Subject: Joint Working Group for preparation of CBC Programme between Republic of Bulgaria-Republic of North Macedonia 2021-2027-written consultation for approval of the Programme’s Intervention Logic.

DEAR LADIES AND GENTLEMEN,

On behalf of the National Association of Municipalities in the Republic of Bulgaria, below are some comments and observations on the Programme’s Intervention Logic Draft, provided via e-mail on September 9th to the Joint Working Group for preparation of CBC Programme between Republic of Bulgaria-Republic of North Macedonia 2021-2027.

The detailed theoretical justifications and explanations for the choice of the political and specific objectives to which the future program is proposed to contribute, should be positively assessed. With regard to them, the following principled and practical comments and remarks, should be observed:

1. Contribution of the future program to PO 1: From one side, SMEs undoubtedly have significant role in the competitiveness of the cross-border region, and hence in general for its integrated territorial development. From the other point of view, as stated in the draft document, the future program is expected to have a budget smaller than the modest one of EUR 19.5 million of the present CBC program. In order to ensure the real integrated territorial development of the border region, which cannot take place without business and to better focus the future program funds, it would be more appropriate to plan SMEs support under PO 5, if the decision to contribute to it is taken;
2. Contribution of the future program to PO 5: The proposed objective is reasonable and in-line with the logic of the new Bulgarian approach for regional development, to be applied in the next programming period 2021-2027. However, taking into account:

- The insufficient experience in cross-border integrated territorial development at European level, especially at the Union external borders;
- The on-going structuring of the approach in Bulgaria, showing the process is a time-consuming;
- The lack of readiness of the integrated territorial strategy, including any clarity about the territorial structure responsible for it, the time needed for its development and the provision of resources for this;
- The necessity of coordination of several territorial strategies on the Bulgarian territory of the border region at different NUTS levels for: integrated urban development (Blagoevgrad municipality); integrated territorial development (municipalities: Petrich, Sandanski, Dupnitsa, Kyustendil); territorial plan under the Just Transition Fund (Kyustendil); possible similar territorial strategies for the border region with the Republic of Serbia (Kyustendil district covered) and with Greece (Blagoevgrad district within);
- The small-scale financial resources for the implementation of the integrated territorial approach - according to preliminary calculations below EUR 9 million, incommensurable with the additional administrative burden accompanying the structuring of the territorial approach;
- The risk of overall delay in the start of the new program, due to the time needed for the Strategy development in the conditions of the n + 2 rule.

It is necessary further and thoroughly consider and justify the contribution of the future program to the chosen political objective 5. It also should be noted, that the Letters of support for the Bulgarian applicants of the future program, from the relevant Regional Development Council, are sufficient guarantee for the compliance of their projects with the relevant territorial strategy, the basis for the implementation of integrated territorial development in Bulgaria. As the proposed integrated development approach has an indisputable contribution to the territories, its implementation could be envisaged after sufficient experience at national level is on hand, post 2027.

3. Contribution of the future program to ISO 2: According to the current draft of the Interreg Regulation, 15% of the ERDF support can be directed to one of the two specific objectives - ie. about EUR 3 million. Even if the amount is doubled in the final Regulation (EUR 6 million), it would be too ambitious to consider that with these funds will be possible to: build a new road connection to the border checkpoint on Bulgarian territory (unclear how many
km); rehabilitate the existing road connection on the territory of Northern Macedonia (unclear how many km); build, equip and furnish the border checkpoint on Bulgarian territory and respectively rehabilitate, equip and furnish the one on the territory of Northern Macedonia. In this regard, in order not to jeopardize the future program and to implement the border link agreed more than 20 years ago, it will be necessary to clarify the necessary resources for it, as well as to commit the additional national funding.

In conclusion, in order to ensure the efficient use of the modest program resource, if the too risky decision to contribute to the PO 5 is taken, clear and not additional administrative burdening mechanism should be established for the implementation of its future interventions in coordination and complementarity with the pointed above territorial strategies, Bulgarian national programs for the next programming period 2021-2027, including the programs for cooperation with Serbia and Greece.

We believe that further justifications and information on the comments and remarks posted, will be provided, in order to assist the JWG to take the most favourable and reasonable decision on the Programme’s Intervention Logic.

With regards,

Silvia Georgieva
NAMRB Executive Director