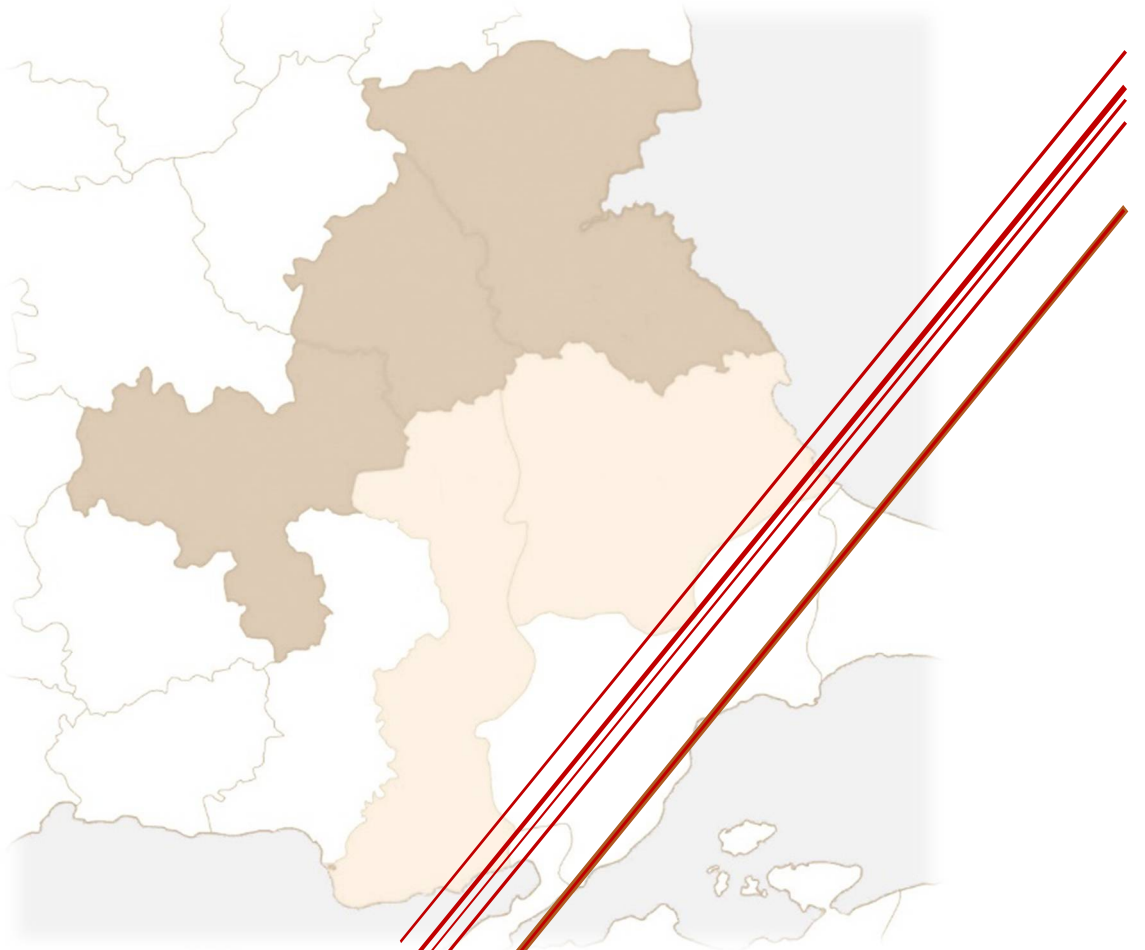




Draft Programme`s Intervention Logic



**INTERREG - IPA
BULGARIA-TURKEY PROGRAMME
2021-2027**

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Introduction

According to the draft cohesion policy legal framework for 2021-2027, the funds shall support 5 general Policy Objectives and 2 Policy Objectives dedicated to Interreg Programmes, namely:

General Policy Objectives:

- A smarter Europe by promoting innovative and smart economic transformation ('PO 1')
- A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management ('PO 2')
- A more connected Europe by enhancing mobility and regional ICT connectivity ('PO 3')
- A more social Europe implementing the European Pillar of Social Rights ('PO 4')
- A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives ('PO 5')

Interreg specific objectives:

- A better cooperation governance (ISO 1)
- A safer and more secure Europe (ISO 2)

Based on the draft Regulations, at least 60% of the ERDF and, where applicable, of the external financing instruments of the Union allocated to each Interreg strand A, B and D programme, shall be allocated on Policy objective 2 and a maximum of two other policy objectives as set out in Article 15 (1) in the new ETC.

1. Territorial analysis

The Territorial Analysis of the Cross-border region identifies the needs and the potential of the area in the following main fields: economic development, transport infrastructure, tourism, environment, human capital, governance etc. The main conclusion of the analysis is that both countries in the cross-border area share, on one hand, many common challenges, such as:

- *Unfavourable demographic change (aging population and outmigration)*, particularly on the Bulgarian side of the border;

- *Highest risk of poverty or social exclusion*¹;

- *Interregional disparities in terms of economic performance* – Kırklareli's GDP per capita is 140% higher than the equivalent data for Haskovo region. Turkey's performance is above the EU average on skills and innovation and comparable to the EU average in entrepreneurship, and environment. By contrast, Turkey lags behind the EU in access to finance and internationalisation. Bulgaria follows opposite directions – it performs in line with the EU average on access to finance and internationalisation, while it ranks last in entrepreneurship and skills & innovation and its performance on environment is among the weakest in EU². These conflict economic trends create favourable preconditions for exchange and sharing of

¹ [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:People at risk of poverty or social exclusion, 2018 \(%25, by NUTS 2 regions\) RYB20.jpg](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:People_at_risk_of_poverty_or_social_exclusion,_2018_(%25_by_NUTS_2_regions)_RYB20.jpg)

² SBA country profiles https://ec.europa.eu/growth/smes/sme-strategy/performance-review_en

knowledge and good practices, establish regional value-chains and thus enhance the cooperative nature of cross-border economic relations.

- *Fluctuating FDI flows;*

- *Bulgaria and Turkey are among the most energy-intensive countries in Europe, with Turkey generating increasing GHGs;*

- *Energy-intensive, medium- and low-technology industries shape the sectoral specialization of the CBC area;*

- *Both countries lag behind on the EU in all components of the circular economy - resource productivity, usage of circular material, waste management and competitiveness and innovation, with a better performance of Bulgaria in the waste management field and substantial progress of Turkey in wastewater management;*

- *The CBC area bears extensive environmental hazard - a natural gas underground storage is planned to take place in Kırklareli province*

- *High potential risk of irregular migration due to geostrategic location of the CBC area as a migratory route from east to west;*

On the other hand, the CBC area exhibits great potential in key development directions exemplified through:

- *Growing GDP;*

- *Net migration;*

- *Low unemployment;*

- *Very good performance of SMEs in both countries in terms of GVA – For 2019 SMEs in Turkey account for 73.9 % of employment and 53.9 % of value added, while Bulgarian SMEs account for 75.7% of employment and 65.3% of value added against EU-28 average of 66.6% and 56.4% respectively;*

- *Growing export and household consumption*

- *Good regional connectivity allowing for multimodal transport*

- *Well developed tourism superstructure, underpinned by high degree of overlapping and territorial proximity of natural and cultural sites;*

- *In both countries an increasing installed capacity of renewable energy sources has been observed*

The prospects of the renewed EU Territorial Agenda 2030 provides important directions for the future course of development of the CBC area taking into account the above-summarized challenges and potentials. Persistent territorial and economic obstacles can be transformed into development drivers only if equally addressed in a cooperative and integrated manner, because territorial governance and cooperation, as well as the quality of governance, are preconditions to counter the current social, economic, connectivity and environmental challenges that the CBC area faces. The outcomes of the Territorial Analysis outlines the following **groups of territorial obstacles**, that need complex, but targeted measures, to get resolved in a balanced, multi-level governance, multi-dimensional and multi-thematic mode of operation, who will

eventually contribute to the strengthening of the territorial cohesion of the programme area, particularly in the economic field.

(1) Slow-paced transition to a low-carbon economy

The concept of economic development will no longer be isolated from the concept of climate change and adaptation. Economic actors from the CBC area have been doing little to embark on the transform to climate neutral economy. According to the acting TR21 Thrace Regional Plan of Turkey, environmentally conscious business structure is a priority target for the region. Between 2000 and 2015, the Primary Energy Intensity Index for Turkey (National Energy Efficiency Action Plan 2017-2023, NEEAP) indicates annual improvement of 1.65%, i.e. for the production of 1 GDP unit the country reports energy consumption of 0.65 unit. The end-use energy intensity index reports identical output of 1.5% improvement over the same period of time. Nevertheless, with the industry accounting for 32.4% of the end-use energy consumption and 47.6% of the net electricity in 2015, the Turkish economy is more “energy-intensive” compared to developed countries. That is why, the NEEAP has defined energy efficiency a priority area. In terms of Bulgaria, its total energy intensity amounts to 448.5 kgoe per €1,000, compared to the average energy intensity of 120.4 kgoe per €1,000 (2015 data, Eurostat) of EU-28. The high energy intensity of the Bulgarian industry justifies the introduction of energy efficiency measures, which is expected to further reduce GHG emissions. According to the National Climate Change Adaptation Strategy and Action Plan of Bulgaria 2030, emissions from the energy sector in 2016 decreased by 47.9% compared to the base year (42,386 Gg CO₂e in 2016 compared to 81,320 Gg CO₂e in 1988). It is worth mentioning that in the CBC area is situated the largest oil refining enterprise on the Balkan peninsula – Lukoil Neftohim Burgas AD, which despite the deployment of advanced technological solutions to process hydrogen sulfide, reduce the amount of hazardous emissions into the atmosphere and water, and safely neutralize environmental waste, the company remains one of the biggest polluters in the country and in the region. All these have been noted to stress out the need for more progress in the transition to low-carbon, circular economy.

Another vital contributor for the reduction of GHG emissions is the substitution of the linear economic model by a circular one. Bulgaria and Turkey lag behind on the EU in all components of the circular economy³, as the following table illustrates:

Indicator	Bulgaria's output	Turkey's output	EU-28 average
Resource productivity (euro per kg), 2017	0.4	0.7	2.3
Recycling rate of municipal waste (%), 2018	31.5	11.5	46.9
Recycling of biowaste (kg per capita), 2018	7	2	83
Circular material use rate (% of total material use), 2019	2.4	No data	12.4

In addition to these data, the current Regional Plan of Thrace Region of Turkey highlights the waste management, along with water pollution and air pollution, as the most important environmental issues of the region.

³ https://ec.europa.eu/eurostat/databrowser/view/env_ac_rp/default/table?lang=en for resource productivity and <https://ec.europa.eu/eurostat/web/circular-economy/indicators/main-tables> for the rest

All these call on the two countries to rise to the challenge of promoting and supporting more actively the principles of the circular economy and the related production practices.

(2) Incoherent territorial development hampered by the prevalence of two opposite developmental processes

The accessibility, proximity, affordability and quality of public services is important to the quality of life and business development. Differences in access to services of general interest risk driving service providers, enterprises and social activities to relocate to areas with better access. This especially concerns remote areas that lack access to public services and economic and social opportunities. The same holds the true when it comes to business and entrepreneur services. The CBC area is incoherent in terms of access to services and entrepreneurship. Two conflict courses of territorial development take place – Turkish side of border enjoys better coverage of service provision and more favorable conditions for business development (see SBA country profile for the latter), while Bulgarian side reports opposite trend – insufficient coverage of services of general interest, especially in remote areas and low entrepreneur activity due to lack of supportive environment. These opposite trends, however, open room for intensification of the cross-border cooperation in terms of exchange and sharing of knowledge and practices, joint learning and doing, which may further improve and expand regional value-chains and networks. The support for strengthening the territorial cohesion by developing new and improvement of existed public and business services shall be provided in the new EU policy context of integrated territorial development accounting for full compliance with the Territorial Agenda 2030's priorities, because uncoordinated and dot-like interventions failed to generate sustainable impact on the regional economic development. The need to combat unevenly dispersed economic effects of isolated and sporadic interventions gave rise to the concept of participative and integrated territorial development as a horizontal policy tool that is able to boost inclusiveness, sustainability, competitiveness and resilience by gathering key actors from any sectoral value chain in cooperative actions.

(3) EU internal security affected due to insufficient coordination of inland institutions mandated to manage migration

The specifics of the security sector justifies interventions of even more cooperative and integrated mode of action. The latest wave of large-scale migration to EU, that took place in 2015, has confronted the Bulgarian and Turkish cross-border authorities with unprecedented situation which required coordinated approach to handle it. None of the cross-border authorities, however, was prepared to act in such a way. This migrant crisis revealed many areas, of managerial and operational importance, that need further improvement and strengthening the capacity for operational cooperation of the Bulgarian and Turkish law enforcement authorities to manage migrant flows in a cooperative and humane manner while at the same time preserving domestic stability and safeguarding national security. Although the number of asylum seekers in Bulgaria and Turkey has decreased more than twice since 2017, the number of undocumented irregular migrants in both countries grows every year, as ECRE⁴ stresses out in its 2020 individual country reports. Furthermore, it is expected that irregular migration in the CBC area is most likely to continue to rise security and humanitarian concerns

⁴ European Council on Refugees and Exiles, <https://www.asylumineurope.org/reports>

taking into account the continuing social and political instability in the Middle East and Southern Asia. This situation requires adequate institutional and operational response to make sure that no perceived or actual deficiency in the migration management in the transit regions (like Turkey and Bulgaria), that might result in a migration crisis identical to the one of 2015, would occur ever again. Since the questions of migration importance will continue to be a major issue of concern in Europe and at the external European borders, and the complex nature of mixed flows of economic and other migrants, refugees and asylum seekers will further present additional challenges. Moreover, such a complex issue cannot be addressed solely by individual authorities from either side of the border. Rather, it requires a strategic, comprehensive and multilateral approach to substitute the prevailing ad-hoc responses with cross-border cooperative and durable solutions.

2. Lessons learnt

Experience in current and previous programming periods

The Bulgaria-Turkey IPA CBC Programme 2007-2013 operated in a wide range of priority areas and covered a variety of sectors, without clear prioritization. Despite the thematic concentration imposed by the EU Regulations in 2014 -2020 period, the areas of intervention defined under INTERREG-IPA CBC Programme 2014 -2020 still remained quite diverse and without any interdependence.

Opposite to limited (even reduced in 2014-2020 period) financial resources, the interest in the programme remained high during both programming periods. In 2007-2013 period – under the 3 open calls 374 projects were submitted and 143 contracts signed while in 2014-2020 period – under the 2 open calls (the 3-rd one is a restricted call for strategic project proposal) 325 projects were submitted and 101 project signed. This comes to show that more than 60% of the project proposals were not financed and that the scattered sectoral investments based on open calls have led on one hand to severe competition and high expectations of potential beneficiaries and on the other hand to fragmented and dot-like interventions, some of which were not directly linked to the actual needs and potential of the cross-border region.

Despite the demonstrated high interest, the low competence of some beneficiaries in terms of project implementation of certain measures and the low level of partnership between public and non-governmental sectors contributed to the insufficient capitalization of the project results. In addition exhaustion in generation of project ideas was observed – e.g. increased number of projects, with already financed similar ideas/objectives and in all calls most of the applicants are one and the same organizations/institutions.

Outcomes of the performed mid-term and ex-post evaluations

The Impact Evaluation of the 2007-2013 Programme, as well as the Midterm evaluation of 2014-2020 Programme, showed that, in correspondence to the diversity of the spheres of intervention, a wide number and range of outputs were delivered. From a financial perspective, it was observed a drastic gap between available, requested and contracted funding - on average, the total applied budget has been 435% higher than the available, while 31% of the total requested funding has been contracted. Often, such financial disproportion preconditions weak programme effects in terms of efficiency and sustainability. That is why it is difficult for the programme to bring out benefits for the communities, to intensify its effects for the region and

especially its value added achieved through cooperation. In that respect, in order a visible impact to be achieved, a new, more results-oriented approach in the implementation of the future programmes was recommended. It is expected that a better programme focus would strengthen linkages between needs and resources (through directing more funds to most demanded intervention areas) and thus generate proportionate and sustainable (not tentative) effects on the territory.

Conclusions

The above lessons learned from current and previous programming periods show that for avoiding uncoordinated, dot-like investments and ensuring a stronger impact of the programme results, a more strategic approach is desirable, based on the needs and competitive advantages of the CBC region. This can be achieved in the following ways:

- *PO 2 “A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management”* had been chosen as the programme area lags substantially behind the EU on energy efficiency and circularity economic solutions. Therefore the programme will seek to increase the share of low carbon technologies in the electricity mix, as well as to define a proper mix of pull and push measures that shrink industrial energy intensity, shape new business models and create markets for climate-neutral, circular economy products. Such measures need to take into account firstly, the environmental footprint including GHG over the full life cycle.
- Irregular migration in Bulgaria Turkey CBC area is most likely to continue to rise security and humanitarian concerns, yet there have so far not been enough jointly implemented actions of institutional and operational cooperation matter so that to strengthen good migration management in the cross-border area in a coordinated and solidarity-based manner. Therefore, a strategic project addressing these system deficits has been proposed by the most concerned institutions under *ISO 2 “A safer and more secure Europe.”*
- *PO5 “A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories”* is extremely appropriate to be part of the programme intervention logic. It will give the opportunity the multi-thematic challenges of the border area to be tackled through a territorial development strategy, applying integrated measures across different sectors. The integrated investments for fostering the territorial development in local economy will bring higher added value and ensure the leverage effect of the funds.

3. Involvement of the relevant partners in the programme preparation (Respecting of partnership principle)

The principle of partnership is a key feature in the implementation of the EU funds, building on the multi-level governance approach and ensuring the involvement of civil society and social partners. The partners that had taken part in the future programme preparation were the most representative of the relevant stakeholders and were nominated as duly mandated representatives, taken into consideration their competence, capacity to participate actively and appropriate level of representation.

Based on the above-mentioned considerations and for the purposes of community-led programme preparation for 2021-2027, as well as in respect of the Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, a Joint Working Group (JWG) was set up in 2019. The aim of the JWG is on an operational level, to periodically review and make suggestions and proposals to the programming process as well as to approve the main stages of the programme's preparation and ultimately the final version of a needs-oriented and a focused programme.

The JWG members were nominated in accordance with the relevant institutional and legal framework and respecting the partnership principle. The JWG is composed of a balanced number of representatives of the two partnering countries, including representatives of public authorities (national, regional and local), economic and social partners, relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination. The first meeting of the JWG took place on 12th November 2019 in Edirne where Rules and procedures and a Concept note with a timeschedule for the programming process were adopted.

The establishment of the JWG was preceded by a large regional consultation process implemented in both countries. In the period of July-August 2019 six meetings of regional focus groups were conducted in Turkey – 2 in Edirne (on 29.07.2019 and 30.07.2019) and 4 in Kırklareli (on 31.07.2019 and 01.08.2019). Their aim was to identify the local needs and potentials, following the bottom-up approach and to incorporate proposals by the stakeholders regarding the prioritization of policy objectives and possible interventions. Representatives of wide range of relevant stakeholders (more than 100) took part in the meetings – among which local and regional authorities, educational institutions, local business, non-governmental organizations from the CBC region. In addition to the focus groups, a number of interviews with representatives of Turkish institutions, who were not presented in the JWG, were held. The rationale behind the interviewing process was to verify the outcomes of the focus groups and thus to legitimate main recommendations expressed by participants regarding the new programming period. In October 2019, in the city of Burgas, a broad regional consultation meeting, which marked the beginning of the negotiations between the two countries for the programming period 2021 – 2027, was organised. Participants in the meeting were representatives of various stakeholders from the target area – public institutions, socio-economic partners, NGOs. Likewise their Turkish counterparts, Bulgarian stakeholders discussed a number of past and current issues of CBC importance, and particularly what are the most urgent needs in the region and how best to address them.

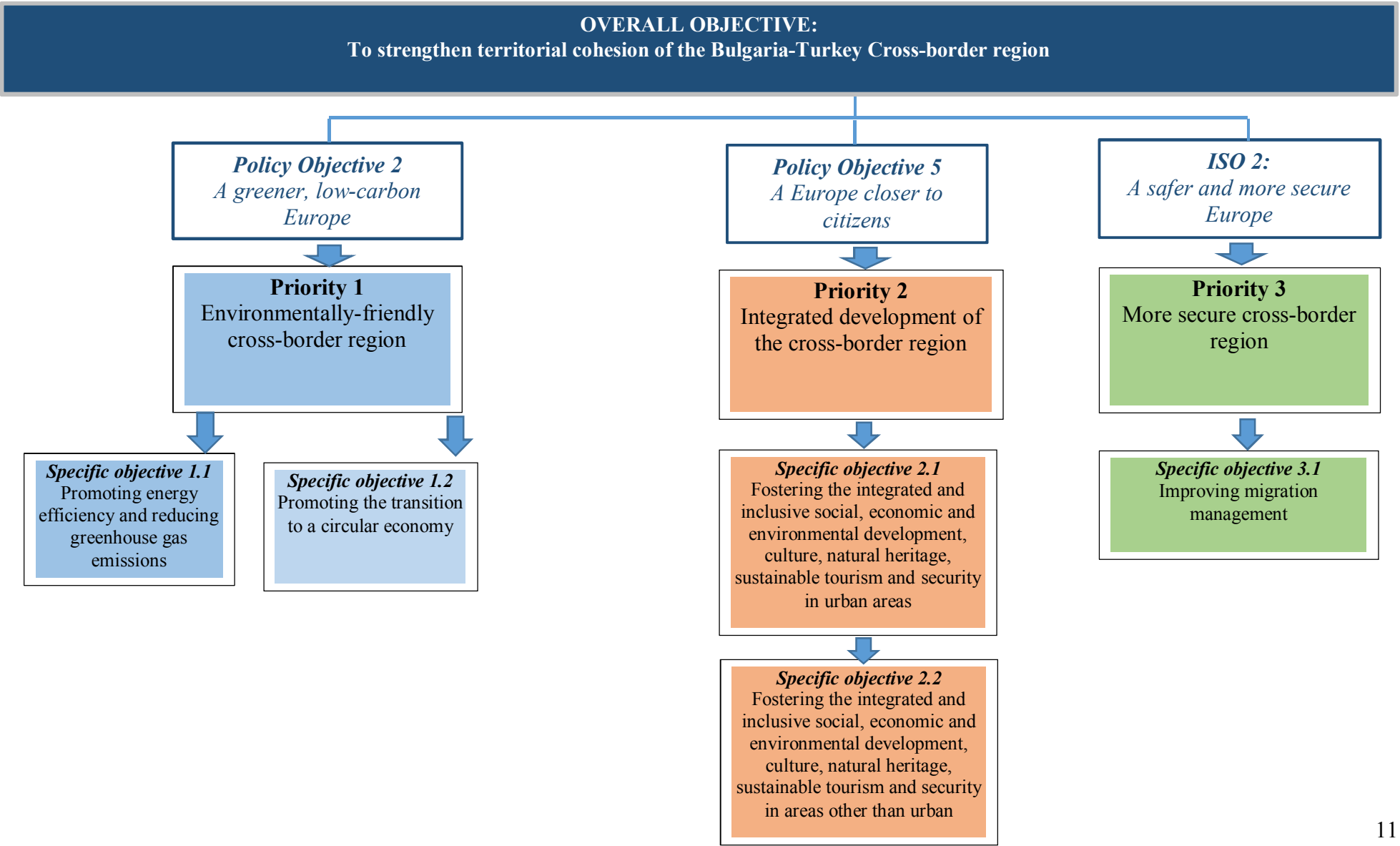
Thus, as a result of the extensive cross-border regional consultations, the following common territorial challenges, that require dedicated measures under the Programme, were highlighted: unfavourable demographic development (aging population, net migration), massive depopulation in rural areas on the Bulgarian side of the border; outmigration of skilled labour force; low rates of entrepreneurship and R&D intensity; seasonal nature of land tourism and low potential to complement/integrate to the maritime tourism, etc. The regional and local stakeholders expressed willingness for introducing new type of beneficiaries and partnerships (especially through a direct support to SMEs), but also insisted on the sustainability of the previous ones and on capitalizing the experience in cooperation between the two countries. Policy objective 5 'Europe closer to citizens' was supported by the participating stakeholders as the most suitable for implementation of integrated measures that could contribute for solving common and diverse challenges in the border region. Recent migration trends have also drawn

the attention of the stakeholders and provoked discussions on what intervention mode would be most appropriate to handle the issues under Specific objective 2 “A safer and more secure Europe” – e.g. a number of individual actions or one strategic project that encompasses key elements of the migration management. Arguments for the benefit of the latter prevailed, and bodies who need an extensive institutional and operational strategic support in the field of migration management turned out to be regional law enforcement authorities. Members of the JWG delegated regional police and other law enforcement authorities from both sides of the border, being represented in the JWG as well, to develop and wrap up the concept of a future strategic project aimed at strengthening their capacities to cope with the most urgent issue in their field of work which is expected to be further clarified and agreed on a later stage of the programming process.

The broad consultations on the preparation of the 2021-2027 Bulgaria-Turkey CBC programme will further continue by establishing a Steering Committee, composed by officials of key stakeholders. Its aim will be to assess and approve the Joint Territorial Strategy of the CBC region – the main pillar for the implementation of the new programme.

4. Draft Intervention logic

The present chart represents the proposal for intervention logic for the new Bulgaria-Turkey IPA CBC Programme (2021-2027).



Indicative distribution of the financial resources (share of the total programme budget)

PRIORITIES	%⁵
P 1: Environmentally-friendly cross-border region	20%
P 2: Integrated development of the cross-border region	65%
P 3: More secure cross-border region	5%
Technical assistance as part of the allocation for each priority⁶	10%

The proposed above Intervention logic is based on:

- the findings of the territorial analysis;
- lessons learnt from the previous periods;
- regional consultations and interviews;
- the restrictions set by the regulations related to the thematic concentration⁷;
- limited budgetary resources

⁵ Indicative allocations between priorities are presented herewith, the final allocations will be determined upon receiving decision on the budget of the programme and taking into account the specificities envisaged under each priority

⁶ According to art. 26 of the draft ETC Regulation, Technical Assistance (TA) shall not be presented as a separate Priority Axis. The amount of the funds allocated to TA shall be identified as part of the financial allocation of each priority of the programme. It shall take the form of a flat rate of 10% of the ERDF and the external financing instruments of the Union (art. 26 (2) (b) of the draft ETC Regulation).

⁷ Based on the draft Regulations, at least 60% of the ERDF and, where applicable, of the external financing instruments of the Union allocated to each Interreg strand A, B and D programme, shall be allocated on Policy objective 2 and a maximum of two other policy objectives as set out in Article 15 (1) in the new ETC.

PRIORITY 1 Environmentally-friendly cross-border region					
Selected policy objective / Selected specific objective	Justification for selection	Actions to be Supported	Outputs	Results	Target groups /Beneficiaries
<p>PO 2 A greener, low-carbon Europe</p> <p>Specific Objective 1.1 <i>Promoting energy efficiency and reducing greenhouse gas emissions</i></p>	<p><i>Bulgaria unequivocally commits to achieving a climate-neutral competitiveness. Turkey has signed but not ratified the Paris Agreement, however the government has identified the transition to low-carbon economy as a cross-cut priority in a number of national energy-related strategic documents. The economies of both countries are among the most energy-intensive ones in Europe. Despite the progress made in the last ten years, which reported a 17.4% decrease in the energy intensity index, outpacing the average improvement in the EU (14.5%), Bulgaria remains the EU country with the most energy-intensive economy, spending in 2017 3.6 times more energy resources per unit of GDP than the EU average energy consumption. The OECD Environmental Performance Review of Turkey for 2019 highlights two main environmental challenges before the country: (1) the highly carbon-intensive economy reliant on fossil fuels and (2) rapidly increasing greenhouse gas emissions. In its Eleventh Development Plan 2017-2023 (EDP), Turkey points out its energy-intensive economic orientation by reporting an increase of 32.4% of the end-use energy consumption and 46% of the primary energy consumption in 2015 as compared</i></p>	<p><i>The process of transition to low-carbon economy requires taking on wide energy efficiency measures, increasing share of energy renewable sources in the total final energy consumption, improving energy management, developing smart energy infrastructure, as well as devising and implementing new energy-related technologies and services. Taking all these into account, the following types of actions⁸ could be supported:</i></p> <ul style="list-style-type: none"> - Investments for reducing GHG emissions and energy consumption in the entire industry lifecycle; - Developing and introducing smart energy systems where the usage of renewable energy resources is put on central (in conformity with Directive 2018/2001 of the European 	<p><i>RCO01 Enterprises supported (of which: micro, small, medium, large)</i></p> <p><i>RCO02 Enterprises supported by grants</i></p> <p><i>RCR32 Additional operational capacity installed for renewable energy</i></p>	<p><i>RCR29 Estimated greenhouse emissions</i></p>	<p>Target groups by types of legal classification</p> <ul style="list-style-type: none"> - Public authorities; - Existing and newly established MSMEs; - NGOs - Academic institutions - Natural persons <p>Beneficiaries: MSMEs</p>

⁸ The actions presented herewith are indicative. At the stage of draft programme elaboration the scope of actions will be further streamlined based on the available resources and specificities of the measures

	<p>to 2005. To achieve a carbon-free transformation, both countries take on identical strategic routes. In its Integrated National Energy and Climate Plan (INECP) the Bulgarian government has laid down the low-carbon pathway of concrete measures in line with the 80 to 95% overall GHG reduction objective by 2050. Regarding the Decarbonisation dimension, Bulgaria will make efforts to increase the share of renewable energy in gross final energy consumption from 25% to 27.09% in 2030, while Turkey will strive to reach target of 38.8% share of renewable resources in 2023 (Eleventh Development Plan of Turkey 2017-2023). In line with the EU's energy efficiency priorities, the INECP of Bulgaria has set national targets for achieving a 27.89% reduction in primary energy consumption and a 31.67% reduction in final energy consumption by 2030. Turkey, on the other hand, strikes the target of achieving, by 2033, energy savings of 6,216 (ktoe) which is equivalent to 2,175 (m\$) or 1,803 (m€). Other key energy efficiency objectives of Turkey are sector oriented and not quantified (Climate Change Action Plan 2011-2023). Nevertheless, the country is firmly committed to limiting the rate of growth of national GHG emissions by applying sector-led approach. For example, the National Energy Efficiency Action Plan 2017-2023 sets the target of achieving at least 10% reduction in energy consumption of each subsector of the industry. Industry is the most energy consuming sectors in both countries. That is why the programme support will be focused on the role of the energy-intensive industries (EIIs) in the transformation to a low-carbon economy. The Masterplan for a Competitive Transformation of</p>	<p>Parliament and the Council on the promotion of the use of energy from renewable sources);</p> <p>- Developing new technological solutions and energy capacities;</p>			
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	<p><i>EU Energy-intensive Industries Enabling a Climate-neutral, Circular Economy by 2050 (EC, 2019) provides the footing for the identification of EIIs. The share of industry in the GVA of the CBC area increases every year, while the share of the services marks a minor decrease, particularly on the Bulgarian side of the border. Outcomes of the Territorial Analysis show dominant role of energy-intensive sectors such as textile, food and beverages, chemicals, retail trade (identified as EIIs in the EC's Masterplan, 2019) in the CBC sectoral specialization. The EU Green Deal underlines that the need for decarbonisation and modernisation of the EIIs is essential. It is expected that all programme energy efficiency measures and investments can unlock huge energy saving potential of key EIIs in the CBC area and thus contributing to the global decarbonization efforts and practices.</i></p> <p><i>The specific objective envisages direct support for micro, medium and small enterprises from the CBC region through the means of Small Project Fund which provides opportunities for simplified application and implementation corresponding to the needs of the enterprises for easy and fast access to support.</i></p>				
<p>PO 2 <i>A greener, low-carbon Europe</i></p>	<p><i>The 'take-make-use-dispose' model that characterizes the linear economy, which is inefficient, costly and depletes natural resources, has gradually given way to closed-loop business models who enjoy the environmentally friendly</i></p>	<p><i>The following types of actions⁹ could be supported:</i></p>	<p><i>RCO01 Enterprises supported (of which: micro,</i></p>	<p><i>RCR104 Solutions taken up or up-scaled by organisations</i></p>	<p>Target groups by types of legal classification</p>

⁹ The actions presented herewith are indicative. At the stage of draft programme elaboration the scope of actions will be further streamlined based on the available resources and specificities of the measures

<p>Specific Objective 1.2 Promoting the transition to a circular economy</p>	<p>concept of reusing materials. Responsible resource management is essential to enable a circular economy. Bulgaria and Turkey lag behind the EU in all components of the circular economy - resource productivity, usage of circular material, waste management and competitiveness and innovation, with a better performance of Bulgaria in the waste management field and a made substantial progress of Turkey in wastewater management (2019 OECD report). However, over 90% of waste is landfilled in Turkey. The country needs to prioritize and accelerate practices of reducing and reusing materials and waste before recycling them, as the EU Green Deal advocates for this course of waste management. As far as Bulgaria is concerned, the main assumption of the INECP is that the country is fully capable of a shift to using residual and waste biomass, industrial waste and municipal waste, which will boost new circular business models and contribute to the reduction of greenhouse gas emissions from these sectors. The need to stimulate waste management and circularity practices falls within the 'promoting circularity in production processes' strategic direction of the Circular Economy Action Plan (CEAP) under which the programme would seek to stimulate joint actions and solutions. In addition to that, the programme would also support initiatives under a second strategic dimension of the CEAP policy framework, named 'products design'. Thus, the programme encompasses the main stages that impose the biggest environmental footprint – the products design and manufacturing stages. In this regard, and in line with the CEAP, the programme will</p>	<ul style="list-style-type: none"> - Development of last-longer and suitable for reuse, repair, and recycling products; - Improvement of technological infrastructure of selected sectors to meet circularity objectives; - Development of new business models based on renting and sharing goods and services (the so-called product-as-service models) - Development of Circular Business Models to favor the establishment of regional close-loop value chain by employing B2B, B2C and C2C models of cooperation; - Development of circular bio-based business models, solutions and products - Supporting measures for knowledge sharing, design methodology, innovation labs/hubs, clustering as approaches to promote circular products and circular production processes; - Development of regional certification practices that reward regional products based on their 	<p>small, medium, large)</p> <p>RCO02 Enterprises supported by grants</p>		<ul style="list-style-type: none"> - Public authorities; - Existing and newly established MSMEs; - Academic institutions - NGOs - Natural persons <p>Beneficiaries: MSMEs</p>
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	<p><i>focus its interventions on resource-intensive sectors such as textiles, construction, electronics, chemicals and food due to their dominant role in the industrial specialization of the CBC area. The programme will also take on the prospects of the creation of new value chains and greener, more cost-effective industrial processes embracing the objectives of the European Bioeconomy Strategy (EBS). On a more concrete note, the programme will seek to contribute to the implementation of the objective 3 of the EBS ‘reducing dependence on non-renewable resources while fostering the further development and deployment of sustainable and circular bio-based solutions’. Furthermore, central to this programme, shall be the support for development of Circular Business Models (CBM) that facilitate the up-take of circular processes through innovative services and new forms of consumption by connecting businesses to businesses (B2B), businesses to consumers (B2C) and consumers to consumers (C2C). According to the 2019 ESPON’s report ‘Circular Economy and Territorial Consequences’, the implementation and diffusion of CBM is favoured by agglomerations (both industrial and urban), knowledge hubs and established territorial milieus. Therefore, measures for knowledge sharing, design methodology, innovation labs and pilots, testing and realizing new ideas shall also shape the programme interventions in the circular economy direction. All envisaged measures are expected to stimulate the development of markets for climate neutral and circular products which is in full respect with the EU Green Deal principles and objectives.</i></p>	<p><i>different sustainability performance, environmental impact and circularity potential</i></p>			
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	<i>The specific objective envisages direct support for micro, medium and small enterprises from the CBC region through the means of Small Project Fund which provides opportunities for simplified application and implementation corresponding to the needs of the enterprises for easy and fast access to support.</i>				
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PRIORITY 2 Integrated development of the CBC region					
Selected policy objective / Selected specific objective	Justification for selection	Actions to be Supported	Outputs	Results	Target groups /Beneficiaries
<p>PO 5 A Europe closer to citizens</p> <p>Specific objectives</p> <p>2.1 Fostering the integrated social, economic and environmental development, cultural heritage and security in urban areas</p> <p>2.2 Fostering the integrated social, economic and environmental development, cultural heritage and</p>	<p>The expected increase in regional disparities and peripheralization, the urban-rural divide and the polarisation around the main urban centres ask for integrated policies and an increasingly important role of the local level in development policies. This emphasises the importance of tailored place-based approaches rather than territorially blind policies with little relation to territorial reality. The selection of the two specific objectives, that the programme has embodied, has been made with a view to tackle these challenges, accounting as well for compliance with the core priorities of the Territorial Agenda 2030 – to strive for more balanced development and more equal living conditions for all territories addressing demographic and societal imbalances. The selection of the two SO has been further justified by the need to place on an equal footing urban and rural areas when it comes to provision and securing services of general interest. Thus, the programme will contribute to the ‘A just Europe’ priority of the Territorial Agenda 2030 by applying a place-based approach, in contrast to the dot-like one. The former is expected to unleash the territorial potential and satisfy identified needs in a more consistent, efficient and sustainable way. This entails the involvement of all actors playing active roles in the border economy, such as SMEs, public authorities, NGOs, special-purpose</p>	<p>The actions under this priority will be selected on the basis of an integrated territorial strategy (ITS), but in general terms their thematic coverage will not differ substantially from the thematic concentration of the present programme. The ITS is the instrument who shapes and leads the implementation of PO5 (CPR Art 22 (c)). In other words, it operationalises the support to integrated territorial development. The ITS shall, in close coordination with a Task Force (composed by relevant regional and local stakeholders), identify the needs and propose interventions for their addressing following the SMART approach (specific, measurable, attainable, relevant and time-bound). In close coordination with the Task Force, a list of operations, accompanied by concrete NACE codes, to be supported will be established, based on mapping of possible interventions for an integrated development of the region, as well</p>	<p>RCO74 Population covered by projects in the framework of strategies for integrated territorial development</p> <p>RCO83 Strategies and action plans jointly developed</p> <p>RCO119 Projects supporting cooperation across borders to develop urban-rural linkages</p>	<p>RCR104 Solutions taken up or up-scaled by organisations</p>	<p>Target groups by types of legal classification</p> <ul style="list-style-type: none"> - Public authorities; - Existing and newly established MSMEs; - Academic institutions - NGOs - Natural persons <p>Beneficiaries: will be identified within the strategy</p>

<p><i>security in areas other than urban</i></p>	<p><i>organizations, etc. and thus allowing for accountable partnerships that are set up to support the prosperity of the border region. Effective integrated territorial development at a place-based level requires a broad range of economic and community-led incentives that foster active collaborations of stakeholders and service providers from both sides of the border. The selected specific objectives provides a very good strategic framework to bring business, citizens and authorities together in collective actions that produce shared benefits and widely agreed solutions to common territorial challenges. As far as the implementation framework of PO5 is concerned (in terms of actions to be supported), its concrete parameters will be designed and detailed in the Integrated territorial strategy, whose short description is presented under column “Actions to be supported”. Although the strategy will be elaborated at a later stage, it is known that it will prioritize the support for some projects/operations/activities over others. That is specifically valid for the integrated territorial development of business services, services of general interest, urban-rural linkages, etc.</i></p>	<p><i>as identifying target groups and potential beneficiaries. The operations from the list shall be grouped, prioritized and time-bound (based on a transparent and clear methodology).</i></p>			
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PRIORITY 3 More cooperative cross-border region					
Selected policy objective / Selected specific objective	Justification for selection	Actions to be Supported	Outputs	Results	Target groups /Beneficiaries
<p>ISO 2: A safer and more secure Europe</p> <p>Specific objective 3.1 Improving migration management</p>	<p>With the increasing refugee population residing in Bulgaria and Turkey as a result of the continuing migration pressure in the CBC area, the need to enhance the institutional coordination for operational cooperation in the field of inland detected illegal migration has become evident. The Regional Directorates of the Ministries of Interior in Haskovo, Bourgas and Yambol (Bulgaria) and the Police departments of Edirne and Kirklareli provinces (Turkey) have been isolated, so far, from the vast EU institutional and financial support in the field of illegal migration, which goes mainly to border authorities. Listed above institutions deal with irregular migrants intercepted inside the territory of the respective country (inland detection) in the lack of a comprehensive irregular migration cooperation strategy and capacity to coordinate and implement such a strategy. Therefore, the main purpose of the proposed strategic project is to enhance the coordination of the respective authorities to cope with irregular migration on their mandated territories in a cooperative and a solidarity-based manner. The respective police departments have never</p>	<p>The indicative actions¹⁰ of the strategic project include but are not limited to:</p> <ul style="list-style-type: none"> - Conducting trainings of the staff, exchange of experience and good practices in order to improve institutional cooperation - Joint implementation of surveillance measures, operational and investigative activities through innovative methods and technologies in urban and suburban areas of the cross-border region - Delivering specialised equipment to improve the technical capabilities of the project authorities 	<p>RCO 87 - Organisations cooperating across borders</p> <p>RCO 88 - Projects across national borders for peer-learning to enhance cooperation activities</p>	<p>RCR 86 - Stakeholders/institutions with enhanced cooperation capacity beyond national borders</p>	<p>Target groups:</p> <ul style="list-style-type: none"> - Migrants and asylum seekers; - Public authorities and service providers; - Citizens; - Local economic operators; - law enforcement authorities <p>Potential Beneficiaries: Regional Directorates of the Ministry of Interior in Haskovo, Bourgas and</p>

¹⁰ The actions presented herewith are indicative. At the stage of draft programme elaboration the scope of actions will be further streamlined based on the available resources and specificities of the measures

	<p><i>performed joint operational cooperation actions that address migration issues. Thus, the level of institutional cooperation between these institutions remains weak which constitutes a risk for the efficient irregular migration management now and in the future. As the 2020 Frontex's Risk Assessment suggests, any perceived or actual deficiency of migration management systems and their components in transit regions (like Turkey and Bulgaria) can result in much higher pressure towards the EU. Moreover, as the EC states out in its "Managing migration in all its aspects" 2018 report, despite the decline number of irregular migrants detected at EU external borders, structural migration pressure remains strong: there is a need to build a system that can withstand future crises. This means moving from ad hoc responses to durable solutions, and all this can be done if key institutional actors are involved in the process, encompassing the two main hotspots where irregular migration has been detected – at the border and inland. Therefore, in order for the strategic project to provide support for the development and implementation of a fully-fledged irregular migration strategy for cooperation in line with international migrants' rights standards, the DG Customs Enforcement (Turkish Ministry of Trade) may be also partnering the project due to its migration control functions that extend inside the country. Having covered the main hotspots of an irregular migration detection (IRM), allows us to close the IRM's cycle and gather its constituting institutions to collectively strengthen their capacity for cross-border operational cooperation in a way to produce durable, cooperative and solidarity-</i></p>				<p><i>Yambol and the Police department in the Edirne and Kırklareli province</i></p> <p><i>Potential Partner: DG Customs Enforcement of the Ministry of Trade, Turkey</i></p>
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	<p><i>based solutions and action standards. The project builds on the existing agreement framework in the field consisting of (1) a Protocol for implementation of the EU-Turkey Statement between the two countries that was signed in 2016 and (2) Trilateral agreement between Greece, Bulgaria and Turkey on establishment and functioning of a common contact centre for police and customs cooperation.</i></p>				
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