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Bulgarian association of consultants in EU programmes

БАКЕП

№ 17-БП-ТГС/10.05.2022 г.

TO
MR. DIMITRIOS PAPATHANASIOU, COORDINATOR OF JS
COOPERATION PROGRAMME
INTERREG V-A "GREECE-BULGARIA 2014-2020"

COPY TO:
MS. DESISLAVA GEORGIEVA
DIRECTOR OF DIRECTORATE
"MANAGEMENT OF TERRITORIAL COOPERATION"
MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS
NATIONAL AUTHORITY OF THE EUROPEAN TERRITORIAL COOPERATION

Re: PROPOSALS REGARDING IMPLEMENTATION OF COOPERATION PROGRAMME INTERREG V-A "GREECE-BULGARIA 2014-2020"

DEAR MR. PAPATHANASIOU,

Bulgarian association of consultants in EU programmes is non-government organisation founded in 2010, which is an active stakeholder in programming and implementation of all ESIF programmes in Bulgaria. Being engaged at project preparation and monitoring phases, our members have a wide view and competences deemed useful by most Bulgarian Managing Authorities.

With the current letter, I would like to make two proposals regarding implementation of Cooperation Programme Interreg V-A "Greece-Bulgaria 2014-2020.

1. **Amendment of interim payments conditions 5th Call for Proposals «Grant scheme for supporting SMEs to grow and expand beyond local markets»**

The Project Application Guidelines for the 5th Call (Version from April 2021) envisage two different schemes for interim payments in section 13.3.2, depending on whether the beneficiary has requested advance payment. However, Bulgarian beneficiaries meet serious obstacles for verification of advance payment and few or none of them will use advance payment under this call. In addition, the crises caused by COVID-19 pandemic and the currents inflation due to the war conflict in Ukraine, put financial pressure and limits the access to bank loans to the companies. It should also be noted that the beneficiaries make payments with VAT included, which typically is not an eligible cost under the call and should be provided by them apart from the eligible costs for each payment.

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In this regard, we propose to revise the interim payments scheme for project beneficiaries which do not request advance payment as follows:

- an interim verification and payment of at least 15% and up to 50% of the PBs public assistance (grant)
- an interim verification and payment of at least 30% (cumulative) or more of the PBs public assistance (grant)
- an interim verification and payment of at least 50% (cumulative) or more of the PBs public assistance (grant)
- an interim verification and payment of at least 75% (cumulative) or more of the PBs public assistance (grant)
- a final verification and payment at the closure of the project.

The proposed scheme will allow the beneficiaries to use more efficiently programme funding as bridge financing in cases when no advance payment is envisaged, and overcome the above mentioned difficulties in project financing.

2. **Revision of target values of indicators of Cooperation Programme Interreg V-A "Greece-Bulgaria 2014-2020"**

Regarding the forthcoming closure of projects under Investment Priority 6c - Conserving, protecting, promoting and developing natural and cultural heritage, we deem necessary to consider revision of the target value of indicator "Annual tourist overnight stays at accommodation establishments" due to the two major force majeure factors:

- the restrictive measures caused by COVID-19 pandemic in 2020 and 2021, including the restrictions in travels, public events and number of participants in public events, cultural and historical visits, etc.;
- the war conflict in Ukraine launched in February 2022, which lead to significant rise of fuel prices and high inflation in most goods and services, which influence negatively the touristic sector.

We propose that the revision of target values should be applied at programme and project levels, since the programme stakeholders and beneficiaries could not have envisaged these circumstances at the time of programme and project planning. In this situation a lot of beneficiaries have problems to achieve the project indicators set out several years ago, due to these unexpected external factors. There is a real risk of non-achieving the target values, as well as imposing financial corrections to projects which have been successfully implemented, which would be a serious problem for partnerships and overall regional development in the cross-border area. For this reason, revision of target values would be a general decision for minimising the negative effects of the two crises.

We believe that our proposals will be taken into account and remain at your disposal for further discussion, if needed.

WITH RESPECT,

MANAGEMENT BOARD OF BULGARIAN ASSOCIATION OF CONSULTANTS IN EU PROGRAMMES

SOFIA, MAY 10, 2022