

# **LACE-Phare CBC**

**Draft**

**Assessment Report (BG/RO)**

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## Assessment Report (BG/RO)

*(To be completed after each needs assessment mission.  
Indicative contents below. Additional information can be in annexes)*

### 1. Profile of the cross-border region:

#### 1.1 Definition of the border or cross-border region and Map

*specify administrative units; “cross-border region” if CEC/CEC border or euroregion*

The CEC-CEC border of Bulgaria / Romania is largely demarcated by the course of the Danube River from its entry at the tri-lateral border region of Bulgaria/Serbia/Romania to where it enters the Romanian county of Calarasi near the Bulgarian town of Silistra and the Romanian town of Calarasi. (see **Annex 2** for a) map of the Bulgarian border region; and b) map of the Romanian border region).

**Definition of the Bulgarian border region:** a decision of the Bulgarian Council of Ministers from June 2, 1999 (according to the provision of the Regional development Law) determined 10 target areas for cross border cooperation with Romania which include 40 municipalities of different types. The main Bulgarian towns in the 10 target areas are:

- VIDIN, Novo Selo, Bregovo, Dimovo (Vidin District);
- Belogradchik, Kula, Boinitsa, Gramada, Makresh (Vidin District);
- Shabla, General Toshevo, Kavarna (Dobrich District);
- SILISTRA, Kainardja, Alfatar, Dulovo, Sitovo, Glavinitsa (Silistra District);
- ROUSSE, Slivo Pole, Ivanovo, Borovo, Dve Mogili, (Rousse district), Tutrakan (Silistra District);
- Svishtov, Polski Trambesh, Pavlikeni (Veliko Tarnovo District);
- Belene, Nikopol, Guliantsi (Pleven District);
- D.Mitropolia (Pleven District);
- Oriahovo, Kozlodui, Mizia, Hairedin (Vratsa District);
- Lom, Brusartsi, Medkovets, Valche Drum, Yakimovo (Montana District).

**Definition of the Romanian border region:** the main Romanian local administrative structure is the county council. There are seven Romanian county councils along the border with Bulgaria. The main towns (in brackets) in each of these Romanian counties are:

- Mehedinti (Drobeta-Turnu Severin);
- Dolj (Craiova);
- Olt (Slatina);
- Teleorman (Alexandria);
- Giurgiu (Giurgiu);
- Calarasi (Calarasi);
- Constanta (Constanta).

## 1.2 Political / administrative structures

*regional/local authorities, etc*

**Bulgaria:** The main structure of local government in Bulgaria is the administrative municipalities. Each of the municipalities form part of the larger regional / district structures, of which there are a total of 28 in Bulgaria. For the purposes of development, it has recently been decided by the Bulgarian government to divide the country into 6 large ‘planning regions’.

**Romania:** The public administration authorities which carry out the local autonomy in communes and towns are the local councils and mayors. Each county or *Judets* (7 Romanian county councils are located on the border with Bulgaria), has an elected county council which coordinates the activity of the local councils. The *Prefect* is the representative of the central government and supervises the public services provided by the ministries and by other local authorities at the regional level. It was decided in 1997 to divide the whole country into 8 development regions with the “capital” of each region hosting the Regional Development Agency. The 7 county councils in the border region do not constitute a single development region. Instead they form part of 3 different development regions.

## 1.3 Main socio-economic characteristics

*main sectors of economy, unemployment, cross-border commuting, etc*

**Bulgaria:** the population of the Bulgarian border region (10 target regions) is 15% of the total of the country (9 million inhabitants in Bulgaria). The most recent census shows a decrease in population which is higher than the average for the rest of the country. The population density is lower - 73p/sq.km (77 national average). The age structure is also negative with a higher proportion of older people.

Like much of Bulgaria, the border region is undergoing a major period of economic restructuring which has resulted in the closure of many large industries and the consequent rise in unemployment and migration from the region. This is particularly evident in cities such as Vidin, where the closure of major industries such as the VIDA CHIM tyre company has contributed to a rapid decline of the town and surrounding region and the creation of unemployment ‘blackspots’. At the same time, communities along the Danube have been severely disadvantaged by the war in Yugoslavia, and particularly the destruction of many bridges across the river which has resulted in a major decline in international trade.

Agriculture is an important sector of the economy in the Bulgarian border region, with the region providing about ¼ of the agriculture output of Bulgaria - wheat, maize, vineyards, orchards, etc. Much of this relatively high productivity can be attributed to the good soil in the Danube region. Livestock breeding is also relatively well developed.

There are big disparities between the municipalities in terms of industrial output – the most developed industrial area is Rousse, followed by municipalities from Pleven, Vidin and Silistra. Important industrial sectors are machine building (Rousse, Sisistra, Vididn), chemicals (Vidi, Svishtov, Rousse), energy production (incl. nuclear), pulp and paper (Nilopol, Sislstra), construction and food processing. Due to the population structure as well as the delay with the restructuring of the big state owned enterprises the entrepreneurial activity in the region is also the lowest in the country. Thus in

the region of Montana the number of companies registered per 1000 inhabitants is 39 while the country average is 59 and Sofia is 88.

Bulgarian state responses to the development of the border region has been the establishment of two harbour complexes in Lom and Rousse, which have also created some territorial imbalances. Future state policies focus on the development of transport infrastructure (TENs), in particular the construction of a second bridge across the Danube (perhaps Vidin/Kalafat) which will connect Vidin through Sofia, Kulata with Greece and through Rousse-Zlatograd with Turkey.

**Romania:** the population of Romanian is approx. 23 million people with a high concentration in Bucharest (2 million). The population of the border region is declining with evidence of migration, particularly of young people. This is particularly evident in Giurgiu county where a large proportion of the population have migrated to the more prosperous region of Bucharest. Indeed, Bucharest is exerting a major pull of population from the neighbouring border counties. The age structure of the population in the border counties is also negative with Teleorman (18%) and Giurgiu (17%) having the highest proportion of their population aged 65+ in the country (based on 1995 figures).

Unemployment has become a major economic and social problem in Romania with the border region severely affected by factory closures and economic restructuring. Rates of unemployment vary from 15% to 25% with perhaps 50% unemployment in some economic 'blackspots'. One of the counties most seriously affected has been Dolj which has suffered from the closure of major car building and chemical industries. Like their counterparts in Bulgaria, many of the Romanian towns and villages along the Danube have been further disadvantaged by the consequences of the war in Yugoslavia. Recent economic analysis within Romania show that the counties of the border region are amongst the poorest and most deprived in the country – the border counties of Teleorman, Giurgiu and Calarasi are among the 6 poorest counties in the country.

Agriculture is the primary industry along much of the Romanian border region, but has suffered due to the problems associated with the change from communal ownership to private holdings. Nevertheless, productivity levels are higher than in Bulgaria and the vast proportion of the agricultural area is used as arable land.

The development of transport infrastructure and the linking of the existing cross-border route at Giurgiu to the Trans European Networks (TENs) is a major priority of the Romanian government.

Cross-border commuting between Romania and Bulgaria is basically non-existent due mainly to lack of transport connections. At present, there is only one bridge across the Danube (Rousse – Giurgiu) and ferry connection are often ad-hoc and time consuming – the small land border does not show much evidence of commuting either. Other factors for the lack of commuting include the declining economic structures of both countries, limited employment opportunities, delays at border crossings, cultural differences and lack of knowledge of each other's language. The only group of people who regularly trade across the border are the Gypsy communities on both sides of the frontier.

#### 1.4 Degree of cross-border cooperation

*who cooperates? since when? with support from EU programmes?*

Cross-border cooperation is at a very early and basic stage across this border. Despite similar political and economic systems under Communism, cross-border cooperation was limited to specific cultural or sporting events and often restricted to certain people. Since the fall of Communism, cross-border cooperation has gradually developed within four areas:

- a. ad hoc political agreements between local authorities which in some cases have led to cooperation agreements. Much of this 'political' cooperation is limited to exchange visits between mayors and officials but in some areas has led to joint sporting and cultural events. Such cooperation is more evident in the Rousse-Giurgiu region compared to the more western regions around Vidin.
- b. business cooperation linkages facilitated by chambers of commerce and trade and small business centres. Much of this cooperation is facilitated by the external funding environment such as Phare and USAID. A number of good working relationships have been established but impact is limited due to problems of both economies.
- c. Environmental concerns regarding pollution and erosion of the river banks has led to some joint actions between border municipalities and various NGO and environmental groups. Some of this cooperation pre-dates the fall of Communism.
- d. cultural linkages based on exchange visits between cultural institutions, educational bodies and NGOs have developed in certain areas and is sometimes linked to formal political agreements or specific projects.

The operation of the Phare CREDO Programme, together with the recent eligibility of the BG/RO border for Phare CBC has raised the profile of cross-border cooperation throughout the border region, and has facilitated the first exchanges and visits between many local authorities and business organisations on both sides of the border. A number of the interviewees regretted the demise of the Phare CREDO programme, but looked forward to the start of the new Phare CBC Programme and hoped that it can build on the contacts and projects developed under CREDO. Some hoped that the new Phare CBC Programme would be less bureaucratic and would place a stronger emphasis on building up regional based cross-border structures.

#### 1.5 Barriers to cross-border cooperation

*physical and other barriers (eg mountains, border crossings), language/ethnic problems, centralisation, major socio-economic discrepancies on either side, etc.)*

The main barriers to cross-border cooperation are:

- a. lack of transport connections – only one bridge across the Danube and ferry connections are ad hoc and often expensive. For example, some ferry companies have ceased operation due to the high harbour taxes in Bulgaria and Romania. Many of the interviewees stated that this problem can only be addressed by the respective national authorities. The issue of building a second bridge across the Danube has become a contentious issue on both sides of the border – the Bulgarians are lobbying for a bridge in the western part of the region which would maximize traffic flow (and trade) through Bulgaria and the Sofia region, while the Romanians want the existing bridge and supporting activities (e.g. customs) to be upgraded, thus maximizing traffic flow through Romania.
- b. Economic decline and the stagnant nature of both economies has restricted the scope and nature of cross-border cooperation. Neither region has a strong economic desire to engage in cross-border trade and much of the existing trade has reverted to a barter economy. In addition, the

cost of cross-border trade is increased by high taxes, customs duties and unofficial payments such as bribes.

- c. Some interviewees referred to cultural / ethnic differences as a barrier to cooperation and stated that knowledge of each other's language is not common, even along the border. One interviewee suggested a larger role for the respective ethnic communities as a cultural bridge as well as a facilitator for commerce.
- d. Like border regions throughout Europe, there is some mismatch of competencies and responsibilities for organisations engaged in cross-border cooperation. This problem becomes a bigger obstacle due to the general lack of contact between organisations on both sides of the border. One Bulgarian municipality referred to the fact that their counterpart in Romania did not have the same organisational responsibilities and that they were compelled to contact the regional prefect – cooperation is now progressing between the relevant organisations.
- e. Bureaucracy and delays in crossing the frontier.

## **2. Structures:**

### **2.1 Cross-border structures**

*describe structure: eg, political assembly, secretariat, working groups, etc*  
*describe financial, personnel, etc resources*

The few and rather ad-hoc cross-border structures that exist are:

- a. Cross-border agreements between various local authorities which have been formed as a result of the requirements of EU programmes such as CREDO or have been established to facilitate future projects (e.g. Phare CBC).
- b. Specialist committees or working groups established to tackle common problems such as pollution of the Danube (Ecological Committee of representatives from Giurgiu and Rousse municipalities together with academics and NGOs) and health problems such as Mosquitoes (e.g. local authorities and public health professional from Svistov and Alexandria).

The Phare CREDO Secretariats in Rousse and Giurgiu are located within the respective Rousse Business Centre for SMEs and the Giurgiu based St George Foundation. Both secretariats were established for the purposes of the CREDO Programme and have close connections with their respective local authorities. With the expiry of the CREDO Programme, both Secretariats will cease to operate.

### **2.2 Other structures / authorities / social partners engaged in cross-border cooperation**

*describe structure: eg, political assembly, secretariat, working groups, etc*  
*describe financial, personnel, etc resources*

There is some discussion on setting up a Danube Euroregion which would include representatives from both sides of the border. As yet, agreement has not been reached between the appropriate organisations in Romania and Bulgaria.

### **2.3 Activities / services:**

- promotion of cross-border cooperation  
*eg, brochures/leaflets/newsletters, media relations, workshops/seminars; networking*

There is evidence on both sides of the border that there is an increasing awareness of cross-border cooperation and various organisations are considering developing cross-border projects in the context of the new Phare CBC Programme. The main activities to date have tended to focus on the CREDO Programme, as the only cross-border programme in the area, but even much of these activities are largely confined to the Rousse / Giurgiu area where the Secretariats are based. On a wider and broader perspective, many municipalities and regions are now considering cross-border cooperation in the context of the SPP Programmes (e.g. development of regional plans and national plans within a Structural Funds approach) and beginning to plan ahead for the Phare CBC Programme. However, promotion of cross-border cooperation and Phare CBC in particular remains ad hoc and largely confined to the more pro-active regions and municipalities. A number of cross-border workshops have been arranged which have a cross-border component, but there continues to be a major demand for more up-to-date information on EU cross-border programmes.

- other services / activities

*other than those described in sections 3 and 4*

Other activities are taking place such as exchanges and cross-border conferences. For example, the Association of Danube River Municipalities have organised some BG/RO workshops such as one on CBC in cooperation with the Council of Europe and the BG national Centre for Territorial Development and Housing Policy, funded by USAID.

#### 2.4 Awareness of cross-border cooperation issues / knowledge of CBC programmes

*including: Interreg, Phare CBC, CREDO, pre-accession instruments, Str. Funds*

From a recent position of practically no information and awareness of cross-border cooperation, there is a developing awareness of the opportunities of cross-border cooperation (e.g. trade, coordinated infrastructure development, better neighbour relations etc.) on the Bulgarian – Romanian border region. However, knowledge of CBC programmes is generally limited, with the exception of the soon to be ended CREDO Programme, and most relevant organisations are clearly lacking on even the basic information. Many have ideas for project development but are not aware of the existence and requirements of the various programmes.

### **3. Programme related Activities:**

#### 3.1 Strategy development

*data collection; surveys; studies; SWOT analysis; consultations; strategy/concept formulation, etc*

Within the context of accession strategies and the implementation of SPP programmes, some of the border administrations are assisting in the preparation of various SWOT and regional analysis studies on behalf of the central governments. However, there is little evidence that these strategies are taking account of cross-border issues. The only exception appears to be the common resource of the Danube river which has been under utilised to date.

#### 3.2 Programming, especially Phare-CBC / Interreg related:

*priority setting and definition of objectives; drafting of programme; financial programming; programme negotiation*

The regions are gradually acquiring more programming experience in the context of the preparation of regional development plans. However, there is limited involvement in their preparation and the setting / definition of priorities.

### 3.3 Management of programme implementation

- Small Project Funds:

*secretariat, project selection, monitoring, financial management*

None.

- other aspects of programme management

*eg, participation in Joint Coordination Committee, information provision to project proposers*

None.

### 3.4 Project development and implementation

*project definition; proposal preparation; partnership agreement; financial aspects of project management; contracting/procurement issues; reporting issues*

A number of local authorities together with business organisations and NGOs have secured funding from Phare programmes and some are engaged in cross-border projects. Most have concrete ideas for future projects but are finding it difficult to develop the proposal and secure funding from the appropriate funding authority or programme.

## **4. Specific / Sectoral Actions (1 Page):**

*(Describe briefly the main projects which have been implemented or are substantially developed; specify the promoter/manager/partners and source/amount of financial support; explain the cross-border nature of the project; if many projects available, annex full lists of projects with partners from both sides of the border)*

There is little evidence of genuine cross-border projects on the Bulgarian – Romanian border. Instead, a number of parallel and related projects are under implementation which include partners on both sides of the border but with actions and impact largely confined to one side. While a number of these projects are currently funded under CREDO, the project promoters are currently looking for new sources of funding such as Phare CBC:

#### 4.1 Economic Development (SMEs, rural development, etc)

Exhibition exchange facility on both sides of the Danube: Union for Private Economic Enterprise, Rousse and Chamber of Commerce and Industry, Giurgiu .

Agricultural Commodity Exchange: Agency for Regional Development and Business Centre, Vidin, Oltenia Chamber of Commerce and Industry. Hoping to secure new funding in order to construct the Commodity Exchange.

Exhibition Halls on both sides of the Danube: Union for Private Economic Enterprise Rousse, Chamber of Commerce Giurgiu, Rousse municipality and Giurgiu municipality.

#### 4.2 Tourism

Green bridge across the border: Club Friend of Natural Park Rousse Lom, Giurgiu municipality and School Association for Global education SAGE, Rousse.

#### 4.3 Training, Education and Labour Market

None.

#### 4.4 Environment

Environmental issues (common problems) are the focus of a number of formal and informal projects, largely involving municipalities along the Danube and various NGOs.

#### 4.5 Socio-cultural

Rainbow over the Danube: Foundation for BG-RO Cultural Centre, Municipality of Silistra and French Romanian Centre Fordoc-Kalarashi.

A number of local authorities have cultural projects with their counterparts on other side of the border. Most are funded by own funds or from cultural foundations.

#### 4.6 Transport (infrastructure, public transport, etc)

New Bridge: Municipality of Oriahova, Chamber of Commerce and Industry Vratza and Chamber of Commerce and Industry Oltenia.

#### 4.7 Other infrastructures

None

#### 4.8 Other (specify, eg research, innovation, technology transfer)

Public Administration: Forum of Democratic Revival, Rousse and Giurgiu Municipality.

## **Action Plan (BG/RO)**

*(To accompany the assessment report. 1-2 Pages. Indicative contents below.  
Important: attach annex with list of regional/local practitioners, with full addresses etc)*

### **Actions Specific to the Region (2 Pages):**

*(“cross-border region” if CEC/CEC border; “border region” otherwise, but coordinated with LACE-TAP activities if CEC/EU border)*

The lack of regional and long-term cross-border working structures on the Bulgarian – Romanian border remains a major obstacle to the promotion and implementation of cross-border cooperation. There is a clear need to establish working structures on the BG-RO border which are long-term in nature and can address the wider issues of cross-border cooperation.

It is proposed that the establishment of regional-based working structures is a priority for the border area and that these structures should have a long-term perspective. The creation of these structures should be aided and facilitated by outside technical assistance which can draw upon the experiences and best practice from other European border regions. In consideration of the above needs assessment, the following technical assistance should be offered:

#### **1. Training workshop**

*define priority topics by reference to sections 2, 3 and 4 of the Assessment Report, main participants, etc*

In the context of the eligibility of the BG/RO border under Phare CBC, it is imperative that a training workshop should be held in the area which can include as wide participation as possible. However, a training workshop can only be seen in the context of long-term assistance to the border area through LACE-Phare CBC. Priority topics (not listed by level of importance), based on the needs assessment, include:

- Assistance on project identification, design and preparation.
- Provision of more information on cross-border cooperation programmes.
- Explanation and clarification of the new Phare CBC Regulation with strong focus on types of eligible projects (hard and soft), funding requirements and administration / management.
- Information on programming particularly in the context of preparing regional development plans and strategies.
- Information on experiences and best practice of cross-border cooperation from other European border regions.

There is a general viewpoint that the training workshop should include many more participants than originally envisaged. These participants should come from all of the local and regional authorities along the border together with key personnel from chambers and some NGOs. As a truly regional and cross-border workshop, there is a need to encourage a broad participation from both sides of the border.

## 2. Counselling / advice

*define priority topics by reference to sections 2, 3 and 4 of the Assessment Report, main recipients of support, etc*

The main topic arising from the needs assessment regarding advice is related to project preparation in the context of EU Phare programmes, particularly the new Phare CBC Programme. A number of local authorities in Bulgaria and Romania requested advice and specialist support in preparing hard and soft projects for submission under Phare CBC.

The lack of information on Phare CBC was seen a major problem for many of the interviewees, with many requesting information on the details of the programme as well as examples of best practice from other more established Phare CBC Programmes. This advice should be strongly focused on the project preparation phase of the programme.

## 3. Study visits

*where to visit / why*

Study visits were regarded as an important tool for the exchange of experience and best practice.

Three types of study visits were suggested:

- a. visits across the common border (BG/RO) in order to develop contacts and linkages in order to identify and develop future projects.
- b. visits to other Phare borders which have been relatively successful in securing Phare funding such as HU-RO (CEC-CEC) and HU-A (CEC-EU).
- c. Visits to EU border regions which have long experience of CBC. It was suggested that these visits could have a thematic focus with emphasis on specific sectors such as the environment.

## 4. Other support required

*distinguish whether within the scope of LACE-Phare CBC or otherwise*

Some interviewees (mission meetings) requested support and advice in the identification of organisations on the other side of the border which would be willing and suitable to engage in cross-border cooperation projects. This is demonstration of the fact that organisations on both sides of the border are not aware of potential partners for cross-border projects.

## 5. Annex - list of regional/local practitioners

*for LACE-Phare CBC mailing list and as a basis for invitations to regional workshops, counselling/advice sessions, international seminars, etc*

The following people were interviewed through this consultation mission and would be appropriate to participate in LACE Phare activities. A longer list with full contact details is attached as an annex.

Bulgaria:

Mr Yonov, Regional Governor, Vidin Regional Government

Mrs Givka Nikolova, Director, Vidin Agency for Regional Development and Business Centre

Mr Ilia kamenov, Deputy Mayor, Vidin

Mr Kiril Naidenov, Deputy Mayor, Svishtov Municipality

Mrs Maria Pavlova, Executive Director, Association of Danube Municipalities, Belene

Mrs Julia Yozova, Director, Association promotzia – BH, Svishtov, Sec of Svishtov Municip.

Mr Borislav Borissov, Chairman, Danube Centre for Training and Development

Mrs Katya Goranova, Director, Business Centre for SMEs, Rousse and CREDO Secretariat  
Ms Julia Angelova, Executive Director, Open Society, Rousse  
Mr Givko Denev, Deputy Mayor, Municipality of Rousse  
Mr Nikola Nikolov, Deputy Mayor, Municipality of Rousse  
Mr Yavor Dimitrov, Candidate for Mayor, Rousse

Romania

Mr Nicolae Marculescu, President, Giurgiu County Council  
Prof. Gabriel Marcoci, Deputy Mayor, Giurgiu Town Hall  
Mr Vaitici Leonida, Giurgiu Municipality and Phare CREDO Programme  
Mrs. Florentina Cristea, Foundation St. Gheorghe, CREDO Secretariat

**Feedback for “horizontal” activities of LACE-Phare CBC:**

International seminars, Publications, Networking, etc

Keen interest in participating in seminars and receiving LACE Phare publications. Both sides of the border would highly value the dissemination of at least some publications in their native language.

There is a proposal that the regional workshop can be held in the town of Rousse and hosted by the municipality. This location has also been favoured by some representatives in Giurgiu who regarded it as a convenient and suitable location (i.e. close to the crossing point and with good supply of hotels and a conference facility).