



BULGARIA – ROMANIA

PHARE CBC

Joint Programming Document

2003 – 2006

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EXECUTIVE SUMMARY.

Purpose of the Joint Programming Document.

The Joint Programming Document (JPD) is a key feature of the Phare CBC Programme. It brings Phare CBC closer to the INTERREG procedures and it introduces a joint approach to regional co-operation and project selection for the CBC programmes. It also serves to provide advance information to the EU Commission on the Priorities and Measures on which the funding allocated for Phare CBC will be spent in the coming four-year period.

Although the programming and approval of the CBC Projects is carried out on an annual basis, the JPD adds a multi-annual perspective to the programme.

The allocations of funds between the various priorities, as shown in the JPD, are only indicative and these can be changed any year by approval of the Joint Co-operation Committee (JCC). The proposed Priorities and Measures can also be changed during the currency of this JPD following approval of the JCC.

Cross-border and Bottom-up approach in preparation of the JPD

The preparation phase of the JPD involved local and regional working group meetings in both Bulgarian and Romanian border regions as well as a joint Cross Border Working Group meeting and consultations between the Ministry of Regional Development and Public Works in Bulgaria and the Ministry of Development and Prognosis in Romania.

Overview of the Joint Border Region.

The border stretches for 609 km of which 470 km is composed of the Danube River which is longer than any international border within the EU except that between Spain and Portugal. The border region is bounded in the West by the Serbian Border and in the East by the Black Sea. Adjacent to the border region is Bucharest, the capital of Romania.

Being in the Danube Basin, the land is generally fertile thereby giving great opportunities for both intensive and extensive agricultural development and proximity to the Black Sea, a traditional holiday destination, provides potential for Tourism Development. There are unemployment "black spots" in the border region and the promotion of industry and tourism are seen as key features for the future development of the Region.

The border region is traversed by three Pan European Transport Corridors (PETCs) Germany - Turkey, Finland - Greece and the Danube River but elements of all of them do not meet EU standards. There is one international trans-Danubian road and rail-bridge at Ruse - Giurgiu and a number of international ferry boat crossings and, in addition, there are three international terrestrial border crossings where there is a land border in the Eastern part of the border.

The major access roads to the border are reasonably well developed although there is a lack of motor-way style roads but the horizontal road network (along the Danube) are not well maintained and are in need of much renovation and reconstruction. The railways are also lacking in investment and transport on the Danube has been hampered in recent years by the destruction of the bridge at Novi Sad in Serbia.

Funding available for Bulgaria / Romania CBC In the up-coming four years.

Details of the available funding are shown in Table 10.

Responsible Implementation Institutions.

The Contracting Authorities in the two countries for Phare CBC programmes are:

Bulgaria:

Ministry of Regional Development and Public Works,
17-19 Sts. Kyril & Methodi Street, 1202 Sofia.

Romania:

Ministry of Development and Prognosis,
2-4, Cristian Popisteanu Street,
70109, Bucharest 1.

1. INTRODUCTION

1. *The Phare Cross Border Co-operation Programme*

The Phare CBC Programme was established in 1994 and was directed at promoting cooperation between regions on the external borders of the EU with adjoining regions in Phare countries.

The 1998 EC Regulations governing Phare CBC Programme (EC No. 2760/1998) set out the framework within which these programmes will operate. The priorities identified in the Accession Partnership and the National Plan for the Adoption of the Acquis (NPAA) as well as the provisions of the Preliminary National Development Plans are to be taken into account in drawing up a Joint Planning Document (JPD) and in identifying projects to be funded under the CBC Programme.

The aims of the projects funded under the Phare CBC are:

- To promote co-operation of border regions in countries in Central and Eastern Europe with adjacent regions in a neighbouring country as defined in Article 1 and thus to help the border regions in Central and Eastern Europe to overcome the specific development problems which may arise, inter alia, from their position within the national economies, in the interest of the local population and in a manner compatible with the protection of the environment;
- To promote the creation and the development of cooperation networks on either side of the border and the establishment of links between these networks and wider Community networks.

In the border regions the projects to be included in the cross-border cooperation programme can take the form of:

- Projects linked with measures that are supported by INTERREG or by other Community external assistance programmes;
- Projects agreed by the countries concerned, that have a cross-border impact, contribute to the development of structures in border regions and facilitate cooperation between the countries as a whole.

The actions that can be financed under this programme could include (as per Article 5.1 below):

- a) Alleviation of the administrative and institutional obstacles to the free flow of persons, products or services across the border while taking into account the security aspects of such flows;
- b) Improving infrastructures, in particular communication facilities and the provision of local water, gas and electricity supplies, providing benefits across border areas;
- c) Environmental protection, for instance waste management, environmental management and pollution prevention dealing with problems exacerbated by the proximity to external borders;
- d) Agricultural and rural development measures with particular attention for facilitating cross-border cooperation projects;
- e) Measures in the fields of energy and transport, aimed at complementing the development of trans-European networks in accordance with the orientations adopted by the Commission;
- f) Actions related to justice and home affairs Community policy;
- g) Promotion of business cooperation, enterprise development, financial cooperation and cooperation between institutions representing the business sector (e.g. chambers of commerce);
- h) Aid to investment and provision of supporting services and facilities, in particular for technology transfer and for marketing for small and medium-sized enterprises;
- i) Training and employment measures;

- j) Local economic development, including tourism;
- k) Measures to promote cooperation in health, particularly the sharing of resources and facilities on a cross-border basis;
- l) The development or establishment of facilities and resources to improve the flow of information and communications between border regions, including support for cross-border radio, television, newspapers and other media;
- m) Cultural exchanges;
- n) Local employment, education and training initiatives.

The EC Regulation above-mentioned has been amended by Commission Regulation (EC) No. 1596/2002 (September 2002) that seeks to realign the CBC programmes more towards INTERREG. The new Regulation aims to:

- Align the PHARE CBC programme more with the INTERREG Programme by emphasising *“a more programme oriented approach”* and with projects of similar size to those permitted under INTERREG.
- Align the suggested list of Priorities and Measures with those set out in Section 11 of the EC Communication on INTERREG dated 28th April, 2000 and as set out in more detail in Annex II to the same document.
- Remove the restriction set out in Section 5.1 of the 1998 Regulation whereby certain activities such as local economic activity and tourism, cooperation in cross-border health arrangements, information exchange across the border via TV, radio and other media, cultural exchanges and local employment, education and training measures could only be dealt with under a Joint Small Projects Fund. Such activities can now be dealt with also under mainstream CBC Projects.

With a view to encouraging joint small scale actions involving local actors from the border regions and to enhancing their capabilities to identify, develop and implement such actions, a joint small project fund has been established in each border region, for which a limited percentage of the appropriations for the relevant programmes and initiatives for cross-border cooperation may be used (up to 10% of the total funds made available/country, on an annual basis).

Special attention will be given to measures with a strong cross-border cooperation character which are planned in close cooperation with the regional and local authorities in border areas and which include the establishment or development of shared management structures intended to widen and deepen cross-border cooperation between public and para-public agencies as well as non-profit organisations.

The establishment of plans for the development of border regions, project identification and programme formulation, feasibility studies, assistance for the implementation of the programmes and monitoring and / or evaluation studies, may also be financed.

Aims of the Joint Programming Document are:

To achieve a common understanding on the mid-term development vision and development objectives of the joint border area, as well as a mutually agreed path on how these objectives are to be achieved (priorities, linkages);

To provide a common framework for future project selection in the period 2003-2006 by the respective authorities responsible for the implementation of the Phare CBC programmes.

To provide a tool for the identification of actions necessary either for the development of projects to be undertaken within the programme or of complementary actions to be pursued outside of them.

In developing the strategy in the JPD every effort has been made to ensure that:

Actions taken under Phare CBC will be integrated into the wider framework of regional development policy (As laid down in the Bulgarian and Romanian National Development Plans);

Co-ordination and complementarity's with mainstream pre-accession aid (Phare, ISPA, SAPARD) to be ensured.

Section 2 aims to marshal all the available official data from administrative and primary research. The qualitative or sector / topic specific evidence gathered for parts of the cross-border area sheds insights on, or may be capable of being extrapolated across all or parts of the region.

In so doing, the purpose is to provide the evidence and analytical input into the plan formulation as one contribution to the formulation of a strategic and programming approach to the application of CBC funds to Romanian – Bulgarian Cross Border Region. The realities of the geographic nature of the CBC region in relation to the data sources need to be counterpoised with several other inputs to programme formulation, not least of which are:

- Lessons learned from previous CBC projects;
- Regulations relating to CBC funds;
- Domestic policy contexts at national, regional and local levels;
- Sector based inputs, aspirations and resolution of these;
- Ability to co-finance CBC fund interventions.

Quantitative and qualitative economic analysis is not the sole determinant of strategic choices of what to include or exclude in the plan. It is, however, a very material consideration, taken seriously to provide the current situation of where the CBC region *is* in terms of conditions and circumstances to where it *wants* to be by the end of the plan and how CBC funds can be deployed strategically to assist with interventions which help achieve this situation. The documents taken into account when preparing the JPD are shown in **Annex 7**.

2. DESCRIPTION OF THE PROGRAMMING AREA

2.1 Geographic features

2.1.1 The Border Region

The programming area dealt with in this document comprises all the Bulgarian districts and Romanian counties along the border. The Bulgarian border region is made up of eight districts (NUTS III): Vidin, Vratsa and Montana, constituting the North West Region (NWR Bulgaria); Veliko Tarnovo, Plevan and Ruse, forming part of the North Central Region (NCR Bulgaria); and Dobrich and Silistra, representing the North East Region (NER Bulgaria). The Romanian border region is comprised of seven counties (NUTS III): Mehedinti, Dolj and Olt, constituting the South West Development Region (Oltenia) (SWDR Romania); Teleorman, Giurgiu and Calarasi, forming part of the South Development Region (Muntenia) (SDR Romania); and Constanta representing the South East Development Region (SEDR Romania). The area is shown in Map No. 1 below.

Table 1: The Bulgarian/Romanian border region – regional survey, 2000 figures

	Bulgarian	Romania	Programming Area
1. Area (in km²)	29,960	39,380	69,340
2. Inhabitants	1,841,157	3,476,364	5,283,521
3. Number of employed	637,120	612,742	1,249,862
- Agriculture (%)	34.7	7.72	21.21
- Manufacturing (%)	26.4	26.90	26.65
- Service (%)	38.9	56.75	47.82
4. GDP / inhabitants (EUR)	1,250 (for 1999)	1,587 (for 1999)	1418.5
5. Number of unemployed	157,100	150,493	307,593
6. Unemployment Rate (%)	22.61	10.15	16.38

Sources: BG–The National Statistical Institute; Eurostat.
Sources: RO–The National Commission for Statistics; the National Human Development Report, 2000; 2002

2.1.2 Spatial structure

The spatial structure of the programming area is very varied. The western part of the area (NWR Bulgaria and SWDR Romania) can be classified as being hilly with some mountain features. During the winter the mountains can be a serious obstacle to any kind of transportation within the region as well as between the two capitals, Sofia and Bucharest. Moving East the landscape includes the Danube meadows (NCR Bulgaria and SDR Romania) and then the Black Sea littoral.

2.1.3 Demography

The main demographic indicators of the component NUTII regions are shown in the table below.

Table 2: The Bulgarian / Romanian border region – population indicators

	Total Population	Population Growth/Decline (1994-2000)*	Population Density Per km ²	Urban Population	Rural Population
NWR Bulgaria	577,757	-7,0%	54,5	337,687	240,070
NCR Bulgaria	886,937	-5,5%	75,2	578,817	308,120
NER Bulgaria	376,463	-3,5%	49,7	209,461	167,002
Bulgaria	8,149,468	-3,3%	73,4	5,576,857	2,572,611
SWDR Romania	1,574,309	-2.70%	86.0	743,133	831,176
SDR Romania	1,082,674	-4.69%	75.2	377,599	705,075
SEDR Romania	746,041	-0.36%	105.5	541,698	204,343
Romania (1999)	23,206,720	-3.23%	97.3	12,579,876	10,597,876

Sources: BG–The National Statistical Institute
Sources: RO–The National Commission for Statistics, and the National Human Development Report, 2000
*The reference year is 1992 (The year of last Census). For percentage, the calculation formula is: (1992-2000)*100/1992.

Comments on the figures are included at each of the regional headings below:

North West Region Bulgaria

- Circa –7.00% decrease in population is considerably above the Bulgarian national average of -3.30%.
- The districts of Vidin and Montana, in particular, have been influenced by this negative growth.
- This depopulation is accompanied by an aging of the population – two tendencies which together are causing the economic decline of many settlements in the region.
- The rural share of the population is above the Bulgarian national average (by almost 10%).

South West Development Region Romania

- Dolj County has the highest infant mortality rate (20.90%) compared with the Romanian national average of 18.60%.
- 52.79% of the region's population live in the rural area that is above the Romanian national average of 45.40.
- The elderly population dominates the population structure according to age groups.

North Central Region Bulgaria

- The Population density of Ruses is considerably above the national average and is also higher in comparison with the other seven NUTs III districts.
- In two of the region's districts - Veliko Tarnovo and Plevan - the share of the rural population is 2% and 5% above the Bulgarian national average.

- The urban population share of Ruse is almost 70%, which makes it the largest share of the NCR Bulgaria.

South Development Region Romania

- The density of the SDR Romania is 75.2 inhabitants per km² (National average of 97.3). The highest density of the region is recorded in Giurgiu County with 83.47 inhabitants per km².
- The age structure of the population is slowly and steadily ageing due to the decrease in the birth rate.

North East Region Bulgaria

- The decreasing population, although comparable to the Bulgarian national average, is higher than in the other Bulgarian CBC regions.
- The population in NER Bulgaria is with its density of 49.7 inhabitants per km² among the least populated territories in Bulgaria.
- The rural population share in the NER Bulgaria is above the Bulgarian national average - In Dobrich by some 5% and in Silistra by some 25%.

South East Development Region Romania

- Population density is above the Romanian national average of 97.3 inhabitants per km².
- The infant mortality rate is 23.4‰ compared with the Romanian national average of 18.6‰.
- The urban population of the SEDR Romania is 72.99% that is largely concentrated in the coastal area. This is mainly due to the industrialisation and tourism job opportunities that exist along the coast.
- In contrast to the other regions in the programming area there are several minorities in the SEDR Romania.

2.2 Economic structures and development

2.2.1 General economic structure

North West Region Bulgaria

The NWR (Also NCR and NER), has lower values of GDP per capita (around 85%) in comparison with the national average, probably due to the lack of a well-balanced regional urban network and clearly defined urban centres. The domination of the chemical industry gives it a mono-industrial character.

The regional structural changes by main sectors are substantial for the whole transition period. The share of the industry for 1999 was 27%, services represented 56% and agriculture – 17% of GVA. With the overall collapse of the regional economy there has been a drastic decrease of the share of the industrial output, though the share of the services sector has increased (through extensive decline of the industrial sector share) and that of agriculture sector has remained almost the same.

These structural changes have led to high unemployment in the region. In December 2000 was the highest in Bulgaria – 24.9%, while the national average was 17.9%. Other indicators show negative development trends for the region - for example the FDI per capita is four times less than the national average.

South West Development Region Romania

The SWDR Romania is undergoing an economic restructuring process that has led to the closure of a number of large enterprises. Consequently the number of people employed in the industrial sector has decreased from 30.1% in 1990 to 21.6% in 1998. The process of restructuring and re-conversion of industry (metallurgy, chemistry, heavy machinery, military defence systems) commenced in 2000 and has so far led to the discharge of 468,000 employees within the SWR Romania. The county most affected by this is Dolj that at the end of 1999 had an unemployment rate of 12.5%.

Due to the economic restructuring process the agricultural sector has become the most important economic contributor within the region – generating almost 50% of the total economic output in the SWR Romania. However, large sections of the agricultural sector can be considered outmoded and inefficient and many areas are considered “poverty areas”.

North Central Region Bulgaria

The NCR Bulgaria production structure (see Table 3) is showing proportionally higher shares of the secondary and primary sectors compared with the national average - respectively 30.3% compared to 27.0% for industry and 19.2% compared to 16.5% for agriculture. The share of the employed in industry and agriculture are also higher (Table 3). The unemployment rate of 20% is also higher than the average for the country but is lower than the other two Bulgarian CBC regions.

The NCR Bulgaria economy is well diversified which increases regional flexibility. Labour skills are relatively high and the infrastructure is also developed serving as a basis for further development of the industry and service sector. All this provides for a high level of FDI per capita mainly in the industry and service sectors. In 1999 the region held third place after the South West region (where Sofia is located) and the North East Region.

The NCR Bulgaria has another advantage - the only bridge crossing the Danube over the Bulgarian-Romanian border is located at Ruse. Thus the town has access to the border town Giurgiu and is on the main road connecting Bulgaria with the capital of Romania, Bucharest.

South Development Region Romania

The economic framework of the SDR Romania has a complex and diversified industry in which the private sector has expanded and in which a considerable share of the population is employed. There is a relatively well skilled workforce laid off from restructured and redundant industries.

The main economic sector is agriculture (contributing over 20%) followed by industry and services (respectively 19.5% and 18.7%). The agricultural potential of the region is significant, but the small farm size, ineffective utilisation of arable land, etc makes the sector inefficient and unproductive.

North East Region Bulgaria

The NER Bulgaria is characterised by a well-developed agricultural sector. The share of agriculture of Dobrich and Silistra districts is 2.5 times higher than the national average. The sectoral structure of the GVA for 1998 was as follow: agriculture - 26.0%, industry - 23.2% and services - 50.0%. The employment structure in agriculture is better than the national structure, and worse in industry. NER Bulgaria has an unemployment rate of 23.2 % and so has the second highest unemployment rate within the programming area (see table 9).

The employment in the primary sector plays a special role in the NER Bulgaria and this role will continue in future. The secondary and tertiary sectors are not so important although the opportunities for development of these sectors are good.

South East Development Region Romania

The SEDR Romania is one of the most developed and well-balanced areas in Romania. Its economic potential resides in local resources, tradition and experience in most of the economic and social activities related to the sea and river transport. The economic potential is further boosted by its leading location on the Black Sea at the crossroads of major shipping routes linking Central Europe with Asia.

Due to the historic evolution of the SEDR Romania and of the pressures of the market the economy has a complex character. The main industrial sectors are agriculture, tourism, trade, shipping, manufacturing of machinery, chemical and petrochemical industry, electric and thermal energy, wood and paper processing.

Industrial decline has affected the region, partly due to the restructuring of the large industrial units (such as the naval shipyard in Mangalia).

Table 3: The Bulgarian/Romanian border region – Economic indicators

	Number of Employed (in 2000)			Share of the GVA (1999)	GDP per capita National = 100, 1999	GDP per capita in EUR, 1999
	Agriculture	Industry	Service			
<i>NWR Bulgaria</i>	74,063	48,385	69,582	6.2	85,7	1,248.7
<i>NCR Bulgaria</i>	87,915	94,158	131,082	12,7	84,9	1,236.1

<i>NER Bulgaria</i>	59,140	25,412	47,383	14,3	86,9	1,266.1
Bulgaria (total)	781,566	843,670	1,354,902	100.0	100 = 2841	1,456.7
<i>SWDR Romania</i>	15,263	108,628	139,643	N.A.	N.A.	N.A.
<i>SDR Romania</i>	20,260	57,592	90,991	N.A.	N.A.	N.A.
<i>SEDR Romania</i>	11,756	42,712	117,043	N.A.	N.A.	N.A.
Romania (total)	186,592	1,991,241	2,427,055	N.A.	N.A.	1,799

Sources: *BG–The National Statistical Institute*
RO–The National Commission for Statistics, and the National Human Development Report, 2000

2.3.2. Agriculture

The economic structure of the planning area is dominated by the agricultural sector, which is based on good arable land, a favourable physical environment and good climate. The agricultural sector played an important role in the border regions during the last decade, as the main contributor to employment creation and economic growth.

Co-operatives, leaseholders and private farms currently constitute the main agricultural production entities. Most of them, however, are not well equipped and rely on outdated agricultural equipment and machinery. With regard to the farm structures, the programming area is characterised by having a large proportion of small private farms focusing on arable and livestock farming.

North West Region Bulgaria

The arable land of the Bulgaria NWR accounts for 12.73% of Bulgaria's total farmland, while the arable land constitutes circa 88.94% of the total landmass in the Bulgaria NWR. The geographic location, environmental and climatic conditions mean that the Bulgaria NWR is well suited for grain, wine, fruit and vegetable production.

South West Development Region Romania

The arable land of the SWDR Romania accounts for 7.19% of Romania's total farmland, while the arable land constitutes circa 60.58% of the total landmass in the SWR Romania. Within the SWR Romania, Dolj and Olt counties rank first and second as far as the tilled surface is concerned. In Olt county agriculture covers cereal crop, horticulture, and animal breeding. Wine production represents an important part of Olt County's agricultural sector.

North Central Region Bulgaria

The arable land of the NCR Bulgaria accounts for 19.33% of Bulgaria's total farmland, while the arable land constitutes circa 88.24% of the total landmass in the NCR Bulgaria. The geographic location, environmental and climatic conditions mean that the NCR Bulgaria is well suited for grain, wine, fruit and vegetable production.

One of the most important agricultural activities is the production of wine, for which the region has comparative advantages. The main centres for grape production are Pleven, Veliko Tarnovo (the municipalities of Liaskovets and Suhindol), Ruse (municipality of Ivanovo).

South Development Region Romania

The arable land of the SDR Romania accounts for 7.65% of Romania's total farmland, while the arable land constitutes circa 78.14% of the total land mass in the SDR Romania. This places the SMR as the main agricultural region with respect to the proportion of arable land.

Compared with other parts of Romania, the SMR generates the largest share of the country's agricultural production. Considerable areas are devoted to fruit, wine and vegetable production. The conditions for producing organic produce are also considered to be good as there are few signs of pollution. Romania. Despite the fact that there is a moisture deficit in the SMR Romania, existing irrigation systems are not used at full capacity.

North East Region Bulgaria

The arable land of the NER Bulgaria accounts for 25.83% of Bulgaria's total farmland, while the arable land constitutes circa 96.13% of the total landmass in the NER Bulgaria. The agricultural land market in NER Bulgaria and especially in Dobrich and Silistra districts is relatively well developed as compared to the other Bulgarian regions within the programming area. The main reason for this is the high level of specialisation in cereal production, which allows for intensive

use of agricultural equipment and a higher degree of mechanisation. This has created significant demand for larger plots of land and the relatively high price in the region

South East Development Region Romania

The arable land of the SEDR Romania accounts for 15.7% of Romania's total farmland, while the arable land constitutes circa 65% of the total landmass in the SEDR Romania. The SEDR Romania comprises 707,000ha of land of which 80% is tillable. The natural potential of the SEDR Romania and the climatic conditions are favourable for the development of agriculture. The arable area per tractor is 97.4ha. The cultivated land structure in SEDR Romania is characterised by vegetable and cereal production. In 2001, cereals represented 65% of the total cultivated area (317,122ha), out of which graminaceous were cultivated on 216,736ha. Wine growing ranks high in the SEDR Romania's economy and covers 4.2% of the total agricultural landmass in contrast to the Romanian national average of 1.7%.

2.3.3. Enterprises

The economic restructuring process has led to the closure of a number of large enterprises. The most developed industrial areas are concentrated in and around the municipalities of Ruse, Silistra and Vidin and Constanta, Slatina and Giurgiu.

The main sectors contributing to economic growth and employment in the CBC region are machinery manufacturing, chemicals, energy production, food processing, beverage and tobacco products and textile production. The table below provides a breakdown of the main economic activities by programming area region.

Table 4: The Bulgarian/Romanian border region—Branch/employee indicators (000s and %)

Districts / Counties	Total	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Trade and repairing	Hotels and restaurants	Transport and communication	Others
<i>NWR Bulgaria</i>	192.03 (100.0)	74.06 (38,6)	0.94 (0,5)	31.46 (16,4)	9.52 (5,0)	6.47 (3,4)	14.92 (7,8)	3.20 (1,7)	12.05 (6,3)	39.41 (20,5)
<i>NCR Bulgaria</i>	313,16 (100.0)	87.92 (28,1)	2.28 (0,7)	74.84 (23,9)	5.94 (1,9)	11.10 (3,5)	35.27 (11,3)	7.27 (2,3)	24.89 (7,9)	63.65 (20,3)
<i>NER Bulgaria</i>	131.93 (100.0)	59.14 (44,8)	0.16 (0,1)	19.85 (15,0)	1.74 (1,3)	3.67 (2,8)	11.24 (8,5)	3.42 (2,6)	7.07 (5,4)	25.66 (19,5)
<i>Bulgaria (total)</i>	2,980.11 (100.0)	781.57 (26,2)	40.68 (1,4)	615.69 (20,7)	59.71 (2,0)	127.55 (4,3)	352.38 (11,8)	85.06 (2,9)	32.79 (1,1)	884.67 (29,7)
SWDR Romania	283.972 (100.0)	17.556 (6.19)	6.082 (2.15)	88.881 (31.30)	13.665 (4.82)	20.575 (7.25)	40.320 (14.20)	4.373 (1.54)	21.257 (7.49)	49.980 (25.06)
SDR Romania	150.737 (100.0)	22.086 (14.66)	7.925 (5.26)	44.217 (29.34)	5.400 (3.59)	7.503 (4.98)	20.436 (13.56)	2.020 (1.34)	11.918 (7.91)	34.632 (19.36)
SEDR Romania	178.033 (100.0)	8.861 (4.98)	3.294 (1.85)	31.709 (17.81)	7.709 (4.33)	15.756 (8.85)	28.162 (15.82)	8.717 (4.90)	29.021 (16.30)	53.521 (25.16)
<i>Romania (Total)</i>	4,760.525 (100.0)	240.090 (5.05)	154.160 (3.24)	1,659.919 (34.87)	177.162 (3.73)	308.835 (6.49)	578.813 (12.16)	91.191 (1.92)	373.156 (7.84)	1.268,120 (24.70)

Sources: BG—The National Statistical Institute
RO—The National Commission for Statistics

North West Region Bulgaria

The NWR Bulgaria has very poor indicators concerning enterprise performance, partly due to the collapse of leading industrial enterprises like Himko Co., Vidahim Co. and others. The density of the SMEs, measured as the number of SMEs per 1000 inhabitants, is on average 25.7 for Bulgaria, while for the NWR Bulgaria it is only 16.2. The financial data on the SMEs efficiency shows that the net revenues per employee in SME for the region is only 16 000 BGL while the country average is 31 000 BGL.

South West Development Region Romania

The industry of SWDR Romania employs around 20% of the working population. The leading companies in SWDR are: S.C. Electroputere S.A. Craiova, (locomotives, transformers, electrical engines); UME Filiași, (electrical engines); ALRO and ALPROM (aluminium products) companies, located in Slatina, Craiova Agriculture Machinery plant and Daewoo automobile factory also located in Craiova as well as the Coach plant located in Turnu Severin. The latter two are considered national leaders. The most advanced industry sector within the SWDR Romania is the food industry. A large number of enterprises belonging to the mill and baking industry, beer and spirits industry have been privatised successfully.

Despite the presence of a number large of industrial companies over 99% of the total number of enterprises belong to the SME sector. The SME sector generates the largest share of GDP. The SME sector also plays a crucial role in terms of job creation. The number of SMEs has increased in the industry and services sectors where large enterprises prevailed previously.

North Central Region Bulgaria

The well-diversified industrial structure stimulates enterprise development in the region that receives a comparatively high share of the FDI per capita and the large number of investments creates an environment for enterprise development.

The share of the net SME revenues in the region compared with the total revenues is the highest one for the country -- 60%, while at a national level it is 50%. Although the firms' density of the region is higher than the national average - 26.7 firms per 1000 inhabitants, the firms' efficiency, measured by the net revenues, is 25.5% being below the country average.

The main industrial activities are casting and metal processing; petrol extraction; chemicals; light industry, and especially food industry. The harmonised development of the region in all sectors presents possibilities for further enterprise development in all sectors.

South Development Region Romania

The SDR Romania is characterised by a diversified and complex industry with a high share of heavy industry - notably oil processing, chemistry machines and equipment, synthetic fibres. Likewise, the oil, gas and mineral aggregates extraction industries are represented in the SDR Romania. Heavy industry, dependent on imports of raw materials and with a high consumption level, is characterised by low efficiency and poor competitiveness due to high cost structures. It is generally loss making and tends to rely on state subsidies in order to survive.

The privatisation process led to the emergence of SMEs, particularly in the service sector, trade, import-export activities and to a lesser degree in the productive sector. The majority of SMEs are concentrated in larger towns. In 2000, there were 17.8 SMEs per 1000 inhabitants registered in the SDR Romania, which was among the first NUTS II regions in Romania. Entrepreneurship is considered to make an important contribution to the development of the SDR Romania.

North East Region Bulgaria

The economic performance of the industrial enterprises in the NER shows relatively high figures. The region has the necessary basis for their development - existence of well-organised urbanised centres, comparatively well-developed infrastructure - the main development axes of Bulgaria was and still is Sofia - Varna.

Varna is one of the two main seaports of Bulgaria - the third one is Balchik that is located in the NER also. The FDI per capita are the second highest after the South West Region.

The enterprise density is close to the country average and the net revenues are 24.5 thousands BGL per enterprise, a little below the country average. Although the economic diversity at the municipal level is higher compared with the NCR, it is not supposed to create social and other economic problems. The opportunities for enterprise development in the region are relatively favourable for all sectors of the economy and for most of the municipalities in the region.

South East Development Region Romania

In 2000, 16.4% of the working population in the SEDR Romania were employed in industry. The more important shares in the industrial production are as follows: food industry 21%, oil extraction and processing 18%, ship building and repair 16%, electric and thermal energy 13%, cement and asbestos cement products 10%, chemical industry 5% and textile industry 5%.

The shipbuilding industry has a strong tradition in the SEDR Romania and its products are exported widely. The shipyards of Constanta, Midia and Mangalia are equipped to build new ships up to 250,000 TDW, to perform repairs and conversion (lengthening and shortening works).

The chemical and petrochemical industry in the SEDR Romania is specialized in producing liquid fuels, petrochemical products and also fertilizers. Some of the leading companies in this field are Petromidia Plant, Energia and Fertilchim Company. The energy sector comprises three main power plants and the Cernavoda nuclear power plant. The electric power produced during 2001 was of 706.5 Mw.

The food industry also makes an important contribution to the economy in the SEDR Romania due to the agricultural and hydro graphic potential and the tradition in this field. It has developed throughout the SEDR Romania and in almost all spheres including milling, bakery, wine, other alcoholic drinks, dairy and meat processing industry, sugar, edible oil, canning of fruits, vegetables, fish and meat.

According to the latest available statistics there are 16,396 SMEs in the SEDR Romania. These are concentrated in the following sectors: manufacturing (1,242); agriculture (251); retail and trade (7,228); wholesale trade (2,029); services (5,415) and construction (231). In 2000, SMEs in the SEDR Romania generated approximately 11% of the total income generated by the SME sector in Romania. This places the SEDR Romania in an advantageous position with regards to the SME sector.

2.3.4. Tourism

With its geographic features and cultural heritage the CBC region has arguably unexploited tourism potential. The tourism industry has made an important contribution to employment creation and economic growth in the region over the past two decades. This is particularly true in the east of the CBC region: in the Bulgarian district of Dobritch (part of the NER Bulgaria) and the Romanian County of Constanta (part of SEDR Romania) which have benefited from the impact of a flourishing tourism industry attracting both domestic and foreign tourists. In Table 5 and 6 a summary of the key 2001 tourism statistics is presented.

Table 5: The Bulgarian/Romanian border region – Key 2001 Tourism Statistics

	NWR Bulgaria	NCR Bulgaria	NER Bulgaria	SWR Romania	SMR Romania	SER Romania
Domestic visitor arrivals (000s)	27.6	155.2	72.9	N.A.	N.A.	N.A.
Foreign visitor arrivals	3.2	19.8	103.7	N.A.	N.A.	N.A.
Total visitor arrivals	30.8	175	176.6	104	37	758
Share of national visitor arrivals	1.6%	9.4%	9.6%	2.03	0,75	15.41
Domestic overnight stays	48	118	261	N.A.	N.A.	N.A.

Foreign overnight stays	6	33	1117	N.A.	N.A.	N.A.
Total overnight stays	54	151	1378	239	130	4802
Share of national visitors	0.8%	2.1%	19%	1.35	0.74	27.21

Sources: BG–The National Statistical Institute
RO–The National Commission for Statistics, and the National Human Development Report, 2000

Table 6: The Bulgarian/Romanian border region – Accommodation Structure

	Hotels	Hostels	Camp sites	Other Accommodation	Number of bed capacity
NWR Bulgaria	12	7	1	N/A	832
NCR Bulgaria	38	4	1	N/A	3,369
NER Bulgaria	68	38	4	N/A	16,342
Bulgaria CBC region	118	49	6	N/A	29,543
SWDR Romania	28	0	2	3	3,808
SDR Romania	16	3	6	1	2,261
SEDR Romania	283	0	60	480	122,598
Romania CBC region	327	3	68	484	128,667

Sources: BG–The National Statistical Institute
RO–The National Commission for Statistics, and the National Human Development Report, 2000

North West Region Bulgaria

The Bulgaria NWR has a number of valuable tourism assets including a varied and picturesque landscape of mountain, forests and the Danube. Other natural features of the region include caves, rock formations, waterfalls and a natural park in Vratsa Balkan. In addition the region benefits from seven mineral springs located in the municipalities of Varshets and Berkovitsa. Cultural heritage attractions include the Baba Vida fortress, the Vola peak, Botev's Route Memorial and the monasteries at Chiprvski and Klissourki. The tourism infrastructure is fairly limited comprising only a few hotels, mountain chalets, private accommodation, ski huts and tourism information offices.

South West Development Region Romania

The SWDR Romania tourist attractions include landscapes ranging from mountains to mineral springs, an abundance of traditional architecture, folklore, arts and crafts, culture and history. There are also areas suited for hunting and fishing. Lack of financial resources has prevented the exploitation of the region's thermal water resources in the localities Lonele, Desa, Gighera, Urzicuta and Ghercesti (Dolj County).

The conditions for recreational tourism are considered to be excellent in view of the picturesque and peaceful landscape. The main leisure and recreation destinations are situated in the northern part of the SWDR Romania. Agro-tourism exists and is seen as an important driver of development of rural areas throughout the SWDR Romania.

North Central Region Bulgaria

At the present time the NCR Bulgaria is considered to have a generally weak and poorly developed tourism infrastructure despite the fact that a number of cultural heritage sites are located within the region near the towns of Pleven, Veliko Tarnovo and Ruse. The NCR Bulgaria is also considered to have the potential for the development of recreational tourism in its picturesque natural environment.

South Development Region Romania

The diversity of natural assets for tourism in the region, is representative for the Danube River Meadow, but this potential is not yet fully exploited. There are important opportunities for various types of tourism, such as cures and treatment, fishing and hunting and agro-tourism, Danube cruises, both national and international. Cultural heritage in the region includes Middle Age monuments and museums as well as other locations significant for Romanian culture and history.

North East Region Bulgaria

The NER Bulgaria has a very important share of the total tourism infrastructure in Bulgaria. Most of this infrastructure is concentrated in Dobrich districts, especially in the municipalities along

the Black Sea coastal zone. Mass tourism is the main type of tourism in the NER Bulgaria and remains the main source of employment and contributor to economic growth. The main markets are Russia, Germany and the United Kingdom as well as neighbouring countries. In addition to coastal mass tourism the NER Bulgaria also offers a range of natural and cultural attractions including spa resorts in Tuzlata.

South East Development Region Romania

The tourism assets of the SEDR Romania are considered diverse and attractive and have facilitated the development of a domestically and internationally competitive tourism industry. As a result the SEDR Romania together with the Bulgarian NER Bulgaria benefits from the most advanced and sophisticated tourism industry. The tourism sector is stimulated through the promotion of local resources including the encouragement of domestic tourism as well as raising international awareness of the Romanian seaside and other types of tourism through the international travel trade.

2.4 Labour Market

2.4.1. Labour force – patterns and trends

Bulgaria

The Bulgarian CBC region is subject to national measures to promote employment, both passive and active labour market policies including the following:

Unemployed receive unemployment benefits on redundancy, benefits for long-term unemployed, employment benefits for part-time and seasonal employment and for participation in vocational training courses;

Active labour market policies constitute employment counselling services, measures to assure minimum employment, vocational training and re-training, support (subsidies for employers) for job placements, specialised services for starting a business.

A number of regional labour market policies have been implemented including a Temporary Employment Programme, support to unemployed for occupational mobility in finding a new job, 37 Employment Associations implement employment programmes for unemployed in regions in critical condition and a Programme for Literacy, Vocational Training and Employment implemented in municipalities (regions) with Roma population.

The main institutions supporting the labour market in the CBC regions are the labour offices in Vratza, Vidin, Montana, Veliko Tarnovo, Pleven, Ruse, Silistra and Dobrich and the regional labour offices in Montana and Ruse.

The Bulgarian CBC region has a relatively high population density, unlike the Romanian side, and contains about one-fifth of the labour force in the country. In 2000, the activity rate and employment-population ratio in the CBC region was lower than the country average. The highest economically active population rate and employment-population ratios are found in the NCR Bulgaria. There is a comparatively high level of education in the CBC region, again better in the NCR Bulgaria. The rate of those employed with university and secondary special education is particularly high in the districts of Veliko Tarnovo and Pleven. The better quality labour force therefore is to be found in the NCR Bulgaria and the contraction of labour force demand has been less there than in the other two CBC regions. The number of employed persons has remained almost constant and even slightly increased in Ruse District 1999-2000. The number of employed persons slightly decreased in the NER Bulgaria and the possibilities for employment in the NWR Bulgaria remain limited.

Romania

The transition to a market economy has led to the re-structuring of state enterprises and this in turn has led to substantial redundancies in the industrial areas in the CBC region. The lower employment levels following privatisation and restructuring has particularly affected the urban areas in the CBC region. In the SEDR Romania the situation is the most critical. In the SWDR Romania the active population is 44.8%, in the SDR it is 42.2% and in the SEDR it is 67.12%.

The institutions that manage and support employment are the “County Agencies for Employment”, related training institutions (state and private ones), county development and regional development agencies. There are in addition a number of labour centres (in the biggest industrialized areas), mainly related to support the initiatives and job opportunities.

In the SWDR Romania the largest part of the employed population can be found in the sectors of agriculture and forestry (51.2%) and industry and construction (23.4%) whilst in the SDR Romania there has been an increase in the share of the population employed in agriculture (48.7%), food processing, commercial and social services and a reduction in industry, notably manufacturing and construction (22.8%). In this sub-region the closure of some large enterprises in the south of this region means that the north has a greater share of the employment. In the SEDR Romania the largest share is still held by the primary sector (44%, or 112,700 persons) but with industrial restructuring the share of persons employed in the services sector has grown (31.5%, or 49,000 persons).

In the SWDR Romania the age structure of the employed population has more than 64% in the 25-49 years age group, with the exception of the agricultural sector, where over 56,3% of the employed population are more than 50. This trend of an ageing workforce in the agricultural sector is perhaps one reason for its low productivity. There is also a negative trend in women's employment which in Constanta is above the national average. Likewise, the younger working population out of work is higher than the national average in this sub-region. In the SWDR Romania 37.3% of the employed population have medium-level education and 19.8% attained vocational, apprenticeship or complementary schools.

The main vocational training and professional re-qualification institutions and job centres in the SWDR Romania are the County Agencies for Employment and Vocational Training (Craiova, Dolj County), the Vocational Qualification Centre from Slatina (Olt County), The Centres for Professional Training in Slatina (Olt County) and the Business School set up in Drobeta – Turnu Severin town (Mehedinti County).

Table 7: The Bulgarian/Romanian border region – Employment

	<i>Employees / Change in %</i>		
	<i>Actual No. (2000)</i>	<i>1990 – 2000*</i>	<i>1995 – 2000**</i>
NWR Bulgaria	192,030	-41.9	4.7
NCR Bulgaria	313,155	-10.8	-2.7
NER Bulgaria	131,935	-53.5	-5.1
Bulgaria CBC Region	637,120	-34.0	-1.1
SWDR Romania	283,972	-37.69	-16.61
SDR Romania	150,737	-45.34	-24.66
SEDR Romania	178,033	-36.21	-23.03
Romania CBC Region	612,742	-39.37	-20.62

Sources: BG–The National Statistical Institute

RO–The National Commission for Statistics, and the National Human Development Report, 2000

* The percentage displays the 2000/1990 Ratio. The calculation formula is: $(1990-2000) \times 100/1990$.

** The percentage displays the 2000/1995 Ratio. The calculation formula is: $(1995-2000) \times 100/1995$.

2.4.2. Unemployment

Bulgaria

Despite the slight decrease in the number of the unemployed in 2001 the unemployment rate in the cross-border regions remains above the national level. Unemployment rates are extremely

high in the NWR Bulgaria where two municipalities have rates above 50% but one district in the NER Bulgaria (Kaynardja) also has a rate of over 54%. The number and the relative share of the unemployed youth reduces mainly due to demographic reasons and changes in the registration schemes, participation in seasonal work and unemployment alleviation programs. The increase of the number of students (and partially of mothers) also has an impact on the scale of youth unemployment. About half of the unemployed registered with the Labour Offices in the border regions are long-term unemployed and the NWR Bulgaria has the highest rate.

Romania

Unemployment in the region is the result of the slow development of socio-economic activity following the restructuring of state enterprises that added massively to the unemployment rate. Neither large scale industrial production nor a large increase in SMEs has created employment for those thrown out of work. The policy of declaring special areas in the country is an attempt to mitigate the social effects generated by the massive lay-offs through the provision of facilities for investors creating new jobs.

The SWDR Romania suffers from a considerable level of unemployment. Massive lay-offs generated by the restructuring of state enterprises led to a considerable increase of the number of unemployed people, especially mining. The counties of the region have the following rates: Olt (9.8%), Mehedinti (9.4%), Dolj (8.7%). Over 50% of the unemployed are workers and approximately 2% have higher education. The largest expenditures on unemployment social protection were spent in Dolj County (167,847million ROL), while in the other counties of the region the figures were the following ones: in Mehedinti County 50,915million ROL and in Olt County 62,591 million ROL (ROL = Romanian Lei/National currency). A similar situation pertains in the SDR Romania.

In March 2002 the unemployment rate for SEDR Romania was 15.1%, the number of registered unemployed workers being 46,327. 52% of these were women, 4,677 were under the age of 25 and 6,680 were long term unemployed (9 months plus).

Unemployment there affects all socio-professional categories, but at different rates. Workers represent the most affected category with over 85%. A higher percentage was found in seamen, workers in the fields of: agriculture, tourism, petrochemical and light industry.

Table 8: The Bulgarian/Romanian border region – Unemployment

	<i>Unemployment (in %)</i>	<i>Act. No. of unemployed</i> <i>(in thousands)</i>	<i>Unemployment / Change</i> <i>in %</i> <i>1995 – 2000*</i>
NWR Bulgaria	24.9	51,0	5.03**
NCR Bulgaria	21.0	73,6	(-17.2)**
NER Bulgaria	23.2	32,5	(-9.8)**
Bulgaria CBC Region	22.61	157,1	(-7.5)**
SWDR Romania	10.73	76,8	23.82%
SDR Romania	9.63	43,1	3.77%
SEDR Romania	10.0	30,6	4.34%
Romania CBC Region	10.24	150,5	11.65%

Sources: BG–The National Statistical Institute
RO–The National Commission for Statistics, and the National Human Development Report, 2000

* The percentage displays the 2000/1995 Ratio. The calculation formula is: (1995-2000) x100/1995.

2.4.3. Cross Border Labour Market

There is no significant employment across the border in either direction.

2.5 Infrastructure

2.5.1 Transport

Pan European Transport Corridors (PETC)

The following PETC cross the region:

PETC IV: Dresden/Nuremberg to Istanbul crossing the CBC region at the border crossing point of Vidin-Calafat, linking Craiova and Sofia. This is for freight and passengers but one of the critical issues is the capacity of the ferry. A combined rail/road bridge will be built in the medium term.

PETC IX: Helsinki to Alexandroupolis crossing the region at Giurgiu–Ruse. This route provides the best transportation of passengers and freight over the border due to the combined rail/road bridge and ferry-boat). However, aspects of this comply with the European requirements for transport standards and quality.

PETC VII: The Danube River, forming the connection between Western Europe and the Black Sea in the East with its connections to the Caspian Sea basin via the inland water transport system of Russia. The development of pan-European transport corridor VII includes modernization of Ruse and Svishtov Ports and construction of terminals in Ruse and Lom ports. In addition, there is an important rail link connecting Ruse and Varna.

Border Crossing Points

The total length of the border of Bulgaria with Romania is 609 km, of which 139 km are terrestrial border and 470 km are the Danube. There are 17 operating border crossing points of which 7 are road, 3 railway and 7 port crossing points located in 10 settlements, shown in the table below. The most important crossing point is at Ruse-Giurgiu.

Table 9: The Bulgarian/Romanian border region – Border crossing points

Border crossing points	Road		Railway		Port
	Ground	Ferry	Ground	Ferry	
Vidin – Calafat	--	+	--	+	--
Lom	--	--	--	--	+
Oriahovo	--	+	--	--	+
Somovit	--	--	--	--	+
Svishtov	--	--	--	--	+
Ruse – Giurgiu	+	+	+	--	+
Tutrakan	--	--	--	--	+
Silistra	+	--	--	--	+
Yovkovo	+	--	+	--	--
Durankulak	+	--	--	--	--
Total	4	3	2	1	7

The land border crossing points, located in the eastern part of the CBC region, have the greatest importance for CBC in the border regions. In Constanta County there are 3 cross border-passing points: Vama-Veche, Negru-Voda and Ostrov. The uneven location of the border crossing points in the region and the existence of only 3 points to cross the river - two of which by ferryboat and with only one bridge at Ruse – means that the border is a physical obstacle to CBC. From Novo Selo to Silistra (some 460 m of the river) there is only one bridge.

The ferryboat connection Vidin-Calafat and the catamarans of SO MAT are operating with a hundred percent of their capacity. The ferryboat complex “Oriahovo-Beket” is the largest auto-ferry at the Bulgarian side of the river. The ferryboat line Ruse-Giurgiu is served by Bulgarian and Romanian vessels. The line is operating efficiently.

The River Danube

The amount of freight transported has fallen by more than ten times, and the situation in Yugoslavia has reduced this form of transport to the minimum. The infrastructure of ports is well developed, but the capacity has not been fully utilised in recent years. Transport activities are concentrated mainly in three major ports – Ruse, Lom and Svishtov.

In Bulgaria the ports are Vidin, Lom, Oriahovo, Somovit, Svishtov, Ruse, Tutrakan and Silistra. Port Ruse is the largest and handles 20 and 40-foot containers with a capacity of up to 15 containers per hour. The port is well equipped and connected to the transport infrastructure – the main railway lines “Ruse-Varna” and “Ruse-Podkova” and first class roads in the same direction. Since 1994, the Port Ruse-East operates a ferryboat pontoon to Giurgiu. Vidin Port is supported by appropriate infrastructure – a main railway line and a first class road, connecting the port with the western part of the country. Port Lom is the closest to Thessaloniki on the Aegean Sea and is supported by an electrified railway section and second and third class roads.

Roads

Bulgaria

First Class Roads

Whilst there is no motorway in the CBC region the presence of a network of first class roads oriented north south facilitates access to the border. These roads handle CBC traffic through the border crossing points Vidin (ferry), Ruse (bridge), Silistra and Durankulak and provide access to the southern part of Bulgaria. The roads are:

I-1 Vidin-Sofia-Kulata, European road E79, a component of PETC IV.

I-5 Ruse-Veliko Tarnovo-Haskovo-Makaza/Kapitan Andreevo, European road E85, a component of PETC IX.

I-7 Silistra-Yambol-Elkhovo-Lessofo, which will provide a connection between Romania and Turkey after the construction of the border crossing point Lessovo.

I-9 Durankulak-Varna-Bourgas-Malko Tarnovo, European road E87 connecting the eastern part of Romania with Turkey along the Black Sea coast.

I-2 Ruse-Varna, European road E70 (North-South) connecting the Danube with the Bulgarian Black Sea coast.

I-3 Ruse-Pleven-Sofia, European road E83.

The density of the first class road network is highest in the eastern part of the CBC region and higher than average for Bulgaria.

Regional roads – Second and Third Class

The second-class road network is the main transport mode for the CBC region: in the whole region the density of the network is higher than average for Bulgaria, especially in the eastern part.

The river sector of the CBC region (except the terrestrial frontier in the section Silistra-Durankulak) is served by a combination of several second-class roads parallel to the borderline. Most roads have asphalt surface in a satisfactory condition and play a great importance for the integration of settlements located along the river. This is important for the connection between the different planning regions and access to border crossing points with their first class roads including Lom and Oriahovo ports.

The Eastern part of the CBC region is served by a good network of second class roads. The second class roads II-21 Silistra-Dobrich-Albena and II-29 Border crossing point Yovkovo-General Toshevo-Dobrich-Varna connects the Danube Rive and the border with the Bulgarian Black Sea coast and a second class road leads through the central part of the North Central Planning Region in the direction Nikopol-Pleven-Plovdiv providing a connection with southern Bulgaria.

Internal regional connections are served by third class road network.

Romania

The SWDR Romania has a relatively well-developed road network distributed evenly in the territory, Dolj County being best served. European roads that cross the region are:

E70 - enters the territory of the country coming from Yugoslavia (Moravita) and through Timisoara this road gives access to Bucharest and the north of Romania.

E79 - enters the territory of the country coming from Hungary (border crossing-point Bors) and passes through Jiu giving access to the south.

In Constanta County there are two European roads that cross the region, North-South and East-West: the E60 and E87.

By comparison with the national levels the SWDR Romania has 13.58% of the total network of public roads and in terms of density of the public roads per 100 km of territory the SWDR is in 3rd position. In terms of total length of national roads the County of Dolj has 424 km, Mehedinti County 372 km and Olt County 301 km. Of county and communal roads of the region some 10.03% are modernized and 32.72% are covered with light asphalt.

In the SDR Romania the density of public roads is of 32.2 km of road per 100 km². The technical state of the roads is, in general terms, unsatisfactory. Thus, only 28.1% of the total length of the road network is modernized, while 29.0% is covered with light asphalt pavement. The national roads are almost entirely modernized, as compared with only 7.7% of the county and communal roads.

The SEDR Romania has a good East-West traffic axis and the Northern part of the county has a higher density of road network than the south.

Railways

Bulgaria

Four main railway lines, included in the Agreement on international railway lines, serve the CBC region:

II main railway – Sofia-Mezdra-G.Oriahovitsa-Kaspichan-Varna

IV main railway – Ruse-G.Oriahovitsa-St.Zagora-Podkova, including the Ruse-Giurgiu crossing

VII main railway – Mezdra-Brusartsi-Vidin, including the Vidin-Calafat crossing

IX main railway – Ruse-Kaspichan

Romania

With the proximity of Bucharest to the Bulgarian border and the fact that Bucharest is the hub of the rail network in southern Romania there are main rail connections between Bucharest and Constanta, Giurgiu and Craiova but the connections between these regional centres are poor. There are two lines from Bucharest leading directly into Bulgaria via Giurgiu – Ruse and Calafat – Vidin crossing points.

2.5.3 Water related infrastructure

Bulgaria

The main water source in the CBC region is the flood plain of the Danube. Groundwater from this source is suitable for drinking after partial treatment. Deterioration of the water quality creates difficulties for the water supply in the region. The water supply network covers 98% of the population and 84.6% of all settlements (100% of cities and 81.3% of villages) are centrally connected to the water supply system. Around 70% of water supply equipment contains asbestos-cement and has been operating for more than 20 years and is in poor condition.

The development of the sewerage systems in the CBC region is unsatisfactory. Sewerage systems and sewerage collectors serve 70.2% of cities and around 90% of the population is connected. Only 2.1% of villages have sewerage systems and wastewaters are discharged to septic pits with short canals. The situation of the sewage networks is poor. Over 20% of them need reconstruction; over 40% were constructed in the 1960s, do not have the capacity to handle an increased level of wastewater and need extending.

Romania

In the SWDR Romania the drinking water supply network and the sewage system are not satisfactory as only a small number of localities benefits from such networks. In the northern part of the Region there good sources which are not used due to inadequate supply systems. In the SDR Romania, from a total of 524 localities (municipalities, towns and communes) of the Region, 253 have centralised water distribution networks. However old and damaged pipelines make water distribution problematic.

2.6 Environment and Spatial Development

2.6.1 Environment

Environmental protection is of particular interest for both Bulgaria and Romania and has until now been one of the CBC priorities. CBC projects have focused on specific problems of the environment of the region, such as the drafting of studies, assessment of problems, environmental training and actions aimed at increasing public environmental awareness.

Bulgaria

Air

The CBC region generally does not have substantial problems related to air pollution. Pollution in the form of emission of hazardous gases in the atmosphere has reduced, mainly due to the decrease in production of chemical factories, not to the construction of treatment facilities or technology replacement. For example the biggest polluter on the territory of Vratsa, "Himko" chemical company, closed due to financial reasons.

The municipalities of Ruse, Silistra, Svishtov and Nikopol used to have air pollution problems as a result of cross-border transfer. The established system for monitoring of the atmospheric air quality in these towns has provided means for the reduction of tension and has allowed trust building and the improvement of public attitudes towards the Romanian neighbours. A number of opportunities remain for the development of activities that would improve bilateral relations.

Water

There are problems with water supply in terms of quality and quantity for households, industry and agriculture in the CBC region, especially Montana and Vratsa districts. There are still towns with no wastewater treatment plants in the CBC region and unless the district centre is situated immediately on the banks of the Danube WWTP have not been developed. There are problems with the pollution of surface and ground water sources in some districts where livestock breeding is well developed.

Waste

Waste treatment problems are due mainly to the out-of-date landfills that were constructed in the 70s and 80s and do not meet modern requirements. The collection and disposal of waste is inefficient and expensive. The National Waste Management Program envisages the gradual closing down of unregulated landfills that can't comply with the requirements for protection of the environment. The essential measures concern limitation of waste and reduction of the amount of waste through the limitation of household waste, as well as stabilization of the quantity of industrial and hazardous waste at a certain level.

The first big regional landfill operating in compliance with recent legislation is in Vratsa District there remains much to do in relation to various types of waste. There is a pressing problem with the treatment of dead animals and animal waste, especially in view of the future development of livestock breeding.

Soil

There are problems with soil pollution in almost all CBC municipalities and the issue of combating erosion is important in the National Environmental Strategy and the Action Plan.

Biodiversity and protected areas

Bulgaria has exceptional biological diversity and there are a number of protected areas located in the CBC region. These resources are not sufficiently used for the development of the tourism in the region. Due to that reason "the sparing use of these resources" is a main priority in many of the strategic documents at the regional and municipal level.

A list of protected areas is attached as an appendix to the JPD.

Romania

The National Plan for the Adoption of the Acquis (NPAA) proposes the implementation of short and medium term measures for the harmonisation of national legislation with current EU requirements, as well as the strengthening of institutions that implement environmental legislation in Romania.

Nevertheless, considerable problems remain. Romania needs to go further in establishing the regulatory framework, including the necessary institutions, in order to meet EU environmental requirements. Because of the cost involved, large sections of agriculture and industry do not

apply effective environmental protection measures. Moreover, there is a legacy of the past to tackle, which means measures to clean up sites polluted through the dumping of waste or the extraction of minerals. The costs of doing so, however, are considerable and Romania is unlikely to be able to bear them alone.

Economic activity in the region, including industry and agriculture, has degraded the environment elements of air, water, soil and subsoil through the emissions of noxious substances in the atmosphere, impurities in the water, uncontrolled deposits and the abusive exploitation of some natural resources, all of which have had a medium or long-term effect on the environment.

Air

Air pollution occurs in specific areas in the region. For example in 1998, some 1,420 analyses were performed for the surveillance of air quality in the industrial areas in Gorj County covering the main indicators of sulphur dioxide (SO₂), nitrogen dioxide (NO₂), ammonia (NH₃), hydrogen sulphide (H₂S), suspension powders and storable powders and all five indicators were below the maximum accepted limit. In Muntenia the largest share in pollutant emissions is from deposited powder (Calarasi County), suspended powder (Teleorman County), suspended sulphates, sulphur dioxide and ammonia. In the South of SDR there is some cross border pollution.

Water

Main pollutants entering surface waters are: organic substances, chlorides, phenols, oil products, heavy metals, acids, and fluorine. The degree of cleaning of wastewater is low because of the inadequate functioning or the lack of cleaning devices and obsolete technologies used in production activities. In addition some towns have outdated wastewater treatment plants.

Waste

In the SDR Romania and the SEDR Romania the collection, transportation and disposal of domestic waste is not sufficient. Some domestic waste sites are environmentally unsafe. In 1995 an ecological landfill for the urban waste was constructed in Ovidiu, serving the city of Constanta, as well as the towns of Navodari and Ovidiu. It has an area of 32 ha of which two cells are under current exploitation. However the overall landfill capacity and waste disposal sites are below requirement.

Soil

Flooding is a natural hazard that affects the whole of the Romanian CBC region from Dolj to Constanta counties. Some river shores need protection and embankment works to deal with periods of heavy rainfall and thaw. In the SWDR Romania oil extraction is a cause of damage as well as mining and overall the un-controlled use of chemical fertilizers, pesticides and insecticides, has led to restrictive use of some agricultural soils, and also to pollution in coterminous areas. In the SWDR Romania in areas around the deposits of animal waste, the quality of the soil has been affected.

Constanta and the Black Sea coast

With its Black Sea coastline the SEDR Romania faces specific problems relating to coastal protection. They are generated by the pressure of the human activities in certain areas of the coastal line, as well as by the overflows, the emissions and the polluting residues that the coast receives. There is also intense and continuous erosion from the sea.

The use of major industrial polluting substances, chemical fertilizers and pesticides has affected the natural environment, including several natural lagoons and lakes causing some of them to lose their natural therapeutic properties. The biggest polluters seriously affecting the environmental quality are: Petromidia S.A., Lafarge ROMCIM S.A. - Medgidia, the Electric-Heating Stations of Palas and Navodari and the used water treatment stations, all of them contributing to the soil, water and air pollution in the Region.

Bio-diversity and protected areas

A list of protected areas is included at **Annex 6**.

3. STRENGTHS AND WEAKNESSES (SWOT ANALYSIS)

3.1 General

The value of a SWOT in strategy formulation is to reduce the detail of a complex economic system in order to highlight dominant and determining factors. An exhaustive and comprehensive catalogue of features obscures such factors. The emphasis in a SWOT must be on **actionable elements**, this being critical to its construction as an integrated assessment tool.

Bringing Order to the SWOT

To bring order and structure to the SWOT, strengths and weaknesses are regarded as elements internal to the cross border region with opportunities and threats regarded as external elements or drivers of change. The following represents the first pass at constructing SWOT, derived from the quantified analysis and addressing the pre-accession / cross border social and economic policy agenda for the cross border region.

SWOT Analysis for the Cross border Region

Strengths	Weaknesses
<p>Good availability of adaptable human resources.</p> <p>High quality natural environment as yet reasonably unspoiled in some parts of the region.</p> <p>Excellent endowment of natural resources, including sea and inland waters and the main inland waterway – the Danube,</p> <p>Extensive coastline, good scenic areas.</p>	<p>Shortage of highly-skilled personnel in many sectors;</p> <p>Delays in improving skills of the labor force.</p> <p>Migration of young people.</p> <p>High levels of youth and long-term unemployment</p> <p>Poor R&D performance, with few high R&D performing companies.</p> <p>Inadequate physical infrastructure to support economic development especially East West road and transport infrastructure;</p> <p>Significant rural poverty combined with high dependency on agriculture.</p> <p>Relatively poor urban structure and dispersed rural population.</p> <p>Environmental pollution caused by poor treatment of waste water and pollution of rivers and tidal estuaries.</p> <p>Lack of identity, profile and image for the Border Corridor.</p> <p>Under-developed cross-border networks.</p> <p>Low value-added indigenous industry.</p> <p>Inappropriate spatial planning policies.</p>
Opportunities	Threats

<p>Increasing the pace of unemployment reduction especially amongst the young and the long-term unemployed;</p> <p>Development of the region as a viable alternative to Sofia and Bucharest to slow down the rate of migration from the region;</p> <p>Building on the region's natural environment and assets e.g. in the tourism and leisure areas;</p> <p>Promotion of cross-border trade;</p> <p>Development of indigenous industry in high productivity, high income generating enterprises especially in the SME sector.</p> <p>New skills, products and processes from linkages between industry and education in the Border Region.</p> <p>Joint delivery of training, education and healthcare programmes.</p> <p>Sharing of best practice.</p> <p>Exploitation of the information and knowledge economy.</p> <p>Cross-border cooperation between local authorities and social partners.</p>	<p>Rural social exclusion.</p> <p>Problems created by prevalence of region's remote rural communities.</p> <p>Inability to develop region's physical infrastructure to sufficient degree to facilitate general economic and social development of the region.</p> <p>Excess bureaucracy hindering cross border economic development</p> <p>Lack of collective approach between the national and local administrations on both sides of the border.</p>
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3.2 Conclusions:

The rationale for the CBC Programme is, ultimately, that the border regions suffer disadvantage as a result of the existence of the international border. The foregoing analysis noted that the border areas of both countries remain relatively disadvantaged and are characterised by high unemployment, low incomes, over dependence on agriculture, a low level of industrial activity and over dependence on declining manufacturing activity. The region (in both jurisdictions) has experienced, and continues to experience, weaker economic growth than the two national economies of which it is part.

In overview, the region's strengths are notably small in number and where they exist, lack significantly a degree of robustness. The weaknesses, of which there are many, are structural, social and spatial. Connections with opportunities are, arguably, very fragile and weaknesses in entrepreneurial and human capital are likely to prevent their realisation, especially when the aligned threats are powerfully pervasive and may erode and undermine the few inherent strengths.

Summarizing, communities on both sides of the border face many similar problems, particularly in terms of:

- Underdeveloped tourism market (with the exception of the Black Sea area);
- Lack of high-level skills;
- High proportion of long-term unemployment and high levels of unemployment in general;
- Low levels of disposable income;
- Poor road and rail connections;
- High dependency on agriculture;
- Environmental problems caused by inadequate management and disposal facilities.

In general, borders constrain economic activity by limiting market areas, preventing the optimal allocation of resources and preventing competition. It is a barrier to the free movement of goods and capital and workers and also functions as a psychological barrier which is an impediment to exchange of ideas and information and a barrier to effective cooperation and the development of effective local policies / strategies.

The economic weaknesses of the border region are characteristic of rural areas and those areas outside the dynamic growth centres in both countries. There is limited evidence that proximity to the border causes additional fundamental economic disadvantages over and above those of *rurality or peripherality* - rural areas away from a border can have equally serious economic problems – however, the existence of a border exacerbates these fundamental difficulties.

In light of the above considerations it has been concluded that the CBC programme should focus on problems and opportunities where the border is an important factor and where cross border action is a key requirement. It is considered that adherence to these principles will lead to a concentration of resources on projects which are located relatively near to the border and which have an impact on both sides of the border.

The CBC Programme must therefore focus resources on projects and activities which:

- Are planned and implemented on a cross border basis;
- Offer gains from relatively local cross-border actions, which could not be obtained, or could only be obtained at greater cost, from separate National programmes;

3.3 Strategy and Priorities

Introduction

The strategy and associate priorities for the CBC Programme 2003-2006 derive from the SWOT analysis, the consultation process and the lessons learnt from the previous annual CBC programmes and by the objectives for the CBC programme established in the regulations of the European Commission. The rationale, ultimately, is that the Romanian Bulgarian border region suffer disadvantage as a result of the border.

The existence of the border has exacerbated the peripherality of the region and given rise to categories of problems that are worsened and more difficult to resolve because of the border. The social, economic and environmental analysis suggests a number of areas where cross border cooperation could be beneficial, particularly in encouraging more cohesive approach to economic and human resource development, environmental protection and enhancement and the promotion of integrated infrastructure networks in transport, communications and use of new technology and ICT.

3.4 Programme / Priorities Aims and Objectives

3.4.1 Programme Aims

The overall aim of the programme is to promote sustainable integrated regional development across the border region by building on the progress made by previous CBC programmes and by concentrating on the strategic dimension of cross border development which involves and benefits local communities.

3.4.2 Priorities

The programme consists of four (4) Priority Axes (including the Small Projects Fund), which include a total of seven (7) measures out of which five (5) correspond to specific Priority Axes. The sixth Measure is Technical Assistance corresponding to all Priority Axes and the seventh, the Joint Small Projects Fund.

Table 10. Priorities and Measures - Phare CBC Bulgaria / Romania 2003-2006

<u>PRIORITY 1</u> Improving Infrastructures	<u>PRIORITY 2</u> Economic Development	<u>PRIORITY 3</u> Environmental Protection and Management	<u>PRIORITY 4</u> People to People Actions
Priority 1/Measure 1 Development of transport infrastructure and accessibility within the border region.	Priority 2/Measure 1 Business co-operation and business infrastructure development including Business information and SME marketing actions and tourism activities	Priority 3/Measure 1 Nature protection management	<i>Indicative measures will include actions that promote:</i> cultural exchange; linguistic education; cooperation in health; flow of information; sport and leisure; socio/economic relations; local employment; local democracy a.s.o.
Priority 1/Measure 2 Improvement of border crossing management		Priority 3/Measure 2 Flood management and erosion control	

*Both **Technical Assistance** and **Project Preparation Facility (PPF)** are support activities that should be taken into account/budgeted, on an annual basis, when assessing needs within the programming phase.*

Recommendations:

- P1/M1** Actions under the measure are limited to the rehabilitation of secondary and tertiary road networks and to bypasses to facilitate access to existing border crossing points;
- P1/M2** Streamlining of procedures at border crossings and elimination of all non-physical barriers (including the provision and rehabilitation of facilities for passengers and drivers, but excluding investments in customs and border police controls);
- P3/M2** This measure will also include actions required to complete the last phase of the air-monitoring programme initiated under the previous JPD;
- P4** Eligible actions include, but are not limited to, the following areas of co-operation: culture, language, sport, local democracy.

Ineligible Actions:

- P1/M2** New ferry-boat crossing points.
 - P1/M2** Combating cross-border criminality projects as these are promoted through special national programmes.
 - P3/M1/M2** Project proposals that overlap SAMTID and ISPA programmes (waste water treatment, ecological waste dumps etc.)
- Any other** recommendations made by the European Commission

4. PRIORITIES AND MEASURES

4.1 **PRIORITY 1** *Improving Infrastructure.*

Priority Aim

This priority will aim to improve the transport infrastructure and spatial cohesion of the border area. It seeks to counter market failure in the supply of essential economic infrastructure and will support the development of cross border infrastructure in order to help exploit economic opportunities.

Rationale

Transport infrastructure are important economic asset in that poor transport infrastructure is a deterrent to the establishment of industry and commerce and, often, are a major deterrent to the attraction of Foreign Direct Investment (FDIs) into a region. Nevertheless, being well endowed in these assets does not guarantee development and competitiveness, but deficiencies in this area will cause problems. Improvements in Transport infrastructure will lead to greater access to the border region and make cross-border travel easier, leading in turn to an increasing integration of the border regions within their own respective countries as well as enabling a greater integration of the bilateral border region as a whole.

The multiplicity and diversity of procedures and the resultant delays in crossing the border are a major deterrent for people crossing the border. While International passage of people and vehicles is important, it is also desirable that there be a set of procedures for local border crossing by local inhabitants on both sides and even that there are local border crossing points reserved for local people. This problem can only be solved on a bilateral basis by having mirror projects aimed at overcoming, once and for all, these obstacles.

Priority Objectives

The continued development of the transport in the border region and across the border in support of tourism and economic development;

Increased cross-border contacts between people in the border regions.

Improvement in the general quality of life of those living and working in the joint border region.

Improvement in the efficient management of the border crossings

Increases cooperation between businesses across the border including cooperation on supply of materials, marketing and transport of goods to market.

Two measures will be implemented under this priority:

4.1.1. Measure 1 ***Development of transport infrastructure and accessibility within the border region.***

Rationale

The cross border region's future economic growth and international competitiveness are currently being undermined by serious deficiencies in the horizontal access linkages in both countries to the main North-South National cross border roads. This pronounced weakness is now interacting through a number of related channels:

- The poor quality of public transport and the poor quality of the secondary and tertiary roads are reducing labor availability and impeding labor market flexibility. Long commuting times are also reducing productivity and diminishing the quality of life. People wishing to travel parallel to the river to access the nearest river crossing, whether that be the bridge at Ruse / Giurgiu or the existing ferry crossing at Vidin – Calafat or the future crossings at Silistra – Calarasi and Nikopol – Turnu Magurele, must undertake a long detour to make the journey.
- The Cross Border region's attractiveness for continued inward investment, critical to supporting regional development, is being undermined.

- Increased cost and lower productivity in transport and distribution has negative consequences for the competitiveness of the enterprise and agricultural sectors.

Measure aim

To construct and upgrade non-national roads including Regional and Local Roads (secondary and tertiary) which are critical to the balanced development of the cross border region in the context of the respective evolving National Spatial and cross border cooperation Strategies.

Measure Objectives

- The provision of roads providing access to industrial production facilities and indigenous raw materials, including food and forest product on a cross border basis
- The improvement of designated tourist routes, roads (including scenic routes) within tourism areas and roads providing access to tourism areas that have the potential to stimulate order to facilitate cross border tourism
- The improvement of roads providing access to the Danube ports and ferries (and thereby capitalize on the transport potential of the Danube waterway), regional airports and other public transport facilities that provide cross border transport linkages
- The improvement of roads which make a significant contribution to local development or the attraction of economic development to the region;

Indicative Activities

- The improvement, restoration and construction of road links to strategic cross border transport infrastructure and facilities particularly the respective National North South road networks
- The improvement, restoration and construction of roads providing access to industrial production facilities and indigenous raw materials, including food and forest product where it can be demonstrated that a substantial proportion of these are exported in either countries' direction
- The improvement, restoration and construction of designated tourist routes, roads (including scenic routes) within tourism areas and roads providing access to tourism areas in the cross border region and where the potential for international tourism is significant
- The improvement and restoration of roads providing access to regional ports, regional airports and public transport facilities that cross the Danube
- Construction of new roads including by-passes around towns where bottleneck or environmental pollution problem exist.

Eligibility Criteria

Projects must demonstrate that:

- They improve the links to strategic cross border transport infrastructure and facilities particularly the respective National North South road networks in both countries
- They improve access to industrial production facilities and indigenous raw materials, including food and forest products of which a substantial proportion of these are exported in either countries' direction
- They provide access to tourism areas in the cross border region especially where the potential or existing international tourism is significant
- They improve or provide access to regional ports, regional airports and public transport facilities that cross the Danube

Works that fulfil the eligibility criteria will be identified annually by line ministries and local authorities and prioritised on the basis of the contribution they make to the achievement of the measure objectives. Works so identified will be submitted by the local authorities to the Implementing Agency for assessment and approval. The Implementing Agency will review the proposals from all local authorities and decide on the schemes to be funded on the basis of the following criteria:

- Eligibility under the measure
- Contribution to Measure Objectives
- Horizontal impacts (Economic development, cross border communication and quality of life)
- Positive Net Present Value (NPV) or internal Rate of Return (IRR)

Eligible works on roads will include:

- Restoration and Improvement works include surface restoration and road reconstruction. Surface restoration works include improvement of drainage, pothole patching and restoration of road widths and local strengthening of weak road edges.
- Restoration maintenance works include surface dressing and necessary preparatory works within existing fence lines.
- Construction of new roads including town bypasses

Eligible Applicants:

County Councils and Municipalities; Government Agencies, line ministries.

Beneficiaries

County Councils, Municipalities, enterprises, especially transport and road management companies, development agencies, inhabitants of the border region

Complementarity's with other Measures

This measure complements the following other measures / programmes:

- The tourism measure under ***Priority 2*** that is aimed at strengthening the tourism sector through a range of varied investments. Effective local transport linkages are essential for the development of tourism in rural areas
- ***Measure 1 of Priority 2***, which is designed to stimulate economic development and business linkages in the cross border area. Without good transport linkages, companies' transport costs are substantially increased and export and import of goods made more expensive. Inward investment, especially in rural areas is discouraged
- ***Measure 1*** under ***Priority 3- Environmental Protection***: While improved road transportation can be associated with negative impacts on the environment, it is expected that the improvement schemes will have a number of positive environmental impacts. In rural areas, better road surfaces, improved road alignments and more attractive road verging will enhance the physical appearance of the countryside
- Rural development and farm investment measures under the SAPARD Programmes in Romania and Bulgaria. This measure will have a positive effect on rural development through the provision of an improved non-national road network. This will improve access to an from rural areas for rural dwellers, alleviate the negative effects of peripherality and benefit those engaged in agriculture and seeking access to employment, training, educational, social and leisure activities.
- Social and economic cohesion investments in infrastructure in both countries funded under the Social and Economic Cohesion component of Phare 2000

Project Selection Criteria

The following works will be eligible for funding under the measure:

- the provision of road links to strategic cross border transport infrastructure and facilities particularly the respective National North South road networks

- the improvement of roads providing access to industrial production facilities and indigenous raw materials, including food and forest product where it can be demonstrated that a substantial proportion of these are exported in either countries' direction
- the improvement of designated tourist routes, roads (including scenic routes) within tourism areas and roads providing access to tourism areas in the cross border region and where the potential for international tourism is significant
- the improvement of roads providing access to regional ports, regional airports and public transport facilities that cross the Danube
- road improvement works which make a significant contribution to local development or the attraction of economic development to an area

Works which fulfil the eligibility criteria will be identified annually by local authorities and prioritised on the basis of the contribution they make to the achievement of the measure objectives. Works so identified will be submitted by the local authorities to the Implementing Agency for assessment and approval. The Implementing Agency will review the proposals from all local authorities and decide on the schemes to be funded on the basis of the following criteria:

- Eligibility under the measure
- Contribution to Measure Objectives
- Horizontal impacts (Economic development, cross border communication and quality of life.

4.1.2 Measure 2 Improvement of Border-Crossing Management

Rationale

The amount of time required for passing through the two sides of the border at any of the border crossings is a major deterrent to cross border contact between people. It could take between one and two hours for car drivers to cross the border one-way. With the time required for trucks and other commercial vehicles to cross the border being even longer. The cost of border crossing for car drivers and commercial vehicles is also a major deterrent

In addition, facilities for passengers and drivers (waiting rooms, toilets, catering facilities) are inadequate at most of the existing border crossings making delays even less tolerable

Measure aim

To promote collaboration between representatives of the border administration on both sides of the border in order to develop less bureaucratic procedures for the existing and new border crossings and improve the facilities for passengers and drivers; movement and control of vehicles and ferries and border crossing security..

Measure Objectives

- To facilitate the transit of commercial transit of trucks and cars through the border and improving the environment and security for the users of the border crossing and those working at the border.
- To alleviate the administrative and regulatory obstacles to the passage of people and goods across the border.

Indicative Activities

Construction of new, or rehabilitation of existing, facilities for passengers, drivers and other users of the border crossing (e.g. catering facilities, waiting rooms, toilets etc.);

Construction of new or rehabilitation of existing facilities designed to speed up the loading or unloading of vehicles on and off ferries;

Construction of new or rehabilitation of existing facilities designed to facilitate the movement, control and parking of vehicles in the immediate area of the border crossing;

Construction and/or rehabilitation of structures connected with the maintenance of security of the border crossings;

Construction of new or rehabilitation of existing facilities designed to improve the docking and movement of ferries on the border crossings on the Danube River;

Actions designed to alleviate the administrative and regulatory obstacles to movement of vehicles and persons across the border, for example, development of standardised languages for trans-border communication (between police forces, emergency services etc where the same terms on different sides of the border can mean different things with potentially disastrous consequences

Projects involving any combination of the above indicative activities

Eligibility Criteria

To be eligible projects must demonstrate that they meet the objectives of the measure and will significantly improve one or more of the following:

The movement, control and parking of vehicles in the immediate area of the border crossing;

Speed up the loading or unloading of vehicles on and off ferries and/ or the turn-round time of the ferries;

Facilitate the movement, control and parking of vehicles in the immediate area of the border crossing;

Improve the physical internal and external security of the border crossings;

Improve the docking, movement and safety of ferries on the border crossings on the Danube River;

Alleviate the administrative and regulatory obstacles to movement of vehicles and persons across the border;

Have a positive Net Present Value (NPV) or Internal Rate of Return (IRR);

Be promoted by an eligible applicant;

The proposed improvements are not directly connected with police and custom control.

Eligible Applicants:

Line Ministries, Government Agencies, Municipal and Local Councils

Beneficiaries

Bulgarian and Romanian Border Administrations; business organisations with cross border interests and users of the border crossings.

Complementarities with Other Measures

This measure complements the following measures / programmes

- Measure 1 of the same priority: Some of the actions likely to be carried out under this measure (2) will complement the time savings brought about by improved transport access to the border crossings;
- Measure 1, Priority 2: Cross border economic cooperation and trade is hampered by the time and costs involved in making border crossings. Thus the actions carried out under this measure will improve cross border cooperation and economic development;
- Some of the actions likely to be implemented under the Joint Small Projects Fund.
- Infrastructure projects, especially the business related infrastructure in the border regions of both countries.

4.2 PRIORITY 2 Economic Development

Priority Aim

The overall aim of this priority is to achieve economic and social cohesion and promote competitiveness in the eligible area. The focus of the priority will therefore be on actions that primarily promote cross border cooperation through such actions as strengthening the SME sector; improving the skills base of the workforce; enabling the identification and development of synergies; exploiting ICT and rural economy opportunities; and preparing enterprises to compete in National and international markets.

Rationale

The SWOT analysis emphasises that the border area as a whole is characterised by an economic structure that is dependant upon agriculture and other relatively low productivity sectors. There is a relative lack of dynamic high growth activity with little success in attracting significant inward investment into the area. Nevertheless, the small firms sector is relatively well represented and is a potential source of strength. Improving the performance of the small firms sector is critical to strengthening the border area economy in terms of improving competitiveness and creating a sustainable economic base.

Human resources are critical to economic social and community cohesion and to the generation of sustainable enterprises. Improvement in the human resource potential of an area is a prerequisite to economic development. The SWOT analysis indicates shortages of skilled personnel in various sectors allied to high levels of youth and long term unemployment presenting a potential threat from delays in developing a better skilled human resource base.

The eligible region enjoys the benefits of having a vast, varied and mostly unspoilt natural environment. The rural nature of the region provides strengths and opportunities particularly in relation to the tourism potential and the cultural diversity of the area. Tourism and initiatives based on rich cultural traditions of the eligible area represent considerable opportunities

Priority Objectives

The priority objective is to achieve economic and social cohesion and promote competitiveness within the eligible area. The focus of this priority will therefore be on strengthening the SME sector, improving the skills base of the workforce, enabling the identification of synergies and preparing enterprises to meet the challenges necessary to compete in National and International markets.

There is one measure under this Priority as follows:

4.2.1. Measure 1 *Business cooperation and business infrastructure development including business Information and SME marketing actions.*

Rationale

The importance of SMEs within the business sector and their contribution to the economic wellbeing of the region means that competitive and entrepreneurial businesses are indispensable to economic growth and development. Economic growth and development requires competitive and entrepreneurial businesses capable of taking advantage of opportunities brought about by the development of a market economy and the resulting adjustment within the regional economy.

It is essential to implement a range of policy instruments designed to enhance their growth potential. Businesses will also be encouraged to respond better to market opportunities, and to develop an enterprise culture. They will be encouraged to do this through specific types of activities designed to encourage cross border co-operative activity.

SMEs need to identify and establish cooperative ventures through networks, which bring synergies to their operations, particularly in the areas of marketing, product development and the use of e-business and e-commerce solutions. Clusters of operations can help to bring competitive advantages particularly in cooperation in the development of supply chains and joint procurement activities.

The nature of the tourism industry has changed significantly over the past 30 years. Visitors expect a standard of provision and service that has not developed in many of the rural areas of the cross border region. At the same time, another challenge is to ensure that the development

of tourism potential does not destroy the very assets on which it seeks to capitalize – the natural beauty, wildlife and historic heritage of the countryside. The funding will also help the respective regions with the opportunity to capitalize on their unique and highly valuable cultural and environmental strengths and a rich historic and cultural heritage

Measure Aim

To support the economic transition of the Border Region to a more and prosperous society by promoting and supporting entrepreneurship, increasing business survival rates, stimulating better quality start-ups encouraging business growth. Also, the creation and support of a more dynamic, environmentally and economically sustainable enterprise culture.

Measure Objectives

- Create opportunities for associations and administrations on both sides of the border to work together in the pursuit of common goals.
- To strengthen the SME sector in the region and make it nationally and internationally competitive;
- To explore and develop new market opportunities in each other's jurisdictions;
- To promote effective cross border business linkages in work areas of mutual benefit;
- To exploit the potential of ICT in strengthening cross border business linkages;
- To stimulate the use of innovation initiatives, which create new economic and employment opportunities on either side of the border.
- Harnessing the regions' cultural and natural identity and resources for the benefit of tourism;
- Ensuring that tourism development is economically, socially and environmentally sustainable;

Indicative Activities

In order to achieve these objectives, assistance will focus on the following type of activities:

- Creation of business to business cross-border linkages / sub-supplier networks;
- Assist the expansion of cross border trade in goods and services through joint export / tradable services development and marketing;
- Identification of joint strategic inward investment initiatives;
- Strategic advisory, mentoring and support services, sectoral and cross sectoral business and economic development and export market development and exchange of best practice between businesses on a cross border basis to encourage growth;
- Exploit opportunities for economies of scale by supporting cross border collaboration aimed at creating capacity, sharing of resources, distribution networks and building trade and procurement mass;
- Develop opportunities for business expansion through product and technology transfer at SME level;
- Support for cross border enterprise generation and development, including enterprise, incubation, start-up and innovation linkages;
- Encouragement for the creation of clusters of related cross border enterprise and business activities, in joint research and development initiatives, especially in sectors where critical mass is essential;
- The regular exchange of business information through the creation of business related cross-border databases consisting of enterprises, consultancy companies, development agencies, local and regional authorities, as well as specific rules and information for export and import, tourism and industrial co-operation between both sides of the Danube.
- Joint tourism development and area based marketing initiatives;
- Development and upgrading of facilities and infrastructure which enable the coordinated development of cross border leisure activities such as walking and cycling trails, pony trekking, environmental tours, education tourism and angling;
- Development of facilities for special interest pursuits including cycling, walking, equestrian facilities, great gardens, outdoor pursuits, water sports, inland cruising and marine and health tourism,
- Actions designed to link and package a number of existing attractions in order to create a cohesive, high-quality, strategic cluster of tourism facilities (possessed of a common

- brand and marketing strategy, a common high and consistent quality in all aspects of their operations, and coherently linked through information policy, signposting, etc
- Development of joint information systems and improvements in marketing the area's tourism.
- To improve co-operation in development of complementary products and service among the Black Sea service providers and other tourism providers.

Eligibility Criteria

The Implementing Agency will review the proposals from eligible applicants and decide on the schemes to be funded on the basis of the following criteria:

- Eligibility under the measure;
- Contribution to measure objectives;
- Horizontal impacts, border economic development, regional competitiveness, employment;
- contribution to measure objectives;
- long term viability/value of the project;
- positive contribution to cross border tourism development;
- positive contribution to regional economic development;
- links with other tourism/development projects;

Eligible Applicants:

Line Ministries, Government Agencies, County and Local councils, Chambers of commerce and other non-profit making organisations and associations, local and regional bodies, associations of local and/or regional bodies, Euro-regions, local development agencies (NGOs in Bulgaria), trade unions (syndicate) associations, professional associations, Universities and other educational establishments.

Beneficiaries

Enterprises, business support intermediaries, research institutes, universities, chambers of trade and commerce, regional development organisations, tourism development organisation and service providers, local authorities, labour market offices, employment agencies, vocational training institutions, institutions for economic development, enterprises in the context of co-operation projects, employed and unemployed persons etc. Tourism organisations and providers, local/regional development agencies, tourist boards, tourism associations, local authorities, culture organisations and associations, nature parks authorities, public institutions (museums), and training institutions

Complementarity's with other Measures

- Social and economic cohesion investments in business related infrastructure in both countries funded under the Social and Economic Cohesion component of Phare 2000
- Social and economic cohesion investments in tourism related infrastructure in both countries funded under the Social and Economic Cohesion component of Phare 2000 and future years;
- Rural development measures under the SAPARD Programmes in Romania and Bulgaria; This provides for investments in diversification into business activities, including tourism, other than farming and the development of rural businesses.
- ***Priority 3, Measure 1*** of this Plan. Environmental protection and management of nature reserves. A clean environment and attractive nature reserves are necessary components of any successful tourism industry.
- ***Priority 3, Measure 2*** of this Plan. Water management and air quality protection;
- ***Priority 1, Measure 1*** of this Plan. Development of transport infrastructure and accessibility within the border region

4.3. PRIORITY 3 Environmental Protection and Management

Priority Aim

The aim of the priority is to improve and protect the environment well-being of the eligible region through coordinated joint actions.

Rationale

The condition of the environment is relatively good in the border region This is to be expected given the relatively low population density, the absence of major population centers and industrial concentration, and the comparatively low vehicle ownership. The Region has a rich mixture of natural heritage in the form of flora and fauna, rivers, and beaches the potential of which is not fully exploited yet.

The protection of the environment is crucial to the sustainable and economic success of the eligible region. There is a need to support activities aimed at ensuring that the management and development of the region's inland and coastal resources are carried out in an environmentally sustainable way. The priority recognises that the sea, coast and landscape are unique resources, in terms of the economic, environmental, social and cultural benefits and opportunities provided by them and seeks to provide for their continued enjoyment by existing and future generations.

Environmental protection and the preservation of natural resources are clearly fields, which are to be dealt with in an integrated way. Joint and co-ordinated actions in the border region contribute to the creation of synergic effects in environmental protection and resource management.

Priority Objectives

Contribute to the economic and social development of the Region

Counteract those factors which restrict the potential of the Region as a place to live, work and visit either for tourism or for business

Protect, restore and manage environmentally important habitats and other natural assets;

Facilitate the collection and monitoring of key environmental indicators;

4.3.1. Measure 1 **Nature protection management** (*Environmental protection and management of nature reserves and other economically important natural assets*)

Rationale

The cross border region is rich in environmental resources notably un-spoilt countryside and rich diversity of wildlife. It is imperative that effective strategies and structures are put in place to manage these assets, an aspect that is crucial to sustainable economic success and quality of life in the eligible region. It recognises that the landscape of the region is a unique resource, in terms of the economic, environmental, social and cultural benefits and opportunities provided by it and seeks to provide for their continued enjoyment by existing and future generations.

Environmental protection initiatives in both jurisdictions provides the mechanisms both to prevent damage to this key asset and also to enhance it further through the attainment of higher standards of environmental quality and healthier living environments.

The role of environmental protection is to safeguard and improve the environment for the benefit of those who live, work or visit the region. This widespread responsibility means that the actions of each resident, industrial player and tourist have an impact on environmental protection activities.

Similarly, the realization of the region's tourism potential relies on the maintenance of a high quality environment. The region must compete with many other more experienced tourism destinations, in a European and world wide context.

Measure aim

The primary aim of this measure is to protect and promote the environmental quality of the border region safeguarding and improving the natural endowments of the area through joint initiatives

Measure Objectives

- Contributions to the development of sustainable cultural/heritage tourism in a manner consistent with conservation of the national heritage
- Foster greater understanding of the environment and the protection and conservation of habitat sites
- Support the maintenance of biodiversity and contribute to a European ecological network
- Support balanced regional development through the provision of facilities which make areas more attractive as places in which to live and work
- Protect, restore and manage environmentally important habitats;
- Facilitate the collection and monitoring of key environmental indicators.

Indicative activities

In order to achieve this objective, assistance will focus on activities such as:

Combating erosion to resolve environmental problems and protect natural assets on both sides of border;

Joint nature and rural development including nature protection areas, designation of nature reserves (national park areas);

- Joint development and promotion of tools and techniques (such as integrated local area management plans) to promote sustainable resource use;
- Support for joint actions with key economic sectors that present high pollution risks of a cross-border nature;
- Protection of the cross-border environment, particularly water catchments;
- Joint action to understand the economic and social value of environmental resources;
- Joint research activity to help understand, manage and monitor the land, air, marine and coastal environment and other aspects of common interest
- Joint action to improve the area's capacity for environmental management and monitoring, and its response to marine and water based emergencies including joint environmental disaster planning;
- Encourage the protection of the cross-border environment through the development of accords, strategies and management plans, particularly for water catchments and areas important for their natural, landscape or historic heritage.

The development of bio-diversity plans to conserve priority natural habitats and native species where this is best addressed on an interregional basis.

Eligibility Criteria

The Implementing Agency will review the proposals from eligible applicants and decide on the schemes to be funded on the basis of the following criteria:

- Contribution to the priority and measure objectives
- Horizontal impacts border economic development regional competitiveness;
- long term viability / value of the project
- Contribution to cross border tourism development
- Contribution to regional economic development
- Complimentary linkages with other tourism / environmental protection / development projects

Eligible Applicants:

Line Ministries, Government Agencies, County and Local councils, Chambers of commerce and other non-profit making organisations and associations, local and regional bodies, associations of local and / or regional bodies, Euro-regions, local development agencies (NGOs in Bulgaria), trade unions (syndicate) associations, professional associations, Universities and other educational establishments.

Beneficiaries

Territorial authorities, associations and committees for nature and environment protection; management of national parks/ nature parks and protected areas; regional development agencies.

Complementarity's with other Measures

- Social and economic cohesion investments in tourism related infrastructure in both countries funded under the Social and Economic Cohesion component of Phare 2000 and future years;
- Rural development measures under the SAPARD Programmes in Romania and Bulgaria; these provide for investments in diversification into business activities, including tourism, other than farming and the development of rural businesses.
- **Priority 3, Measure 2** of this Plan. Water management and erosion control;
- **Priority 1, Measure 1** of this Plan. Development of transport infrastructure and accessibility within the border region

4.3.2. Measure 2 Flood Management and Erosion Control

Rationale

Damage to the environment and other natural assets through flooding and erosion is one of the main problems facing the cross border regions. Flooding is a natural hazard that affects the whole of the Romanian CBC region from Dolj to Constanta. Some river shores need protection and embankment works to deal with periods of heavy rainfall and thaw. Parts of the coastlines of both countries are subject to erosion with the risk that beaches that of of critical importance for the tourism industry are in danger of being destroyed.

Measure Aim

The primary aim of this Measure is to protect and promote the environmental quality of the eligible area, safeguarding and improving the natural endowments of the area through joint initiatives.

Measure Objectives

- Protection of natural assets from the effects of flooding and erosion;
- Foster greater understanding of the environment and the protection and conservation of natural resources.
- Support balanced regional development through the provision of facilities which make areas more attractive as places in which to live and work
- Facilitate the collection and monitoring of key environmental indicators relating to air quality.

Indicative activities

In order to achieve this objective, assistance will focus on indicative activities such as:

Common water management, research on hydrological, hydro-geographical, ground water, surface water etc. and the management of rivers.

Creation of a system for quick reporting of accidents between both countries, as well as the exchange of information for measuring emissions by the national bodies controlling the quality of the atmospheric air.

Construction works to protect natural and other economically important assets from flooding and erosion;

Installation of air quality monitoring systems to complete the last phase of the air quality monitoring system initiated under the previous JPD>

Eligibility Criteria

The Implementing Agency will review the proposals from eligible applicants and decide on the schemes to be funded on the basis of the following criteria:

- Contribution to the priority and measure objectives
- Horizontal impacts border economic development regional competitiveness;
- long term viability/value of the project
- Contribution to regional economic development
- Complimentary linkages with other tourism / environmental protection / economic development projects

Eligible Applicants:

Line Ministries, Government Agencies, County and Local councils,

Beneficiaries

Territorial authorities, associations and committees for nature and environment protection; Management of national parks / nature parks and protected areas;

Complementarity's with Other Measures

- This measure complements the measure 1 under the same priority
- Priority 3, Measure 1 of this Plan. Environmental protection and management of nature reserves. A clean environment and attractive nature reserves are necessary components of any successful tourism industry.
- Social and economic cohesion investments in tourism related infrastructure in both countries funded under the Social and Economic Cohesion component of Phare 2000 and future years;
- Rural development measures under the SAPARD Programmes in Romania and Bulgaria; this provides for investments in diversification into business activities, including tourism, other than farming and the development of rural businesses.

4.4 PRIORITY 4 People to People Actions

Measures implemented under this priority involve people-to-people actions and other small-scale projects such as (but not limited to): cultural exchange; linguistic education; cooperation in health; flow of information; sport and leisure; socio/economic relations; local employment; local democracy a.s.o. / small infrastructure projects are *ineligible* (see **Table 10 – Priority and Measures**, page 26), promoted through Joint Small Projects Fund (JSPF) that is a **tool**. JSPF may be established on each border, on an annually basis, receiving a limited amount of appropriation up to 10% of the total funds allocated under CBC programme.

The Specific Guidelines for the management of JSPF and *the Guidelines for Applicants* have to commonly be prepared by IAs and commonly agreed by EC Delegations in both countries, after signing the FMs and before launching the Calls for proposals.

5.0. Technical Assistance and Project Preparation Facility (PPF) across all Priorities including assistance in the fields of implementation, evaluation etc.

Rationale

The Regulations governing the CBC Programme require, *inter alia*, that the impact of assistance must be regularly monitored, subject to proper financial control, evaluated and publicity. This must be done in an effective and co-coordinated manner. The Authorities in both jurisdictions

recognize the emphasis which the European Commission places upon information and publicity for EU funded activities.

Objective

- To enhance the quality and coherence of actions under the Programme;
- To secure the best and most effective use of the assistance through effective and efficient implementation;
- To provide assurance to Member State authorities and the European Commission that the assistance is properly managed, monitored and accounted for; and • to ensure that the assistance is published in a manner that raises awareness and aids the development of the Programme;
- Supports equality of access to the assistance and informs all audience of the Programme's achievements.
- Provision is made for the allocation of funds in each year for Technical Assistance to the Ministry of Regional Development and Public Works (MRDPW) in Bulgaria, to the Ministry of Development and Prognosis (MDP) in Romania or to other Ministries or to the Cross-border cooperation implementing organisations / actors in the border regions.

6.0 PROJECT SELECTION CRITERIA

6.1 General selection criteria

For projects to be selected they must fall into one of the following two categories:

- To be agreed jointly, designed jointly, be located on both sides of the border and have positive impact on the population of the cross-border area.
- To be agreed jointly and to have positive impact on the population of the cross-border area, even though they are located on the one side of the border

Actions, which have been decided unilaterally, are geographically located on only one side of the border, and have no demonstrable benefits for populations on the other side of the border, will not be approved within the Programme.

Additional criteria to be used in the selection process include:

- The nature and the type of the project within the framework of the measure, which must be in accordance to its context as well as to the Regulation Framework of the Programme
- The physical and economic feasibility of the project, which must be in accordance with the objectives of the measure and priority, including the level of socio-economic impact that will derive from its implementation.
- The ability of the project to deliver its declared objectives, whether the project is a part of a wider intervention or is independent.
- The compatibility of the project with the National and Community Policies (competitiveness, employment, reduction of disparities, environment, opportunities equality, innovative approach)
- The maturity of the project regarding its physical and financial objectives

7. INDICATIVE FINANCING PLAN

Phare CBC – BULGARIA – ROMANIA								
FINANCIAL TABLES (EURO)								
	Bulgaria 2003 – 2006				Romania – 2003 - 2006			
	%	Total Cost	EU Co-Financing	National Co-financing	%	Total Cost	EU Co-Financing	National Co-Financing
1. Improving infrastructure	34.5	14,400,000	10,800,000	3,600,000	34.5	14,400,000	10,800,000	3,600,000
2. Economic Development	27.5	11,500,000	8,600,000	2,900,000	27.5	11,500,000	8,600,000	2,900,000
3. Environmental Protection and Management.	27.5	11,500,000	8,600,000	2,900,000	27.5	11,500,000	8,600,000	2,900,000
4. People to People Actions	8.5	3,550,000	3,200,000	350,000	8.5	3,550,000	3,200,000	350,000
5. Technical Assistance¹	2.0	800,000	800,000		2.0	800,000	800,000	-
<u>TOTAL</u>	100	41,750,000	32,000,000	9,750,000	100	41,750,000	32,000,000	9,750,000

¹ Technical assistance will cover both technical assistance and project preparation facility. 100,000€ will be used annually for PPF and 100,000€ for technical assistance.

ANNEX 1

PREVIOUS CROSS-BORDER PROJECTS²

In the context of the previous Joint Programming Document, the following projects have been approved and are being, or will be, implemented. Projects / Sub-projects Phare CBC Bulgaria / Romania actual 1999, 2000, 2001 and proposed 2002

Project No.	Project description	Allocated amount (EURO)	Status.	Project No.	Project description	Allocated amount (EURO)	Status.
Projects CBC Programme 1999 – Bulgaria.				Projects CBC Programme 1999 – Romania.			
BG 9916.01.01	Modernisation of Border equipment at Negru Voda and Kardam at location of Gas Pipeline border crossing	1,600,000	Project completed	RO 9911.01.01	Modernisation of Border Equipment Negru Voda and Kardam at the gas pipeline crossing the common border.	1,520,000	Project completed
BG 9916.01.02	Erection of Winter Camp on Danube (Stage 1)	1,600,000	Project completed	RO 9911.01.02	Giurgiu – Ruse Bridge / railway superstructure rehabilitation and continuation of the sub-structure safety works.	2,280,000	On-going; Extension of disbursement to 12/2003
BG 9916.02.01	Joint Air Quality Monitoring System on Lower Danube.	1,200,000	Project completed	RO 9911.02.01	Joint Air Quality Monitoring System on Lower Danube.	1,200,000	Project completed.
BG 9916.03.01.	Preparation of Regional Cross Border Plan	600,000	Project completed				
	Total 1999 CBC programme - Bulgaria	5,000,000			Total 1999 CBC Programme Romania.	5,000,000	

² Status of these is the situation as of 28 February 2003

Projects CBC Programme 2000 – Bulgaria.				Projects CBC Programme 2000 – Romania			
BG 0007.01.01	Development of Telecommunications Infrastructure of Bu/Ro electricity companies.	1,500,000	Contracted	RO 0002.01.01	Development of Telecommunications Infrastructure of Bu/Ro electricity companies.	2,000,000	T/A Contracted. Ongoing – Supply to be contracted
BG 0007.01.02	Erection of Winter Camp on Danube (Stage 2)	3,500,000	Contracted on 28/12/2001-ongoing.	RO0002.02.01	Ecologisation of Danube and Transportation Facilities.	2,800,000	T/A completed and Supply to be contracted in 2002
BG 0007.03.01	Facilitation of Danube River Border Crossing	2,500,000	Contracted	RO 0002.03.01	Facilitation of Danube River Border Crossing	2,500,000	Part complete and balance to be contracted in 2002
BG 0007.04.01	JSPF	500,000	Contracted	RO 0002.04.01	JSPF	500,000	Tendered & to be contracted in 2002.
				RO 0002.04.02	Assistance for the implementation of the multi-annual strategy.	200,000	Contracted and ongoing.
	Total 2000 CBC programme – Bulgaria.	8,000,000			Total 2000 CBC programme – Romania.	8,000,000	
Projects CBC Programme 2001 – Bulgaria.				Projects CBC Programme 2001 - Romania.			
BG 0107.01	Construction of Border Crossing Silistra	2,600,000	No progress.	RO 0103.01	Construction of Border Crossing Calarasi.	3,300,000	In Process – not contracted
BG 0107.02	Rehabilitation of road II -29 from Negru Voda to General Toshevo	2,500,000	TE completed	RO 0103.02	Integrated monitoring of the Black Sea coast between Midia and Vama Veche.	2,200,000	FWC for TA contracted
BG 0107.03	Integrated monitoring of the Black Sea coast between Durankulak and Rezovo.	2,150,000	No progress.	RO 0103.03	Protection of Danube wetlands – a pilot project for Cama-Dinu islet area.	2,000,000	FWC for TA contracted
BG 0107.04	Preparation of future environmental projects	250,000	Contracted				
BG 0107.05	JSPF	500,000	No progress.	RO 0103.04	JSPF	500,000	In Process – not contracted
	Total 2001 CBC programme – Bulgaria	8,000,000			Total 2001 CBC programme – Romania.	8,000,000	

Projects CBC Programme 2002 – Bulgaria				Projects CBC Programme 2002 – Romania.			
BG 02XX.XX	Development of a control (Monitoring) System for emissions of VOC, PAH and Heavy Metals from stationary source in the Bulgarian - Romanian border regions on the Lower Danube.	1,500,000	FM expecting signing	RO 2002/000 - 625-03	Development of a control system for air emissions from traffic and stationary sources in the Romanian – Bulgarian border region.	1,900,000	FM/RO signed on 11/12/2002
BG 12XX.XX	Construction of a Border Crossing Point at Nikopol on the Ferry Border Crossing – Nikopol (Bulgaria) and Turnu Magurele (Romania)	3,200,000	FM expecting signing	RO 2002/000 - 625-01	Cross-border ferry-boat check point at Turnu Magurele (Romania)	3,300,000	FM/RO signed on 11/12/2002
BG 12XX.XX	Rehabilitation and partial reconstruction of the road II – 15 in the sector Mizia – Oriahovo (Bulgaria – Romania Border Crossing)	2,500,000	FM expecting signing	RO 2002/000 - 625-02	Rehabilitation of National Road NR 3B between the crossroads with NR3 and Calarasi, from KM 0+00 to KM 3+020.	2,000,000	FM/RO signed on 11/12/2002
BG 02XX.XX	Joint Small Projects Fund.	500,000	FM expecting signing	RO 2002/000 - 625-04	Joint Small Projects Fund	500,000	FM/RO signed on 11/12/2002
BG 02XX.XX	Project Preparation Facility	300,000	FM expecting signing	RO 2002/000 - 625-05	Project Preparation Facility	300,000	FM/RO signed on 11/12/2002
	Total 2002 CBC Programme – Bulgaria.	8,000,000			Total 2002 CBC programme - Romania	8,000,000	
Total Phare CBC allocations 1999–2002 Bulgaria		29,000,000		Total Phare CBC allocations 1999–2002 Romania		29,000,000	

Notes on previous programmes:

a) Only CBC Programme 1999 has to date been contracted in full and is being implemented in full. Part of the CBC 2000 programme has been contracted in Romania but some still remains to be contracted. None of the 2001 CBC has yet been contracted and the Ro Financing Memorandum for CBC 2002 has been signed on 11/12/2002. **b)** There have only been Transport, Environment and Small Projects Funds projects in the four CBC Programmes with no projects for Employment Creation, Business Development or Human Resources Development to date. **c)** The Joint Small Projects Funds, the first of which were in the CBC 2000 Programme, are at this stage in Contracting stage and will be contracted before the end of 2002.

ANNEX 2**1. Other Programmes and Projects approved and on-going or to be implemented in the border regions**

In addition to the Phare Cross-border Cooperation Programmes listed above, there are other projects and programmes either being implemented or to be implemented in the border region.

1.1 Economic and Social Cohesion Programmes.

The National Development Plans, which were prepared in 1999, set out a strategy for promoting Economic and Social Cohesion within the two States whereby the regions within each State, which are lagging behind the more developed regions, would be financially supported in order to assist them to catch-up with the more developed areas. Projects under this included:

Projects under Phare Economic and Social Cohesion Programmes 1998 – Romania. ³		
RO XXXX	Local Initiative – Calarasi, Giurgiu, Teleorman, Constanta.	708,288
RO XXXX	Human Resources - Calarasi, Giurgiu, Teleorman, Constanta.	248,974
RO XXXX	Tourism - Calarasi, Giurgiu, Teleorman, Constanta.	259,825
	Total 1998 Phare ESC Programme- Border Region	1,217.087

Projects under Phare Economic and Social Cohesion Programme 2000 – Bulgaria.			Projects under Phare Economic and Social Cohesion Programme 2000 – Romania.		
BG 0004.01	SME Quality Certification (Montana & Plovdiv)	5,000,000	RO XXXX	Local Initiative – Calarasi, Giurgiu, Teleorman,	653,622
BG 0004.02	SME Business Incubators. Montana / Vidin.	3,000,000	RO XXXX	Human Resources - Calarasi, Giurgiu, Teleorman.	876,339
BG 0004.03	Vocational Training (North-West)	5,000,000			
BG 0004.04	Renovating Vocational Training Institutes (North West)	2,000,000			
	Total 2000 Phare ESC Programme	15,000,000		Total 2000 Phare ESC Programme	1,529,961

Projects under Phare Economic and Social Cohesion Programme 2001 – Bulgaria.			Projects under Phare Economic and Social Cohesion Programme 2001 Romania		
BG 0102.01	SME Services and Technology Grant Scheme	4,700,000	RO. 0108. 03	Institution building to support Regional Development Policy Implementation (National Programme)	6,000,000
BG 0102.02	High Technology Business Incubators. (Incl. Veliko Tarnovo)	5,600,000	RO. 0108. 03	Institution building to support SME Sector (Nat. Programme.)	2,750,000
BG 0102.03	Development of Bulgarian Cultural Tourism.	5,400,000	RO. 0108. 03	Institution building to support Vocational Education & Training	4,500,000
BG 0102.04	Road access to Tourism Sites. (Incl. Silistra)	10,000,000	RO. 0108. 03	Institution building to support Tourism Sector.	1,000,000
BG 0102.05	<i>Labour Market Initiatives.</i>	6,300,000	RO. 0108. 03	SME Grants Scheme for Business star-ups, young entrepreneurs and Micro Enterprises.	12,000,000
BG 0102.06	Social Inclusion.		RO. 0108. 03	Counselling and advice for SMEs.	3,000,000

³ No social and Economic Cohesion funding in 1998 in Bulgaria

			RO. 0108. 03	Training and Vocational Education Scheme (TVET) Investment Schemes.	16,000,000
			RO. 0108. 03	Large-scale regional Infrastructure	15,000,000
			RO. 0108. 03	Small Scale Infrastructure Scheme.	19,000,000
			RO. 0108. 03	Other – awareness campaigns, appraisal, Ex-ante evaluation and supervision of Infrastructure projects	16,000,000
	Total 2001 Phare ESC Programme	35,700,000		Total 2001 Phare ESC Programme	

Projects under Phare Economic and Social Cohesion Programme 2002 – Bulgaria.			Projects under Phare Economic and Social Cohesion Programme 2002 – Romania.		
BG XXXXXX	Life Long Learning & Vocational Education. & Training	4,000,000			
BG XXXXXX	Development of Bulgarian Eco Tourism	4,000,000			
BG XXXXXX	Clearing the path to employment for youth.	6,000,000			
	Total 2002 Phare ESC Programme	14,000,000		Total 2002 Phare ESC Programme	

Bulgaria Economic and Social Cohesion

Most of the Economic and Social Cohesion (ESC) projects under Phare 2000 were implemented in the North West of Bulgaria (Vidin and Montana). Part of the Phare 2001 ESC funds were also allocated in the Bulgaria – Romania border region, specifically the High Technology Business Incubator, which was required to be implemented in conjunction with centres of Technology, and one Incubator is being implemented in conjunction with the University of Veliko Tarnovo

Romania Economic and Social Cohesion

As can be seen above, there were projects in each year for the Southern border region with Bulgaria under the 1998 and 2000 ESC Programmes. A widespread and more even allocation throughout the border was achieved.

1.2 ISPA

The following are the ISPA Projects that are located in the Bulgarian – Romanian border region:

Bulgaria ISPA 2000	EU Funding €	Romania ISPA 2000	EU Funding €
Measures		Measures	
Transit Road rehabilitation Project III – sections located on the route of Pan-European Transport Corridors – Vidin – Montana. (71 KM)	30,000,000	Upgrading drinking water pipes / plant and waste water pipes – including projects in the border area.	38,533,500
Six solid waste landfill sites of which three are to be in Montana, Ruse and Silistra	45,433,135	Rehabilitation of Sewage system – Craiova	52,783,500
		Rehabilitation of Sewage System – Constanta.	72,417,490
		Sewage system – Braila.	44,908,050
		Widening road – Bucharest - Giurgiu	43,434,621
		Rehabilitation and reconstruction of road – Bucharest - Cernavoda	71,712,000
		Rehabilitation of road – Turnu Severin – Craiova.	87,752,028

Bulgaria ISPA 2001 Measures	EU Funding €	Romania ISPA 2001 Measures	EU Funding €
TA for International Engineering and Management Consultancy - Danube Bridge.	4,998,000	Upgrading Railroad Bucharest – Fetesti	232,329,441
		Construction of Motorway bypasses – Corridor IV	67,890,750
		Rehabilitation of Route Lugoj –Drobeta Turnu Severin.	138,011,625

		Technical Assistance and Feasibility Studies for road projects in the border region	1,367,220
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1.3 ECOS OUVERTURE

There is one OUVERTURE project running in the Romanian border region – European Network of Nature Parks – INTERNAT PARKS in the Dolj County in the amount of EUR 213,333

1.4 WORLD BANK

The following are some projects in which the World Bank is involved as a funding agency:

Bulgaria		Romania	
Project Description	Funding US \$	Project Description	Funding US \$
Trade and Transport Facilitation in South – East Europe	7,400,000	Rural Finance Project.	80,000,000
Water Companies Restructuring & Modernization	45,000,000	Agricultural Pollution Control (Grant)	5,500,000
District Heating Pilot Project.	12,000,000	Capacity building for Economic Communications (Grant)	400,000
Environment & Privatisation Support Adjustment Loan.	50,000,000	Forestry Development - Project. Preparation Grant.	420,000
Registration and Cadastre	30,000,000	Agricultural Support Services	11,000,000
Wetlands Restoration & Pollution Reduction.	7,500,000	General cadastre & land registration.	25,500,000
		Telecommunications	30,000,000
		Second private sector adjustment loan.	300,000,000
		Trade & Transport Facilitation in S. E. Europe.	17,100,000
		Romanian Cultural Heritage.	5,000,000

Most of these projects are national in nature but have some impact in the Bulgarian – Romanian border region.

1.5 EBRD

In the Bulgarian – Romanian border regions the following are the main activities that coincide with the Phare CBC programme.

Bulgaria

- Micro-finance through Pro-Credit bank and Post-privatisation Bank.
- Syndicated loans through selected banks for commercial lending in both Romania and Bulgaria.
- Loans to help fund the decommissioning of the Kozloduy Nuclear Power Plant.
- An SME Finance Facility in Bulgaria.
- Funding for restructuring of companies such as Storco, fruit and vegetable processors and Solvay Sodi JSCO – a soda ash company.

Romania

- Micro-finance through Bank Miro SA.
- Black Sea Fund – Constanta County
- MELF – Environment Project – Constanta.

Most EBRD funding in Bulgaria has gone to State organizations such as Telekom or to the improvement of facilities in Sofia – water, sewage, transport, heating etc. Public sector projects are initiated through dialogue between the Government and EBRD and the main focus of EBRD is towards the private sector, especially banking, rather than Public or Semi-state organizations.

1.6 EIB

More than 56% of EUR 2.7 billion loaned by EIB in 2001 was for transport and telecom schemes in Central Europe. Such projects as modernizing and up grading the capacity of the rail and motorway networks, bridges over the Danube and enhancing fixed and mobile telecommunications. Assistance was also given towards protection and improvement of the environment (20%) in order to help accession countries to fall in line with Community standards. EIB loans are project linked and are oriented towards the financing of fixed asset components of an investment. In the Bulgarian–Romanian border region, there have been a number of EIB interventions such as:

Bulgaria	Romania
The Danube Bridge	Constanta Port
The Danube Port of Lom	Sulina Canal Bank
River bank and coastline protection	MDF Production Plant
TEN Railway	Roads Rehabilitation (National Scheme)
Telecom Up-date (National Scheme)	Municipal Water Infrastructure (National Scheme)
Global Loans (National Scheme)	
Roads rehabilitation (National Scheme)	
CB TENs Corridor Road	

1.7 USAID

USAID is also active in both countries and also in the border region. Among the projects that impact on the border regions are the following:

Bulgaria

- ❑ Micro-credit and SME Financing Schemes.
- ❑ Promoting Economic Growth through Agriculture Restructuring including Credits, Training, Marketing, warehouse receipts scheme & dairy development.
- ❑ Biodiversity Conservation & protected areas management.
- ❑ EUROLINKS Partnership grants which include a Quick Response Grants scheme for promoting CBC Partnerships (Up to \$ 5,000) and Challenge Grants (Up to \$50,000). Euro links also has established targeted Websites.
- ❑ Municipal Energy Efficiency Projects.
- ❑ Public Computer & Communications Centres (Telecentres)
- ❑ Organized Labour Support – training and advice.
- ❑ USAID is the largest provider of finance to the Chitalische Centre Network programme, which is also financed by UNDP and the Government of the Netherlands. .

Romania

- ❑ Agricultural Development Programme involving Agricultural Credit Scheme, Warehousing Receipts Scheme, improving irrigation (also involving the World Bank c\$ 100 million), Exporting of specialty crops – greenhouse and floriculture.
- ❑ SME Support Schemes. Strengthening Business Support Organizations to provide advice to entrepreneurs and an export promotion programme.
- ❑ Environment Programme: Water Management and Pollution prevention as well as developing an information system for meteorology, hydrology and accident pollution information provision.

1.8 UNDP

UNDP also have number of projects in the border region or which touch on the border region. These include the following:

Bulgaria

- ❑ Beautiful Bulgaria that is involved in Vidin, Veliko Tarnovo and Ruse in renovation and restoring beautiful buildings or natural phenomena.
- ❑ Job Opportunities through Business Support (JOBS) which has now been renewed for a further period and it is active in Vidin and Silistra among 24 centres in all Bulgaria
- ❑ Energy Efficiency Strategy to mitigate Greenhouse Gas Emissions: Demonstration Zone is in the city of Gabrovo.
- ❑ Community Development through the Chitalische Network. The Chitalische centres were traditionally involved in arts and culture but this scheme has expanded their role to empower communities through involvement in Public Decision Making, Good Governance and they also subsidize INTERNET access. This scheme is also part-funded by the Government of the Netherlands.

1.9 MLTPL (MPWTH / Ministry of Public Works, Transport and Housing) – National Romanian Programme for providing water supply to villages.

Under the Romanian Ministry of Finance there is a programme for the provision of water supplies to villages and there are a number of the MLTPL projects in the border region as follows:

Water supply to Motatei, Dolj County	€ 941,710
Water supply to Cetate, Dolj County.	€ 830,842
Water supply to Dabuleni, Dolj County	€ 2,072,481
Water supply to Desa, Dolj County	€ 891,273
Water supply to Meglavit, Dolj County	€ 689,172

1.10 Other Donor Programmes

In addition to the above donor programmes, there are miscellaneous other programmes ongoing in the border region mainly bi-lateral aid programmes from EU Member State Governments.

UK Know How Fund

- ❑ Programme to encourage the employment of disabled persons in Bulgaria.

- ❑ Implementation of the National Development Plan in South Development Region (Muntenia), Romania.

Swiss Bilateral Aid

- ❑ This project aims to create partnerships between the Municipalities of Gabrovo, Triavna, Apriltsi, Troian and Teteven in the fields of local administration, tourism and Vocational Education and Training. (Bulgaria)

German Bilateral Aid & GTZ

- ❑ Improvement of Railway border crossing in South-East Europe.
- ❑ Partnership between German Chambers of Industry and Commerce (DIHT) and the Association of Balkan Chambers (ABC) including both Bulgarian and Romanian Chambers.
- ❑ Part funding of the PIMU – Project Implementation and Management Unit for the Danube Bridge Project (Vidin / Calafat)
- ❑ The German bi-lateral aid programme also part funds the UNDP JOBS programme. (Bulgaria)
- ❑ They have provided Twinning Experts for a programme involving the Border Police (Bulgaria)
- ❑ Funded the establishment of three training centres for the training for qualification / re-qualification of unemployed. One centre was in Pleven in the border area.
- ❑ Support to Constanta Harbour Administration.

Netherlands Bilateral Aid

- ❑ Matching Romanian and Dutch shipbuilding skills in Constanta
- ❑ Environmentally friendly production of fodder for animals in Giurgiu county

Twining Programme with Greece

- ❑ Implementing the National Development Plan in the South East Region of Romania.

The funding from bi-lateral aid programmes tends to be focussed on certain specific locations and, with the exception of the USAID project, "Quick Response Grants Scheme" for promoting cross-border cooperation partnerships, the focus is on unilateral development rather than bi-lateral or cross-border cooperation.

ANNEX 3

The Institutional Framework and CBC structures

Bulgaria Local Government Structure

The main local government structure in Bulgaria is the administrative municipalities. Each of the municipalities forms a part of the larger regional / district structure of which there are 28 in Bulgaria and 8 in the border region. Each District has a Governor who is appointed by the Government. For the purpose of development, the Bulgarian Government has divided the country into 6 large Planning Regions (NUTS II Level). Three of these NUTS II regions touch the border with Romania – the Northwest, the North-Central and the Northeast regions. In addition, there are 8 Enterprise Development Agencies, called Regional Development Agencies, one in each of the 8 District Administrations.

Romania Local Government Structure

Local councils and Mayors carry out local Government in communes and towns and above them are the Counties (or Judets) of which there are 7 in the border region. Each Judet has an elected county council that coordinates the activity of the local councils. A Prefect is the representative of the central Government in each Judet (similar to the Governors in Bulgaria) and supervises the public services provided by the Ministries and by other local authorities at the Judet level. In 1998, Romania was divided into 8 development regions (NUTS II Regions) with the “capital” of each region hosting a Regional Development Agency (RDA). The 7 Judets in the border region form parts of three different development regions – the South-East No. 2, South Muntenia No. 3 and the South-West Oltenia No. 4 regions. There are three RDAs in these three Regions.

EUREGIOs

There are four EUREGIOs in the border region and, although they are not yet very active in proposing or implementing CBC projects, they do provide structures for cross-border cooperation all along the joint border.

The four EUREGIOs are as follows:

Euregio “Danube 21” in the North-West region of Bulgaria and the South – West region of Romania including the Bulgarian Regions of Vidin, Montana and Vratsa and the Romanian town of Calafat.

Euregio “Lower Danube” in the North-East Region of Bulgaria and the South-East region of Romania including the Bulgarian Regions of Dobrich and Silistra and the Romanian Judets of Constanta, Calarasi and Jalomita.

Euregio “Danube South” based on the municipalities of Svishtov in Bulgaria and Zimnich in Romania but including also the area between Vidin and Calafat in the West and Ruse / Giurgiu in the Central area of the Border.

Euregio “Ruse – Giurgiu” covers the Central region.

Other CBC Structures

There are other structures that promote cross-border cooperation such as:

The Cross-Border Cooperation Association involving Vidin, Calafat and two other partner municipalities on the Romanian side which were involved in the establishment of the EUREGIO;

Joint Working Groups in the Vidin / Calafat joint region with representatives from both Bulgaria and Romania EUREGIOs which have the objective of identifying and promoting joint programmes and projects;

Inter-governmental Commission for Bi-lateral Cooperation, under the aegis of the two Ministries of Transport which has been looking at ways of promoting the freer movement of people across the border;

Joint Ecological Committee – Ruse / Giurgiu – set up to tackle the problem of pollution of the River Danube;

Joint Health Committee involving local authority and public health professionals from Svishtov (Bulgaria) and Alexandria (Romania) regions to address the problem of mosquitoes and other health questions;

Universities of Ruse and Giurgiu. Under a joint programme, exchanges of up to 25 students from each University are arranged between the two universities;

There has been a long history (about 10 years) of co-operation between the Chambers of Commerce in Ruse and Giurgiu. Annual joint meetings of the two Chambers are organized, alternately in each town, and two Committees have been set up involving representatives of the two States and the Chairpersons of each Chamber, as well as representatives of the National Chambers in both Bulgaria and Romania. These committees discuss possible areas of cooperation between the two adjoining regions and Chambers.

ANNEX 4

Lessons learnt for future Cross-border Co-operation Projects

Quality of project identification / Supporting documents

The Contracting Authority, after a preliminary acceptance of a potential project, needs to check those documents (normally a Pre-feasibility Study) submitted by the beneficiary authority, in more detail, in order to be sure that technically and financially the project is sound and sustainable. This should happen during the design stage and/or during the tender documents preparation phase of the project, when the project designer estimates the cost of the project.

Contracting Authorities have sometimes had to review their plans because the technical and financial data included in the Project Description Documents were incorrect with resultant serious impact on the final cost of the project – It is essential that this documentation is correct.

It is recommended that the beneficiary Ministries / Local Authorities be requested to submit, to the Contracting Authority, a Feasibility Study in order to demonstrate that the proposed projects have been examined in sufficient detail, by competent experts, in order to avoid surprises during the preparation of the Tender Documents or during implementation of the project.

Confirmation of Project Co-financing from the relevant authorities

It is normal that the Contracting Authority receives an official Letter of Commitment signed by the authorised/responsible person representing the interested Ministry or Local Authority, in which is clearly stated that this institution would participate in the co-financing of a specified Project. However, if this Letter of Commitment is not followed by a decision of the competent authorities for the necessary re-allocation of funds within the Budget of the relevant Ministry or Local Authority to meet this commitment, the Letter of Commitment has no status and this can have a detrimental effect on the implementation of the project involved. This can often result in delays for the Contracting Authority because the co-financing is not available or, at least, not available at the right time. In the worst case scenario, this can result in the project being cancelled and the EU funds lost through lack of national co-financing because the relevant institution has not officially completed its internal procedure that commits the funds agreed with the Contracting Authorities.

It is, therefore, strongly recommended that the Contracting Authority obtain from the relevant Ministry /Local Authority an official confirmation that the necessary co-financing has been allocated **and secured** in the budget for the sole purpose of co-financing an identified Project, before starting its implementation.

This also highlights the need for the timely completion of the CBC Programming procedures so that the up-coming projects are identified and the co-financing quantified before the finalisation of the National Budgets so that the necessary finance can be committed for the following year. This probably means commencing the programming process in April / May of any year so that projects are identified, Project Fiches completed and the co-financing quantified before end September so that the national co-financing can be included in the National Budget which must be submitted before the end of the year.

TA assured for main supply or works projects

It is advisable to have qualified Technical Assistance available during the preparation of large-scale supply and works projects (in particular for the preparation of Technical Specifications and Tender Dossiers). Provision should be made for the cost of such Technical Assistance when proceeding to submit either Works or Supply Contract project for financing by the CBC Programme.

ANNEX 5***Nature Protected areas in the Joint Bulgaria – Romania Border Region.*****Bulgaria**

Protected areas within the 30 km strip along the Bulgarian bank of the Danube River:

- **NAME** **SURFACE [HA]**

- **NATURE PARKS**

Rusenski Lom	3,259.80 ha
Persina	21,762.20 ha

- **RESERVES**

Beli Lom	773 ha
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- **MANAGED RESERVES**

Srebarna Lake	902.10 ha
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- **PROTECTED SITES**

The Caves – carst valley	16 ha
Kaikusha Marsh	155.40 ha
Eliata – representative riparian forest with ancient trees	30 ha
Ostrata Skala - rocks	34.20 ha
Stariat Dab	86.30 ha.
Karakuz	75.10 ha
Pozharevo Island	71 ha
Bezimen Island	73.80 ha
Kalimok – Brashlen	5,952.342 ha
Orsoya Fishponds	150.30 ha
Shumaka	0.50 ha

Nature Monuments

Population of <i>Paeonia peregrina</i> L.	2.00 ha
Population of <i>Nymphaea alba</i> L. in the Kotshumnina site	2.50 ha
Population of <i>Nymphaea alba</i> L. in the Gola bara site	2.00 ha
Population of <i>Stratiotes aloides</i> L.	0.20 ha

Kitkata – a group of 15 trees of <i>Quercus pubescens</i> Willd	2.00 ha
Belogradchik Rocks	139.10 ha
Belogradchik Rocks	598.70 ha
Magurata Cave	83.00 ha
Veneca	1.00 ha
Chuturkite	5.00 ha
Levi and Desni Sihi Pech Caves	0.20 ha
Kitkata	1.80 ha
Petkov Cerak Waterfall	0.20 ha
Vrashka Chuka	67.50 ha
Genchov Orman	27.30 ha
Population of <i>Paeonia peregrina</i> L. in the Tsholashky orman site	82.50 ha
Opanski Bair – hill	53.00 ha
Lagat – Dramkata	39.00 ha
Razbitica	0.50 ha
Population of <i>Paeonia peregrina</i> L. in the Kisseletz site	10.00 ha
Population of <i>Clycyrrhiza glabra</i> L. in the Plavala site	28.10 ha
Population of <i>Clycyrrhiza glabra</i> L. in the Palaza site	0.50 ha
Trunks and stubs of ancient <i>Taxodaceae</i> forest in the Tashkovoto site	1.50 ha
Trunks and stubs of ancient <i>Taxodaceae</i> forest in the Kaleto site	5.00 ha
Katinata	28.00 ha
Ancient forest of <i>Quercus cerris</i> L. in the Bulin dol site	0.50 ha
Fossils in the Vit River Bridge site	3.20 ha
Nanin Kamak Cave	2.60 ha
Dekil Tazh	1.75 ha
Mamula	1.00 ha
Ancient forest of <i>Quercus cerris</i> L.	1.57 ha
Population of <i>Paeonia peregrina</i> L. in the Gornata koria site	4.40 ha
Ostrata Kanara – rock	2.65 ha
Garvan Marsh	228.50 ha
Malak Preslavec Marsh	41.90 ha
Wratata	2.40 ha
The Cave	8.50 ha

Romania

1. SWOR

Protected areas in Dolj County:

Natural areas with botanical character: Bujorului glade from Plenita wood; „Valea Rea” – Radovan; „Dunele” – Dabuleni; „Pajistea halofila Gighera”; Meadow Cetate; Meadow Gogosu – Stefanel;

Protected areas with phaleontological character: „Locul fosilifer Bucovat”; „Locul fosilifer Dranic”.

Protected areas with aquatic character: Ciuperceni – Desa; Lake „Adunatii de Geormani”; Lacustic Complex Preajba-Facai; Lake Cilieni-Bailesti; Lake Ionele, „Balta Neagra”; „Balta Lata”, Rivers Deznatui and Terpezita; River Balasan; Caraula Lake

Protected areas in Olt County:

1. „Rezervatia de Bujori a Academiei” (54.90 ha)
2. „Rezervatia de arborete de garnita” (135 ha)
3. „Casa Padurii din Padurea Potelu” (1.50 ha)
4. Branistea Catarilor Wood (301.30 ha)

Protected areas in Mehedinti County:

Biosphere areas, national and natural parks:

1. Domogled National Park – Valea Cernei (60,100.00 ha)
2. „Portile de Fier” National Park (115,655.80 ha)

Nature Areas and Monuments:

1. Epuran Cave, Ciresu locality, Jupanesti village (1.00 ha)
2. „Izvorul si stancariile de la Camana”, Podeni locality, (25.00 ha)
3. „Gura Vaii – Varciorova”, Gura Vaii locality (305.00 ha)
4. „Valea Oglanicului”, Breznita-Ocol locality (150.00 ha)
5. „Lunca Vanjului”, Vanju Mare town (14.00 ha)
6. „Padurea de Liliac Ponoarele”, Ponoarele locality (20.00 ha)
7. „Tufarisurile mediteraneene de la Isverna”, Isverna locality (10.00 ha)
8. Borovat wood, Balvanesti locality (30.00 ha)
9. Bunget wood, Burila Mare locality (18.20 ha)
10. Draghiceanu wood, Obarsia Closani locality (60.00 ha)
11. „Dealul Duhovniei”, Ilovita locality (50.00 ha)
12. „Dealul Varanic”, Breznita-Ocol locality (350.00 ha)
13. „Cazanele Mari si Cazanele Mici”, Dubova locality
14. „Lacul fosilier Svinita”, Vinita locality
15. „Lacul fosilier Bahna”, Ilovita locality
16. Starmina wood, Hinova locality (100.30 ha)
17. Charstic complex of Ponoarele, Ponoarele locality (100.00 ha)
18. „Peretii Calcarosi de la Izvoarele Cosustei”, Balta locality (60.00 ha)
19. „Cheile Cosustei”, Balta locality (50.00 ha)
20. „Cornetul Babelor si Cerboanei”, Balta locality (40.00 ha)
21. „Cornetul Pietra Incalecata”, Isverna locality (12.00 ha)
22. „Cheile Topolnitei” and „Pestera Topolnitei”, Ciresu locality (60,00 ha)
23. „Cornetul Baltii”, Balta locality (30,00 ha)
24. „Cornetul Vaii” and „Valea Manastirii”, Baia de Arama town (40,00 ha)

2. SMR

	County	Name	Reservation type	Surface (ha)
1	CALARASI	TAMADAU FOREST	FLORA	35
2	CALARASI + GIURGIU	CIORNULEASA FOREST	FLORA	73.20
3	GIURGIU	ANGHELESTI-BUCSANI FOREST	FLORA	4.30
4	GIURGIU	COMANA FOREST	FLORA	438.50

5	GIURGIU	MANAFU FOREST	FLORA	83.30
• TOTAL				634.30

3. SER

	County	Name	Reservation type	Surface (ha)
1	CONSTANTA	CHEIA	COMPLEX	285
2		VALUL LUI TRAIAN	COMPLEX	5
3		<i>ISTRIA-NUNTASI</i>	COMPLEX	120
4		<i>GRINDUL CHITUC-GOLOVITA-SMEICA</i>	COMPLEX	900
5		<i>HAGIENI FOREST</i>	FLORA	207,4
6		<i>ALAH-BAIR HILL</i>	FLORA	25
7		<i>FANTANITA-MURFATLAR</i>	FLORA	19,7
8		<i>DUMBRAVENI FOREST</i>	FLORA	345,7
9		CANARAUA FETII	FLORA	168,3
10		<i>AGIGEA'S DUNES</i>	FLORA	25
11		<i>TECHIRGHIOI LAKE</i>	FAUNA	10
12		<i>ESECHIOI FOREST</i>	FAUNA	168,1
13		<i>CREDINTA FOSSIL PLACE</i>	PALEONTOLOGIC	6
14		<i>SEIMENI FOSSIL PLACE</i>	PALEONTOLOGIC	0,5
15		<i>TOPALU RECIFE</i>	PALEONTOLOGIC	8
16		<i>ALIMAN FOSSIL PLACE</i>	PALEONTOLOGIC	14,62
17		<i>CERNAVODA FOSSIL PLACE</i>	PALEONTOLOGIC	3
18		<i>GURA DOBROGEI WITH LILIECI AND LA ADAM CAVES</i>	SPEOLOGIC	15
19		<i>LIMANU CAVE</i>	SPEOLOGIC	25,3
• TOTAL				2351,62

ANNEX 6

**ORGANISATIONAL STRUCTURES FOR THE PROGRAMME IMPLEMENTATION
ADMINISTRATIVE STRUCTURES**

i. PROGRAMME IMPLEMENTING AUTHORITIES (PIA)

Bulgaria	Romania
<p>Ministry of Regional Development and Public Works (MRDPW) 17–19 Kyril and Methodi Street, 1202 Sofia Mr Valentin Tserovski, PAO and Minister Telephone: ++ 359 (0)2 9405 517 Fax: ++ 359 (0) 2 983 56 85 ievtimova@mrrb.government.bg MRDPW have responsibility for all programming and implementation matters relating to Phare CBC programmes.</p> <p>Ms. Tsvetomira Latcheva, Deputy PAO for Phare and ISPA Telephone: ++ 359 (0)2 9405 488 Fax: ++ 359 (0)2 986 53 87 e-mail: ts.latcheva@mrrb.government.bg Head of Programming Department: Ms. Boyana Chavdarova Telephone: ++ 359 (0)2 9405 294 Fax: ++ 359 (0)2 987 25 17 e-mail: bchavdarova@mrrb.government.bg</p> <p>Head of Implementation Department Mr. Vladislav Georgiev, Head of Phare CBC IA. Telephone: ++ 359 (0)2 9405 280 Fax: ++ 359 (0) 2 987 07 37 E-mail: vgeorgiev@mrrb.government.bg</p> <p>Head of Financial Department Ms. Ilijana Jovcheva, Head of Finance Department- MRDPW. Telephone: ++ 359 (0) 2 9405 336/ 9405 349 Fax: ++ 359 (0) 2 987 41 55 E-mail projectspay@mrrb.government.bg</p>	<p>Ministry of Development and Prognosis (MDP) Cross-Border Co-operation Directorate, 2-4 Cristian Popisteanu Street, Sector 1, 70109 Bucharest Mr. Leonard CAZAN, PAO and Minister Mr. Mihai DAVID, Deputy PAO and Secretary of State Telephone: ++ 40 (0) 21 310 07 91 Fax: ++ 40 (0) 21 312 14 32 e-mail: mdj@mdp.ro MDP have responsibility for all programming and implementation matters relating to Phare CBC programmes. For 1999 and 2000 Phare CBC Programme, Financial and Contracting matters are the responsibility of the CFCU within the Ministry of Public Finance. According to 2001 Phare CBC Financing Memorandum, the Implementing Agency for Phare CBC Programmes is the MDP, which retains overall responsibility for the programming and implementation of the Programmes, including Financial and Contracting matters.</p> <p>Phare CBC Programmes Coordination Unit Mr. George Cotiga, Director. e-mail: george.cotiga@mdp.ro Ms. Daniela Chisiu, Head of Unit e-mail: daniela.chisiu@mdp.ro Telephone: ++ 40 (0)21 315 2734 Fax: ++40 (0)21 315 2734</p> <p>Head of Payment Directorate (MDP) Mrs. Doina Surcel, Head of Payment Directorate Telephone: ++ 40 (0)21 410 6686 Fax: ++ 40 (0)21 410 6686 e-mail: doina.surcel@mdp.ro</p>

Both responsible programme partners shall act on the assumption that the Commission's offices shall streamline procedures in order to put the programme implementing authorities in a position to assume joint overall responsibility for the PHARE-CBC Programme. Any and all correspondence between the Commission and the programme partners should therefore be forwarded to the two programme co-ordinating authorities.

ii. IMPLEMENTATION BODIES AT PROJECT LEVEL

The following authorities shall assume responsibility for the management of the programme at the project level (with the exception of projects related to technical assistance at the levels of the PIA):

BULGARIA - PHARE CBC IA	ROMANIA - PHARE CBC IA
<p>The counterpart authority in Bulgaria shall be the: District offices of the MRDPW in each of the Border Districts – Vidin, Montana, Vratsa, Veliko Tarnovo, Pleven, Ruse, Silistra and Dobrich.</p> <p>They shall be the local representatives of MRDPW in the border regions and they shall:</p> <ul style="list-style-type: none"> ▪ Monitor the implementation of projects ▪ Ensure that timetables are adhered to, ▪ Receive Project Fiches for large scale projects (minimum EUR 2 million) ▪ Check all Project Fiches to ensure that they comply with the Phare procedures. ▪ Report to the Head of the MRDPW Implementation department on the progress of the Projects in their areas and highlight any problems that are apparent with the projects. 	<p>Starting with 2001 Phare CBC Programmes, in Romania, the overall responsibility for the programming and implementation of the CBC Phare Programmes retains to MDP, through its Cross-Border Cooperation Directorate, which became Implementing Agency, according to the 2001 Phare CBC Financing Memorandum, signed on 4th of December 2001 at Bucharest. In this respect, MDP is in charge with the following activities: approval of tender documents, evaluation criteria, evaluation of offers, signature of contracts, authorisation of invoices, excepting the payments of invoices that will be made by the Payments Directorate within the MDP.</p> <p><i>Regarding the JSPF projects, the CBC Phare Regional Office in Giurgiu retains the responsibility for programming and implementing matters.</i></p>

iii. PAYING AUTHORITY (PA) AND FINANCIAL AUTHORITY UNDER THE PHARE FACILITY

BULGARIA	ROMANIA.
<p>Under the Memorandum of Understanding on the Establishment of the National Fund in Bulgaria, which was established in 1998, transfers of funds from both the EU Phare and from Bulgarian co-financing sources should be channelled, in the first place through the National Fund. Transfers from the National Fund shall be in accordance with the mechanism set out in the Financing Agreement for each programme (Article 3). Applications for draw down by the Implementing Agencies are done on the basis of a Request for Funds incorporating Commitment and Disbursement Tables (Article 6). The Implementing Agency shall make payment only against signed contracts (Article 6).</p> <p>The National Fund, CBC Implementation Department of MRDP and the District Offices of the MRDPW shall cooperate to ensure that funds are properly disbursed and to ensure that payments are according to the contract signed with the beneficiary. They shall also work to ensure that all fund are used for the purpose proposed and that it will not be necessary to return funds unspent to the Commission.</p>	<p>Under the Memorandum of Understanding on the Establishment of the National Fund in Romania, which was established in 1998, transfers of funds from both the EU Phare and from Romanian co-financing sources should be channelled, in the first place through the National Fund. Transfers from the National Fund shall be in accordance with the mechanism set out in the Financing Agreement for each programme (Article 3). Applications for draw down by the Implementing Agency (CFCU for 1999 and 2000 Phare Programmes and MDP for 2001, 2002 Phare Programmes) are done on the basis of a Cash Flow statement. The Implementing Agency shall make payment only against signed contracts (Article 6).</p> <p>The National Fund, CBC Implementation Department of MDP, shall cooperate to ensure that funds are properly disbursed and to ensure that payments are according to the contract signed with the beneficiary. They shall also work to ensure that all fund are used for the purpose proposed and that it will not be necessary to return funds unspent.</p>

iv. **JOINT CO-OPERATION COMMITTEE (JCC)**

BULGARIA	ROMANIA.
<p>Joint Co-operation Committee In accordance with Article 7 of the Commission Regulation (EC) No. 2760/98 of 18 December, 1998 a JCC has been set up consisting of representatives of the two countries, including regional and /or local representatives and of representatives of the Commission. The Bulgarian voting Members shall include the following:</p> <ul style="list-style-type: none"> ▪ Ministry of Regional Development and Public Works – Representative of the Phare CBC Implementating Agency, Mr. Vladislav Georgiev, Head of IA ▪ Ministry of Finance, National Fund, Ms. Sylvia Indjova, Director. ▪ Ministry of Finance - National Aid Coordinator. ▪ Ministry of Transport and Communications. ▪ Ministry of Labour and Social Policy ▪ Ministry of Agriculture and Forestry. ▪ Ministry of Environment and Water. ▪ Ministry of Economy, ▪ Ministry of Interior – National Border Police Service. ▪ Ministry of Regional Development and Public Works – National Roads Agency ▪ Agency for Economic Development and Investment, Silistra. ▪ Regional Economic Development Agency, Vratsa. ▪ Agency for Regional Development and Business Centre, Vidin. ▪ Regional Centre for SME Support, Pleven. . ▪ Agency for Small and Medium Size Enterprises, Ruse. ▪ The Association of Danube Municipalities. ▪ Agency for Economic Development and Investment, Dobrich. ▪ Agency for Regional Development and Business Centre 2000, Montana. ▪ Regional Development Fund, Veliko Tarnovo. <p>Non Voting Members shall include:</p> <ul style="list-style-type: none"> ▪ EC Delegation in Sofia. ▪ Representatives of the line-ministries involved in annual CBC programmes and projects ▪ NGOs / NPOs and chambers of commerce 	<p>Joint Co-operation Committee. In accordance with Article 7 of the Commission Regulation (EC) No. 2760/98 of 18 December, 1998 a JCC has been set up consisting of representatives of the two countries, including regional and /or local representatives and of representatives of the Commission. The Romanian voting Members shall include the following:</p> <ul style="list-style-type: none"> ▪ Ministry of Development and Prognosis, Mr. Mihai DAVID, Secretary of State for Regional Development, ▪ Ministry of Development and Prognosis, Cross-Border Cooperation Directorate, Mr. George Cotiga, Director. ▪ Ministry of Public Works, Transport and Housing, General Directorate of External Financial Relations, Mrs. Liliana BARNA, General Director ▪ Ministry of Waters and Environmental Protection, International Programmes and Projects Directorate, Mr. Costel HANTA, Director ▪ Ministry of European Integration, Directorate for Coordination and Monitoring of the Assistance for Accession, Mr. Razvan COTOVELEA, Director ▪ Ministry of Industries and Resources, Mrs. Steluta GOANTA, Director ▪ President of County Council Calarasi ▪ President of County Council Constanta ▪ President of County Council Dolj ▪ President of County Council Giurgiu ▪ President of County Council Mehedinti ▪ President of County Council Olt ▪ President of County Council Teleorman ▪ EC Delegation representatives – Phare CBC Task Manager <p>Non voting members: <i>Projects' beneficiaries representatives, if necessary</i> <i>EC Delegation in Bucharest</i></p>

v. JOINT MONITORING COMMITTEE (JMC)

Joint Monitoring Committee

A Joint Monitoring Committee has been established in both countries under the Phare National Programme and will be assisted by Monitoring Sub-committees (MSCs) and, for the Phare CBC Programme, the JCC shall be identified as the relevant Monitoring Sub-committee.

The JCC (MSC) shall meet, at least once per year, to review in detail the progress of the programmes on the foot of regular monitoring and assessment reports produced with the assistance of external consultants (according to PRAG procedures). The JCC should put forward recommendations on aspects of management and design and shall ensure that these are put into effect. The JCC shall report back to the JMC and will submit detailed reports on the status and progress of all Phare funded CBC programmes

The JMC includes:

Bulgaria:

- The National Authorising Officer (NAO) - Ministry of Finance.
- The National Aid Coordinator (NAC) – Ministry of Finance.
- Programme Authorising Officer (PAO) – Ministry of Regional Development and Public Works.

Romania:

- The National Authorising Officer (NAO) – Ministry of Public Finance.
- The National Aid Coordinator – Ministry of European Integration.
- Programme Authorising Officer (PAO) - Ministry of Development and Prognosis.

vi. FINANCIAL AUDITING

The PIAs shall ensure, for all projects co-financed by Phare funds under the PHARE-CBC Programme Bulgaria – Romania, that compliance with the terms and conditions for assistance under the programme, as well as the correctness of financial statements settled with regard to expenses eligible for assistance and assistance funds to be granted, is continuously ensured both in factual and accounting terms and if necessary audited on site.

BULGARIA	ROMANIA
<p>The Memorandum of Understanding for the establishment of the National Fund provides for Financial Control procedures, Auditing by the Bulgarian National Court of Auditors (Article 8), for Annual Monitoring and Assessment of all Phare funded programmes at least once a year by a Joint Monitoring Committee including the National Aid Co-ordinator, the NAO and the Commission (Article 15) and by an outside Auditor contracted by the EC (Article 16). The Public Internal Financial Control Agency checks all programmes and transactions on behalf of the Bulgarian Ministry of Finance.</p> <p>An outside auditor contracted by the Commission may check the accounts and operations of the</p>	<p>The Memorandum of Understanding for the establishment of the National Fund provides for Financial Control procedures (Article 8), for Annual Monitoring and Assessment of all Phare funded programmes at least once a year by a Joint Monitoring Committee including the National Aid Co-ordinator, the NAO and the Commission (Article 15) and Auditing by an outside Auditor contracted by the EC (Article 16).</p> <p>An outside auditor contracted by the Commission may check the accounts and operations of the</p>

<p>National Fund and the Implementing Agency at the Commission's discretion.</p> <p>There may be, from time to time, special audits by the European Court of Auditors as referred to in the General Conditions relating to the Framework Agreement on Phare between Bulgaria and the EU Commission that was ratified on 23rd March, 1995.</p> <p>The Commission services ensure that an ex-post evaluation is carried out after completion of the Programme.</p>	<p>National Fund and the Implementing Agency, at the Commission's discretion.</p> <p>There may be, from time to time, special audits by the European Court of Auditors as referred to in the General Conditions relating to the Framework Agreement on Phare between Romania and the EU Commission signed on 12th of March 1991.</p> <p>The Commission services ensure that an ex-post evaluation is carried out after completion of the Programme.</p>
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11.2 GENERAL PHARE IMPLEMENTATION ARRANGEMENTS

Bulgaria	Romania
<p>All Phare programmes are managed in accordance with the Practical Guide to Phare, ISPA and SAPARD Contract Procedures (PRAG). The National Aid Co-ordinator (NAC) has overall responsibility for programming, monitoring and implementation of Phare programmes.</p> <p>The National Fund (NF) in the Bulgarian State Treasury headed by the National Authorising Officer (NAO), supervises the financial management of the programmes, and is responsible for reporting to the European Commission. Appropriate financial control within the Ministry of Finance is carried out by the Public Internal Financial Control Agency and by the National Court of Auditors, with respect to the implementation of the programme.</p> <p>The IAs must each be headed by a Programme Authorising Officer (PAO), appointed by the NAO after consultation with the NAC. The PAO is responsible for all the operations carried out by the relevant IA.</p> <p>The Commission transfers Phare funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Bulgaria on 4th December 1998. Funds are transferred following requests from the NAO. A payment of up to 20% of the funds to be managed locally is transferred to the NF following signature of the yearly Financing Memoranda and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). Furthermore, the NAO must submit, to the Commission, the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function is carried out.</p>	<p>All Phare programmes are managed in accordance with the Practical Guide to Phare, ISPA and SAPARD Contract Procedures (PRAG). The National Aid Co-ordinator (NAC) has overall responsibility for programming, monitoring and implementation of Phare programmes.</p> <p>The National Fund (NF) in Romania, headed by the National Authorising Officer (NAO), supervises the financial management of the programmes, and is responsible for reporting to the European Commission. Appropriate financial control is carried out by the Public Internal Control Agency and by the National Audit Office, with respect to the implementation of the programme.</p> <p>The IAs must each be headed by a Programme Authorising Officer (PAO), appointed by the NAO after consultation with the NAC. The PAO is responsible for all the operations carried out by the relevant IA.</p> <p>The Commission transfers Phare funds to the NF in accordance with the Memorandum of Understanding (RO 9911) signed between the Commission and Romania on 30th. December 1999. Funds are transferred following requests from the NAO. A payment of up to 20% of the funds to be managed locally is transferred to the NF following signature of the yearly Financing Memoranda and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). Furthermore, the NAO must submit, to the Commission, the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function is carried out.</p>

<p>All actions financed in the framework of this JPD will respect the state aid and competition provisions of the Europe Agreement.</p> <p>The horizontal principles of equal opportunities between men and women as well as environmental impact (sustainable development) will be mainstreamed at JPD level in the following way:</p> <ol style="list-style-type: none"> 1. It will be mandatory to include environment (sustainable development) as well as equal opportunities among the project selection criteria. 2. These issues will feature as requirements in all evaluations to be undertaken under the JPD. 3. Where appropriate and feasible, specific indicators to assess impact on these horizontal issues will be developed at measure level. 4. The MC (JCC) will have the ultimate responsibility for securing the maximum application of these horizontal principles. <p>The National Fund transfers funds to IAs (including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NF and the IAs/CFCU where applicable. The European Commission endorses each individual FA in advance. A separate bank account is opened and managed by the NF in a separate accounting system in BULBANK in Sofia. In principle, all bank accounts are interest bearing. Interest is reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures apply to any funds transferred to an IA (or the CFCU).</p> <p>The NAO and the PAOs ensure that all contracts are prepared in accordance with the procedures set out in the PRAG Manual. Programme components financed exclusively out of national resources are subject to national procurement rules. In the case of grant schemes - the provision of works, supplies and services sub-contracted by the final beneficiaries of the individual grants are subject to Phare procurement regulations as set out in the PRAG Manual and as annexed to the Grant Contract.</p>	<p>All actions financed in the framework of this JPD will respect the state aid and competition provisions of the Europe Agreement.</p> <p>The horizontal principles of equal opportunities between men and women as well as environmental impact (sustainable development) will be mainstreamed at JPD level in the following way:</p> <ol style="list-style-type: none"> 1. It will be mandatory to include environment (sustainable development) as well as equal opportunities among the project selection criteria. 2. These issues will feature as requirements in all evaluations to be undertaken under the JPD. 3. Where appropriate and feasible, specific indicators to assess impact on these horizontal issues will be developed at measure level. 4. The MC (JCC) will have the ultimate responsibility for securing the maximum application of these horizontal principles. <p>The National Fund transfers funds to IAs (including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NF and the IAs/CFCU where applicable. The European Commission endorses each individual FA in advance. A separate bank account is opened and managed by the NF in a separate accounting system in the National Bank of Romania in Bucharest. In principle, all bank accounts are interest bearing. Interest is reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures apply to any funds transferred to an IA (or the CFCU).</p> <p>The NAO and the PAOs ensure that all contracts are prepared in accordance with the procedures set out in the PRAG Manual. Programme components financed exclusively out of national resources are subject to national procurement rules. In the case of grant schemes - the provision of works, supplies and services sub-contracted by the final beneficiaries of the individual grants are subject to Phare procurement regulations as set out in the PRAG Manual and as annexed to the Grant Contract.</p>
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11.2.1 MONITORING AND ASSESSMENT

A Joint Monitoring Committee (JMC) has been established in the context of the Phare National Programmes. The JMC for Bulgaria / Romania includes the NAOs, the NACs, the relevant PAOs and the Commission. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in

Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JMC will be assisted by Monitoring Sub-Committees (MSC), which, in the case of Phare CBC Programmes, will be the Joint Cooperation Committee (JCC) and will include the NAC, the PAO of each IA and the Commission Services. The MSC will review in detail the progress of each programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultant (in accordance with the provisions of the PRAG Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes, including on the Phare CBC Programmes.

A Regional Development Phare Sub-committee also meets twice per year to assess the progress on all programmes within the context of Regional Development Programmes in Bulgaria, including the Phare Cross-border Cooperation Programmes.

11.2.2 AUDIT AND EVALUATION

The accounts and operations of the National Fund, and all relevant Implementing Agencies, may be checked at the Commission's discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement. The National Court of Auditors will also carry out appropriate Financial Control. In Bulgaria, the accounts and transactions of the Ministry of Finance are also checked by the Public Internal Financial Control Agency.

The Commission services ensure that an ex-post evaluation is carried out after completion of the Programme.

11.2.3 PUBLICITY

The appropriate Programme Authorising Officer is responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This is done in close liaison with the Commission Delegation.

ANNEX 7

Documents consulted during preparation of JPD

Bulgaria

1. The Preliminary National Development Plan
2. The National Regional Development Plan for the North-East, North-West and North-Central Regions
3. The National Rural Regions Development Plan (SAPARD programme document)
4. The Accession Partnership
5. The Bulgarian National Programme on the Adoption of the EC Acquis
6. The National Coordination Mechanism for the Organization of the Accession Preparation of the Republic of Bulgaria to the EC and the Conduction of the Accession negotiation (Council of Ministers Ruling № 33 of 11.02.2002)
7. The Stability Pact
8. Other strategies and documents related to planning such as the Phare CBC Bulgaria-Romania programmes for 2000, 2001 and 2002.
9. The National Strategy for the EC Structural Funds Management (Council of Ministers Ruling № 312 of May 2002).
10. The applicable Bulgarian legislation
11. Memorandum on the establishment of a National Fund between the Government of the Republic of Bulgaria and the European Commission.

Romania

1. The Preliminary National Development Plan
2. The National Regional Development Plan for the South-East, South and South – West Regions
3. The National Rural Regions Development Plan (SAPARD programme document)
4. The Accession Partnership
5. The Romanian National Programme on the Adoption of the EC Acquis
6. Romania's position Paper – Chapter 21 – "Regional Policy and Co-ordination of Structural Instruments", approved by the Romanian Government in its meeting of 6th December 2001
7. The Stability Pact
8. Other strategies and documents related to planning such as the Phare CBC Bulgaria-Romania programmes for 2000, 2001 and 2002.
9. The applicable Romanian legislation
10. Memorandum on the establishment of a National Fund between the Government of the Republic of Romania and the European Commission.
11. The programming process for the Phare CBC Programme 2003-2006 involved a comprehensive consultation process whereby, in addition to the Joint Cross-border Working Groups, there were also Joint Inter-Ministerial Working Committees, which ensured that there is no duplication of activities.

During the course of elaborating the current programme, the Council of Ministers issued a ruling (the Ruling № 301 of 18.05.2002), which authorized the Bulgarian part of the Bulgaria-Romania Committee to hold a new round of negotiations for harmonization of the new priorities and to agree on the respective measures.