commented, mainly as obstacle to realize investment projects here (e.g. ownership of land and forests, long duration of project preparation if they require environmental assessment, large investment needed for reasonable projects, lack of competence of the regional stakeholders to realize such investment projects). BUT: both groups finally concluded that this TP should be selected due to its importance for the CBC area and because practically almost all type of regional actors can initiate projects in this field (municipalities, NGOs, schools, public institutions, etc.)

All needs identified in the analysis were considered as relevant. Additional need for actions: to protect the species which are threatened with extinction. Also to add risks of earthquakes (Pehchevo).

Additionally it was noted that: it is necessary that the envisaged impacts from the interventions in this sphere should be precisely defined

More argument “for” selection:

- the great biodiversity of the region;
- two economic sectors of primary importance to the region shall be particularly affected by climate change – tourism and agriculture;
- the region’s environment may not be very much polluted at present, but potential future problems shall not be underestimated

Possible Actions (BG):

- Soft measures – education on the subject for young people; joint training on environmental protection
- Actions to prevent the consequences of climate change based on developed climate models
- Early warning systems for prevention of flood; fires
- Intelligent management of street-lighting



- Cleaning of river beds

TP 3 - Promoting SUSTAINABLE TRANSPORT and improving public INFRASTRUCTURES

Important priority but available funds are too small for important/impact investment projects.

Possible actions (MK)

- Small scale projects could be financed, as access roads to touristic sites (few km), to some villages, schools, bicycle trails in the towns....

Not selected, mainly due to the fact that the size of the investments needed is large, while the programme budget is limited. However the big need has been noted – the good road infrastructure shall contribute to CB cooperation (will make it more mobile and sustainable).

I was also considered important to think about public transport and “soft measures” in this respect – improving transport schemes, introducing public information platforms, etc. ..., but no interest was shown in this respect.

Note to needs:

Concerning the state of the roads: it was noted that comments on IV class roads (currently only II and III class roads are mentioned) as these are mainly the municipal roads (access to smaller sites)

As to the new cross-border crossing points: there was not a clear picture. On the one hand there was the opinion that new ones are not needed and it would be better to add needs for renovation of the existing ones; they do not see BCPs as an obstacle for CBC relations. However, there was the opposite opinion as well.

Argument “against” a selection:

Sustainable transport is a priority on national level and other finances, not CBC funds should be used

TP 4 - Encouraging TOURISM and CULTURAL HERITAGE

Almost all **MK RCF participants** agree that this should be 1st or 2nd priority in the next CBC BG-MK programme, as through tourism economy in general, SMEs, employment, education, youth, women, rural and many others will have benefits/ priority, will have impact. With more funds for development of the rural tourism, employment could be increased with measurable indicator.

Possible actions (MK)

- stimulation of small hotels/guest houses (even this is already covered by IPARD-rural development); development/establishment SMEs connecting tradition + culture;



- construction of bicycle/eco trails (for people with disabilities besides general accessibility)-problem in this projects is sustainability; Museum management, interesting for tourists exhibitions-exchange experience with BG partners; Archaeology excavation projects not possible as project implementation exactly defined but archaeological sites protection is possible project activities;
- support to information products, opening info points
 - construction of bicycles paths
 - stimulation on-line services (on-line hotel reservation)
 - education/trainings for employees in tourism for better services (touristic agencies, restaurants)
 - stimulation of the categorization of rooms/guest houses/hotels
 - support routes for monastery tourism

In BG this was the number 1 priority for both RCF groups. Pointed as the one with a clear impact on CB cooperation and direct and indirect impacts on the integration of the area and improving the quality of life.

A big accent on cultural tourism was put, though all participants agree that practically all forms of tourism can be developed in the region. Tourism can be a possible answer to the socio-economic problems of the region and can generate income for the local population, thus generate further economic growth.

Also an accent on the link between tourism and environment was put – sustainable tourism development – noted by many of the participants

Notes on needs:

- Joint strategies to develop regional CROSS-BORDER tourist routes
- Development of COMPLEX tourist products - as a sustainable result
- Need to support archeological research
- Need to develop the tourist infrastructure

Notes on arguments:

There was a comment on one of the presented arguments “against” – programming experts say that this TP is not relevant for all geographic sub-regions. Participants do not agree with that – they think that for cultural tourism for example there is potential in all regions.

Possible actions (BG):

- As priority activities to include preparation of technical/investment projects for conservation of cultural and archeological sites, for valorization of “invisible” cultural values.
- Development of CB tourist routes and packages for exchange of tourists between the two countries.
- Organizing of joint tourist camps for children and youth in the CBC region
- Establishing and sustaining of CB tourism clusters



TP 5 - Investing in YOUTH and EDUCATION

On BG side this area was noted as interesting; quite some initiatives have been realized in the previous programming period especially for youth. It was noted that there is a strong misbalance between education and business. However, it was not selected in BG as a priority theme. Education is too much focused on national level. However, the idea is to realize such activities under the other selected TPs (e.g. TPs 2,4,7,8), especially for youth. For example as an activity “CBC internship training in companies” – can be realized under TP7.

Needs:

Investments in youth mobility (employment, educational) focused on the life-long-learning concept and sustainable development

Possible actions (BG):

- Exchange of educational initiatives in a CBC context
- Training on youth entrepreneurship and innovations

For MK it was considered an important priority as youth and education are the bases for better future (usually placed at 3rd priority position). Participants see the need for opening Centres for prolonged and lifelong learning (1 in East and North-East region and 1 in South-East region) and formal and informal education for target groups

Possible actions (MK)

- creation network of not employed youth, forums for job founding, start up own business, exchange ideas;
- additional to the regular primary and secondary schools, expansion of youth activities through additional engagements in specific schools for music, entrepreneurship, philosophy, sports, matches, competitions in different disciplines, exchange experience with youth from other towns and abroad;
- creation networks between some particular category of population (example-with high education) and potential employers; fairs for new jobs.
- informal education for youth
- workshops for talented children
- Empowerment of youth for employment ITC/internet skills
- gathering of young people from the cross-border region, activities in the youth centers, joint activities through culture and tradition events
- empowerment practical work experience for youth, in SMSs, institutions, schools, universities
- project for youth inclusion in social life, exchange good practices

TP 6 - Promoting local and regional GOVERNANCE, planning and administrative CAPACITY BUILDING

In BG this was definitely not selected; In Kyustendil participants did not even like to comment on it.



Main argument is that in BG there is a big national programme focused on it (e.g. “Good Governance”). Also this TP narrows the type of regional actors which can benefit from it.

Results relevant to this priority can be achieved under other priorities, too.

In Blagoevgrad there was a representative of the Regional Directorate of the Agency on Food Safety. A written statement was provided expressing their opinion on the programme. Of course, they insist on measures related to food safety; they note that investments in veterinary, phito-sanitary and border control are needed; both countries need investments for modernization of the buildings, equipment and methods for performing the relevant food safety analyses.

In MK there is an ongoing GIZ project (2008-2014) on local/regional governance and administrative building. Through these project 900 administrative servants were trained on different subjects and about 100 have visiting trainings in German institutions also. ZELS, association of municipalities in MK is closely involved in this project. According RCF participants (Stip) in MK still needs exist concerning public administration training, efficiency, communication, exchange experience and information's. Citizens need to have better services. Municipalities (mayors) are not seeing this TP as priority as lot of trainings already were delivered (and still are ongoing) to the administration. Other reason for not attractiveness of this TP is that projects with trainings do not have visible results, whereas small infrastructure projects generate very visible results .

TP 7 - Enhancing COMPETITIVENESS, business and SME development, trade and investment

In BG this was selected as an important TP for the next programme in both Blagoevgrad and Kyuestendil.

Additional Needs:

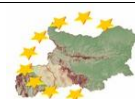
To the identified need “Cooperation and exchange of experience in key development sectors” to add also in the “sphere of food safety” as it is relevant for the CBC trade (MK still needs to apply this EU legislation)

Possible actions (BG)

- Joint participation in fairs and exhibitions, business missions abroad
- Joint trainings related for improving the skills of employees to meet the requirements of the employees
- Development of new modern production zones (planning and infrastructure)
- Young people from both sides to work together in technological parks on creating of joint product (youth entrepreneurship) – relevant also to TP6

The idea of the participants is to add actions here related to start-up and self-employment measures if TP1 is not selected.

In MK this was an important priority for most of the RCF participants (usually at 4 positions) as economy drives development. On the MK side positive experience and practical examples exist in the last 8 years CBC projects. Threat: on MK side there are not much, in number, eligible beneficiaries.



Potential activities (MK):

- cooperation between the SMEs from the two sides of border
- establishment of business incubators, business centers for support and development of the Programmes for SMEs

TP 8 - Strengthening RESEARCH, technological development, INNOVATION and ICT

Selected in Blagoevgrad, not selected in Kyustendil. In Kyustendil the conclusion was that ICT can be more used as an instrument for interventions in other sectors, not to be a priority itself.

In Blagoevgrad there was a real interest to this priority, they argue that in MK region there is a real need to even only talk about (promote) these issues

Possible activities (BG) :

- Exchange of innovations on a CB level
- Stimulating the use of ICT in the educational sector and in public sector as a whole (need for MK particularly); training of teachers, students, other groups.
- Development of joint Internet-based platforms for training and education in specific spheres (green-business, tourism development, etc.)

In MK, according the RCF participants this priority could be easily incorporated in youth and education. Also other EU programmes support innovation (FP7 and others) where very low interest from MK side is shown up to now.

Possible actions (MK)

- Workshops on research/innovation/ITC for youth with professionals and organization of competitions on local/regional and cross-border level.

Annexes:

Presentations and hand-out materials

