

IMPACT EVALUATION OF INTERREG - IPA CBC PROGRAMMES 2014-2020, MANAGED BY THE REPUBLIC OF BULGARIA

EXECUTIVE SUMMARY

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The new programming period for 2021 – 2027 introduces significant changes to the implementation and strategic approach. Nevertheless, it diligently assesses the accomplishments of the preceding (2014-2020) programming period in relation to project outputs, results, and impact. Consequently, this evaluation report offers a dual perspective, providing a retrospective view by documenting and evaluating the legacy of the IPA CBC Programmes (2014-2020), and concurrently, a forward-looking view by deriving valuable lessons to inform the next program period.

PURPOSE AND SCOPE OF THE EVALUATION

The consultant's task is to evaluate the 2014-2020 programming period in which Bulgaria, along with neighbouring countries Republic of North Macedonia, Serbia, and Türkiye, implemented the Interreg IPA Cross-border Cooperation Programmes, managed by the Republic of Bulgaria. The evaluation aims to assess the programs' impact on cross-border regional development and understand the mechanisms behind it.

The main objectives include analysing program output and result indicators and evaluating long-term impacts on the cross-border area, project partners, and target groups. Additionally, the evaluation seeks to propose recommendations for the 2021-2027 period based on lessons learned from the previous programs.

The evaluation principles involve identifying changes related to program objectives, estimating the impacts attributable to program implementation, and understanding effective and efficient implementation mechanisms.

EVALUATION METHODOLOGY AND INTERVENTION DESCRIPTION

The evaluation design followed a non-experimental mixed-methods approach, aligning with three primary evaluation principles. The intervention, consisting of data collection methods and analysis are specified to assess programmes' impact.

Data collection involved several approaches:

- Desk research for analysis of strategic program documents, result and output indicators, and other relevant documents and statistical data on national level to assess the programmes' background and impact.
- Online surveys conducted with beneficiaries, aiming to gather information on specific program impacts and outcomes. The surveys received total of 85 respondents with an almost equal distribution for all three programmes, amounting to about 10% of all programme beneficiaries.
- Online surveys with managing bodies' representatives to gain insights into program implementation. The surveys received a total of 35 respondents.
- On-site focus groups for in-depth discussions with beneficiaries to understand program impacts. In total of 6 focus groups were conducted through the evaluation process.

- Online focus group for in-depth discussions with representatives of the managing bodies to understand programme mechanisms.
- Semi-structured individual interviews to explore specific projects, their project lifecycle and other factors contributing to the successful project implementation. In total 3 interviews were conducted.
- Case studies were employed to examine the entire project cycle, focusing on successful implementations. In total 8 case studies were created, one for each of the priority axes of the three programmes.

Data analysis was conducted at both primary and secondary levels. Desk research and statistical analysis were used to establish important evaluation variables and construct data collection tools, as well as provide statistical insight into the programmes' evolution. In the secondary analysis phase, qualitative and quantitative data were analysed to address the objectives and generate expert conclusions and recommendations.

Various analysis tools were employed, such as theory-based analysis, system and procedure analysis, comparative analysis, expert assessment, process and performance data analysis, counterfactual impact analysis, framework analysis, contribution analysis, and descriptive statistics.

MAJOR EVALUATION FINDINGS

The major evaluation findings are divided into the three evaluation principles to provide a more comprehensive understanding of the evaluation results.

Identifying Changes

The Interreg IPA CBC programs have successfully promoted the development of cross-border regions across various dimensions, including social, cultural, environmental, and business aspects. The analysis of projects implemented during the 2014-2020 programming period has shown a significant and positive impact on sustainable regional development. The programs have consistently aligned with their strategic priorities, maintaining a thematic focus.

Budget reallocation in 2020 reflects the effective implementation of mechanisms for reallocation of funding, responding to the region's evolving needs and ensuring optimal fund utilization. However, the data suggests a potential shortfall in per capita fund allocation, highlighting the need for progressively larger financial resources to sustain positive transformations in the long term.

Furthermore, there is a notable disparity where soft measure projects receive comparatively less funding for a larger number of projects, while investment projects secure significantly more funding for a smaller number of projects. Even though, this can be explained with the nature of the activities, **encouraging more comprehensive projects, which involve a larger scope of activities from both soft and investment measures**, could lead to a more effective resource allocation for larger programme impact.

On the other hand, the data concerning the achievement of **result indicators (RI)** reveals **that a significant number of these indicators have not only met but often exceeded their target values**. This observation suggests that the program has had a substantial and positive impact on the region's development right from the first call for proposals. Nevertheless, program indicators **still face challenges in meeting the SMART principles**, hindering effective monitoring and measurement due to discrepancies between definition and measurement units.

Estimating Impacts

The analysis of the three Interreg IPA CBC 2014 – 2020 programmes, managed by the Republic of Bulgaria, reveals several key conclusions. Firstly, all **programs exhibit a strong commitment to aligning their efforts with the strategic objectives, as evidenced by the relevance of Specific Objectives (SOs) to Priority Axes (PAs)**.

One common conclusion that applies to all three programs is the **concentration of resources in two primary areas: tourism and environment**. This allocation reflects the high-priority needs of the regions and is in line with the program's strategies and feedback from target groups. However, an **overlap in thematic intervention fields** has been observed, which calls for a more precise and focused approach in future programming periods to better measure the program's impact and enhance efficiency. This approach has been already applied in the 2021 – 2027 programming period, as evident in the programme documents.

Regarding Output Indicators (OIs), the programs have achieved a high level of success. The majority of OIs have surpassed their targets, with some exceeding their expected results by over 50%. Additionally, a portion of OIs has been achieved slightly beyond their targets, indicating a realistic approach to planning at both the program and project levels. It is essential to consider the variability in achieving target values, which **highlights an opportunity for more precise planning with potentially higher target values in the future**.

Understanding Impacts

The evaluation of the Interreg IPA CBC 2014-2020 programs, managed by the Republic of Bulgaria, reveals valuable insights into their effectiveness and efficiency. When it comes to programme mechanisms, beneficiaries generally have a strong grasp of the Application Guidelines, **with low perceived risk in the application process, indicating a well-structured system**. While challenges in the application process are not significantly prevalent, there's a **growing concern about tight application deadlines, particularly for infrastructure projects**. The implementation phase presents some variances in feedback, with **issues regarding the FLC control process leading to payment delays**. However, the results of the projects are highly positive, with **sustainability and the generation of new ideas** for continuing their impact. **Effective communication and cooperation** between project beneficiaries and joint secretariats, along with flexibility in managing bodies during crises, particularly the COVID-19 pandemic, have ensured project success. Overall, the programs have demonstrated their effectiveness in fostering sustainable regional development while highlighting areas for potential improvement to enhance their performance and impact.

Furthermore, the evaluation team **found high cohesion of the three IPA CBC programmes with relevant strategic documents** (e.g. Europe 2020 Strategy, EU strategy for Danube region, etc.), which highlights alignment with overall Union strategy towards regional development.

Additionally, the survey results indicate a positive shift in behavioural and tourism impacts compared to initial expectations, showcasing the programs' effectiveness. Unexpected impacts, such as positive social changes, signify **progress beyond predefined frameworks**.

On the other hand, research also indicated that **the impact varies among different types of organizations**. Smaller organizations, like NGOs, often undertaking soft projects, experience a less substantial impact, while larger capacity organizations, such as municipalities, with dedicated budgets for infrastructure and investment projects, have a more significant impact on the regions. In all cases, nonetheless, **beneficiaries are committed to maintaining project results** through equipment upkeep, maintenance of the infrastructure sites constructed, developed or rehabilitated with Programme funds, information dissemination, workshops, media exposure, and sharing best practices.

The programs have also led to external initiatives benefiting their communities, where survey **results emphasize improved organisational performance, enhanced competences and skills, and increased EU networking opportunities as significant program benefits**. Collaboration and networks formed across borders stand out as a key takeaway, with a **strong desire to sustain existing relationships and expand ongoing initiatives**.

KEY ACHIEVEMENTS

- **Governance Capacity:** The programs have enhanced governance capacity through strategic documents, training, and networking.
- **Environmental Protection:** Efforts focus on protecting the environment, including disaster prevention and sustainable practices.
- **Tourism Development:** Heritage site restoration, improved accessibility, and visitor management boost tourism, increasing nights spent in the region.
- **Economic Development:** Businesses benefit from enhanced competitiveness, information systems, SME support, and cross-border networking.
- **Cultural Preservation:** Shared traditions and values are promoted through events.
- **Positive Results:** The programs have not only met but exceeded anticipated result and output indicators, substantially contributing to regional development and surpassing initial expectations.
- **Positive Impacts:** Organizations experience a significant positive shift in behavioural and social-related effects on the region's population, highlighting project effectiveness.
- **Beneficiary Gains:** Survey results reveal improved access to external investment, better organizational performance, enhanced competencies, evidence for policy and strategy decisions, EU and external network access, and an elevated EU community profile.

- **Collaboration, Networking and Relationship Building:** Programs break down communication barriers, fostering neighbourly relations, knowledge exchange, and valuable networking opportunities. Cross-border collaborative networks prove to continuously foster progress and development.
- **Commitment to Sustainability:** Organizations are dedicated to maintaining project results for long-term sustainability.

RECOMMENDATIONS

1. **Sustainable Funding:** To address the increasing financial demands of the cross-border regions, it is essential to proactively allocate progressively larger funds in the future. This approach ensures the long-term sustainability of the positive changes achieved through these programs.
2. **Balanced Resource Allocation:** Encouraging more comprehensive projects, particularly those encompassing larger set of activities in both investment and soft measures, can lead to a more effective and efficient allocation of resources. This way a higher impact will be achieved through better funding absorption rate.
3. **Improved Monitoring and Evaluation:** To effectively gauge the impact of funded interventions, it is crucial to address refining the result indicators based on SMART principles to enable accurate measurement and monitoring of meaningful change. With this in mind, it is pertinent to develop an RI catalogue, which will support the whole project lifecycle and the programme respectively.
4. According to the EU's concept of implementing programs with a focus on
7. **Promote Knowledge Sharing:** Consideration should be given to facilitating knowledge sharing among program beneficiaries to exchange best practices and lessons learned. Creating a platform for collaboration, whether through the programmes' website and social media platforms and/ or organising in-person events to encourage discussion between beneficiaries to collaborate regarding their connected projects, can enhance project outcomes and encourage innovative approaches to address common challenges.
8. **Continuous Adaptability:** It is essential to maintain the programs' adaptability by reallocating resources based on achievements and shifting priorities. Continuously assessing the effectiveness of interventions to redirect funds to underperforming areas or emerging needs, will enhance the positive impact of the programmes on the regions.
9. **Address Application Deadlines:** Given the concerns regarding tight application deadlines, especially for investment projects, it is advisable to reconsider and potentially extend these deadlines for

a greater long-term effect, in the next period stricter requirements should be laid down for **taking measures for the sustainability of the projects**, which in turn would guarantee, already at the application stage, that a project can be self-sustaining or has a clear concept of continued viability after grant funding is exhausted.

- 5. Review Target Values:** Consideration should be given to reviewing and adjusting target values for Output Indicators. Where feasible, setting higher targets for OIs that have consistently exceeded expectations. This will provide a more challenging yet realistic benchmark for future projects.
- 6. Encourage Strategic Indicator Setting:** While the deliberate setting of conservative indicator values can be a strategic approach for project success, encouraging beneficiaries to set realistic yet ambitious targets will ensure accurate assessment while fostering project effectiveness.

future programming periods. This adjustment can facilitate the preparation of necessary documents, reduce financial strain, and encourage more organizations to apply.

- 10. Validation and Payment Processes:** To minimize delays and financial constraints for organizations, improvements to either expedite the validation of funds and payment processes and/ or increasing the advance payment percentage could be considered to alleviate these concerns.
- 11. Promote Cross-Border Collaboration:** The strong emphasis on collaborative networks formed across borders should be further encouraged and nurtured. Supporting organizations in sustaining existing relationships and expanding their initiatives will contribute to more effective regional development.