



European Territorial Cooperation Programme
Greece-Bulgaria 2007-2013
INVESTING IN OUR FUTURE

EVALUATION OF NSRF 2007-2013 FOR BULGARIA AND PARTNERSHIP AGREEMENT FOR BULGARIA 2014- 2020 REGARDING POLICY RELATED AND LEADING TO ENTREPRENEURSHIP, COMPETITIVENESS, INNOVATION AND SMART SPECIALIZATION

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Project 'Smart Specialization'

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INTRODUCTION

Strategic documents of the European Union for the period the 2007 - 2013 closely connect problems of growth and competitiveness of the EU economy with the development of regions. On the other hand, according to the same documents the development of regions is a function of the state of research, knowledge, entrepreneurship and innovation in them. In the context of economy based on knowledge as the main engine of growth new knowledge, technology and innovation have been defined.

According to the "Strategic Guidelines for economic, social and territorial cohesion (cohesion) for the period 2007 - 2013." "Cohesion policy (also known as cohesion policy) should be focused to the maximum extent on knowledge, research, innovation and human capital." For this period three main priorities of cohesion policy are formulated. One of them is "encouraging innovation, entrepreneurship and growth of the economy based on knowledge through the development of scientific and innovation capacities, including new information and communication technologies."

Noticeable trend recently is the strengthening of the regional dimension of the European and national innovation policies. Along with measures to develop the innovation potential of macro level effects, aimed at stimulating the national innovation systems at regional aspect become more and more important. The aim is to highlight the unique characteristics of local economies and the possibilities of functioning in their frames business units to develop competitive advantages.

In our country, this raises problems of learning and optimization of regional innovation systems and the development of strategies for regional development. Regional studies are closely related to the development of regional policy in the field of science, education, innovation and business development.

One of the synthesized expressions of regionalism in innovation with a unifying



function in relation to the efforts of the territorial separate institutional units is a regional innovation strategy.

Legislation in force in the Republic of Bulgaria necessarily requires ensuring coherence of the RDP with the main strategic documents of European, national and regional level. These documents are:

EUROPE 2020

"Europe 2020 Strategy" is the general framework for the development of the European Union by the end of the current decade. The essential task for the EU Member States is to overcome the existing problems caused by the serious crisis and provoking new economic growth, to be smarter, more sustainable and more inclusive. The strategy clearly highlights the importance of innovation, awareness of environmental problems and overcoming social inequalities as factors for a balanced European development. The objectives of the "Europe 2020" are measurable and linked to precise indicative values. They have to be achieved by 2020 and cover topics of innovation, the digital economy, employment, youth policies, productivity, poverty and resource availability. In the spirit of the European strategy, the Bulgarian government envisages an increase of employment of the population between 20 and 64 years from 63% in 2012 /, according to Eurostat / up to 76%. Environmental objectives of national development to reduce greenhouse gas emissions by 20% compared to 1990, 16% share of energy from renewable sources by the gross final energy consumption, improve energy efficiency by 25% and reducing the energy intensity of GDP with 50 % by 2020. In the social sphere, early school leavers should be reduced to 11%, while the share of people with high education aged between 30 and 34 years should become 36%.

National Development Programme "Bulgaria 2020"

National Development Programme "Bulgaria 2020" is a programming document which sets the framework and guidelines for the preparation of other strategic



documents in Bulgaria. "Bulgaria 2020" is the adaptation of the priorities of the strategy "Europe 2020" within the country. NDP BG2020 is aimed at ensuring a balanced socio-economic development in Bulgaria in accelerating economic growth and raising living standards in the long term. On the basis of conducted socio-economic analyzes and financial forecasts, NDP BG2020 motivate its vision three strategic goals and eight priorities. Proposals focus on the development of education and health, reaching higher levels of employment, infrastructure improvements, application of innovative approaches in the economy, recovery of the agricultural sector.

National Strategy for Regional Development

The National strategy for regional developments continue common cohesion policy at national level. It aims to reduce disparities between regions, districts and municipalities in the country for 2020, outlining approaches and means of coordination between the management of different sectors and conditions for the implementation of the NDP BG2020. The objectives and priorities of the NSRF emphasize the importance of small and medium business, the formation of sustainable tourism activities and improving the social and technical infrastructure while preserving the natural and cultural heritage.

National Concept for Spatial Development

Structure and management of the national territory by 2025, is regulated by The National Spatial Development Concept. The concept contains medium- and long-term guidelines for the planning and protection of territorial resources. NCSD provide an appropriate basis for the territorial dimension and expression of sectoral policies and strategies. Concept emphasizes the importance of successful regional integration of Bulgaria into the European space through the development of transport, environmental and cultural axes and linking them to the international corridors. Emphasis is placed on maintaining a moderate polycentric network of cities, a prerequisite for balanced regional development



and revitalization of rural and outlying areas.

Regional Development Plan of the South Central region (NUTS 2)

Leading focus of the RDP of the SCR is the new role of cohesion policy orientation towards meeting the objectives of the strategy "Europe 2020" with the active participation of the regions and at the same time with a strong emphasis on regional cooperation and approach requiring performance and added value. Economic, social and territorial cohesion are viewed as complementary and mutually reinforcing components of an integrated concept of regional development. In the strategic part of the plan vision for future development of the region is viewed; strategic goals, priorities and specific activities set, indicative eligible activities for the specific purposes are listed. Under the plan, an indicative allocation of resources on strategic goals and priorities. The plan outlines the immediate framework for the development of regional strategies.

Regional Innovation Strategy of the South Central Planning Region

South Central Planning Region is the first in Bulgaria, which implemented the project to develop a regional innovation strategy for the period 2001 - 2004, in partnership with the Ministry of Regional Development and Public Works, the Regional Development Council of South Central Region, University of Thessaly, Greece and "Technology Transfer and innovation - Magdeburg" LTD. It is part of the first generation 16 RIS projects in countries - candidates for EU membership, and was supported by the Fifth Framework Programme for Research, Technological Development and Demonstration Activities (1998-2002).

The project aims to create a common platform for cooperation between the public and private sector, research organizations and universities and financial institutions in the South Central region. The analysis of the regional economy in



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terms of technological development and innovation allows the development of a Regional Innovation Strategy of the SCR, where a set of measures is set. The project was completed successfully in May 2004

RIS of SCR was approved by the governors of the six areas of South Central Planning Region and is integrated in the Regional Development Plan for the period the 2007 – 2013. The containing measures are the basis for working with the Cohesion and Structural Funds in the field of innovation in the region.



I. ANALYSES OF NSRF 2007-2013 FOR BULGARIA

ANALYSES OS THE CURRENT REPORTS FOR EVALUZION OF THE OPERATIONAL PROGRAMMES I BULGARIA IN THE PERIOD 2007-2013, CONNECTED WITH THE PURPOSES OF RIS3

The NSRF of Bulgaria is implemented through the operational programs co-financed by the European Structural Funds and the Cohesion Fund:

- OP "Transport 2007-2013" (24.3% of financial resources);
- OP "Environment 2007-2013", 22% of financial resources;
- OP "Regional Development 2007-2013" (20.4% of financial resources);
- "Development of the Competitiveness of the Bulgarian Economy 2007-2013" (14.8% of financial resources);
- OP "Human Resources Development 2007-2013" (15.5% of financial resources);
- OP "Administrative Capacity 2007-2013" (2.3% of financial resources);
- OP "Technical Assistance 2007 - 2013" (0.7% of financial resources).

NSRF objectives cover specific needs, as the socio-economic analysis and analysis of the main sectors of the country during the programming period show and allocation of financial resources focusing on sectors that are experiencing serious problems and needs. A breakdown of the Community contribution in thematic priority code operational programs, justify conclusions regarding the intensity of financial support at national priorities and scope of specific interventions. In particular:

- The first national priority: improving basic infrastructure is served by almost 46.3% of the total Community contribution. Interventions applied within the OP "Transport" and "Environment", as projects in the energy sector financed by OP "Competitiveness of Bulgarian Economy" also contribute to the objectives of this national priority. In addition, the



interventions of OP "Regional Development" in regional and local accessibility (Priority 2) contribute to this national priority, complementing other OPs.

- The second national priority: improving the quality of human capital with focus on employment amounted to almost 15.5% of the total Community contribution. The strategy is applied mainly through OP "Human Resources Development" and partly through OP "Competitiveness of Bulgarian Economy".
- The third national priority: Fostering entrepreneurship, favorable business environment and good governance represents about 14.8% of the total financial support from the Community contribution allocated to the different interventions mainly OP "Competitiveness of Bulgarian Economy". In addition, 2.3% of all funds allocated to interventions aimed at strengthening the institutional capacity at national, regional and local level through the Operational Programme "Administrative Capacity".
- The fourth national priority: supporting balanced territorial development is implemented through OP "Regional Development" and represented 20.4% of the total Community contribution.

In terms of national priority: improving basic infrastructure the main resource for investment in the transport sector is included in the Operational Programme "Transport". The strategy of OPT corresponds to strategies and policies for development of the Trans-European Transport Network (Decision (EC) № 1692/96, modified by Decision (EC) № 884/2004), the policy of sustainable development in accordance with Göteborg and transport White Paper (2001), the Lisbon strategy in order to achieve economic growth and reduce unemployment.



Strategic transport policy objectives are formulated entirely based on identified weaknesses and problems in the sector in the country:

- development of sustainable transport;
- integration of the national transport network into the EU transport network;
- balance between different types of transport.

Achieving these goals is defined as a prerequisite for sustainable and balanced long-term economic growth. Funds under OP Transport 2007-2013 for major projects for construction, modernization and rehabilitation of road and railway infrastructure of national and European importance, to improve transport services in general (passenger and cargo), development of marine and internal waterways and others.

In addition to the operations set out in OP "Transport", where the concerned roads of the trans-European transport network (TEN-T) and prime and secondary roads that are part of the TEN-T, the measures under OP "Regional Development" within the fourth provide a national priority investments in regional road infrastructure.

Operations for investment in transport infrastructure OP "Regional Development" include:

- Rehabilitation and reconstruction of secondary roads outside the trans-European transport network (TEN-T), and third-class roads;
- Improve transport links to specific destinations and facilities outside settlement areas - access to ports, airports, landfills, etc.
- Support for municipal roads in urban agglomerations.

In terms of energy infrastructure measures within the Priority Axis 2 of OP "Competitiveness", supported activities aimed at energy-saving technologies



and utilization of renewable energy resources by enterprises. Interventions focus on energy evaluation and energy audits, feasibility studies, energy saving technologies and equipment, improve energy management, and more. Introduction of innovative technologies aimed at reducing energy intensity are eligible for funding under Priority Axis 1. Another field of activity is the introduction of renewable energy providing the energy needs of enterprises. The aid is concentrated on the production of energy from wind, solar and cogeneration from industrial facilities by funding construction of facilities and the purchase of necessary equipment. Measures to develop energy infrastructure and following a consistent policy of energy efficiency should be treated as a priority, not only to improve the macroeconomic environment and the acceleration of economic growth, but also as an essential tool for solving the problems of the financial and economic crisis. In this connection, and in accordance with one of the objectives of strategy "Europe 2020" to increase energy efficiency by 20% and reduce emissions of greenhouse gases within the EU with 20% energy efficiency measures should be part of a broader priority for urban development, as well as be integrated within the integrated plans for urban regeneration and development.

In terms of environmental infrastructure, the main weaknesses relate to its low compatibility with EU requirements, poor state of infrastructure for water supply, sewerage and wastewater treatment, the lack of organized systems for collection and treatment of waste and a large number of contaminated sites and inadequate systems to provide air quality to European standards.

Investment in information and communication technologies (ICT) are displayed as a horizontal priority as along with the heavy infrastructure are a key driver of economic development. Almost all operational programs include measures for the development of information and communication technologies. However, their planning time is incoherent, without defining adequate priorities. Measures for eGovernment and development of information and



communication infrastructure are noticeably delayed. Electronic Government (E-government) as the organization of government on the basis of electronic equipment for processing, transmission and dissemination of information ensures transparency and attractiveness of the economy for investment. During the 2007-2013 programming period OPAC invested significant resources to build reference architecture and standards for electronic administrative services, defining and recording eGovernment services and data provision by primary administrators and develop a legal framework legal framework for communication complex e-services. In 2012 to 2015, the focus of interventions of OPAC projects is the construction of a functioning e-government, optimizing electronic data exchange within the administration, creation of conditions for effective public management; improvement of central systems e-governance; improving processes for the provision of administrative services; improving interoperability and providing opportunities for integration at European level; and facilitate the access of citizens and businesses to electronic services.

Broadband internet connections are acknowledged as one of the main tools for improving economic and social welfare of the population. Wide dissemination of high-speed connectivity can lead to a significant increase in gross domestic product (GDP), employment, competitiveness of national economies and quality of life. In this sense, ICT infrastructure should be seen as an essential element of economic growth and to be planned and built as an integral part of the overall infrastructure environment. That is why these investments are a prerequisite for the development of other information and communication services and technologies, and to create a favorable and efficient business environment, including the reduction of the administrative burden.

The first priority of the NSRF, although there is an indirect impact in achieving macroeconomic guidelines for growth and employment is closely linked to the micro ones to promote the sustainable use of resources and improve the environment, improve European infrastructure and distribution and efficient



use of ICT within an inclusive information society.

In connection with the national priority: improving the quality of human capital with focus on employment - a major structural funding instrument is OP "Human Resources Development". In a crisis, the operational program funds prove to be a reliable tool that enable implementation of various interventions in the labor market - retaining unemployment above critical levels, providing and expanding access to social and educational services. OPRD operations cover all identified problem areas and are focused in such a way as to complement the contribution of the interventions. Towards the middle of the program period results from the program show effect in all areas targeted. The full effect of the interventions of the program, however, can be measured only at the end of 2016, which is also applicable for the other OPs.

The second priority is fully compatible with all guidelines for growth and employment and contributes to the implementation of strategies related to macroeconomic guidelines, especially those related to economic stability for sustainable growth and promoting the allocation of resources oriented to growth and employment.

National priority: Fostering entrepreneurship, favorable business environment and good governance aims to address several weaknesses with regard to entrepreneurship and favorable business environment and good governance:

- The low level mechanisms to support SMEs, the use of outdated technologies and low use of ICT;
- The existence of administrative procedures hindering the opportunities for business development;
- The lack of standards and monitoring of work in the administration of the judicial system, weak enforcement not optimal internal and interdepartmental coordination in the administration and low efficiency in the management of human resources in public



administration;

- Insufficiently developed eGovernment.

The main strengths of the sector include increasing the contribution of SMEs to GDP growth and employment, ongoing public administration reform, good level of education within the state administration and the advanced development of central and regional structures for the management of EU funds. Policy planning within the priorities attempt to seize the opportunities of this sector, mainly increasing the efficiency of SMEs, the need to build a strong relationship between business, science, education and NGO sector, the possibility of transfer of good practices in the processes policy making and evaluation of the need for better administrative services, development of public-private partnerships and improving the cooperation between the state administration and socio-economic partners.

Essential tool to support small and medium-sized enterprises (SMEs) in the period is the Operational Programme "Development of the Competitiveness of the Bulgarian Economy 2007 - 2013" More than 80% of the financial resources of the program is intended for SMEs. The measures envisaged under the program fully correspond to the identified problems in key areas - technological modernization, compliance with internationally recognized standards introduction of management systems, access to information and advisory services, access to funding, creation and development of business networks, business incubators and clusters.

To the identified problems in the NSRF related to the development of innovation potential in the country, under the Operational Programme "Development of the Competitiveness of the Bulgarian Economy" measures to encourage innovation activity of business and scientific organizations are implemented.

The fourth national priority: supporting balanced territorial development focuses on the main imbalances in regional development:



- Significant differences within the different regions;
- Not developed local infrastructure networks, the low level of working conditions and life, basic infrastructure and public services, and the poor housing in big cities;
- The high degree of dependence of the rural regions from the rural agriculture and the lack of alternative sources of income;
- Obsolete educational, health, social and cultural conditions;
- Need to extend the partially developed national network of protected areas.

The measures provided in the last national priority, aim to take into account the possibilities that reveal EU policies serving cross-border, transnational and interregional cooperation, the need to use natural, historical and cultural heritage for sustainable growth and development in the regions and the need to create jobs outside the agricultural sector in rural areas.

OP "Regional Development" is aimed at supporting local and interregional cooperation and it has set the main resource for implementation of the fourth priority of the NSRF.

The fourth priority focuses on regional development and in this sense there is a horizontal nature, it indirectly affects macroeconomic guidelines for economic stability and promotion of growth and employment guidelines.

NSRF is compatible with European, national and regional priorities, given the clear link strategy and objectives with the Community Strategic Guidelines and the Integrated Guidelines for Growth and Jobs and the National Reform Programme, which includes policies adopted by the Bulgarian government, taking into account the strategy "Europe 2020".

NSRF objectives, as well as the four national priorities are consistent with the Integrated Guidelines for Growth and Jobs (2005-2008), which include broad



guidelines for economic policy and employment policy as the main tool for the development and implementation of the Lisbon strategy. In this sense, can be considered that the objectives, priorities and vision for Bulgaria are related to the innovation policy of "smart specialization" (RIS3).

Long-term vision for Bulgaria combines two specific medium-term goals:

- Strengthen the competitiveness of the economy to achieve high and sustainable growth
- Development of human capital to ensure higher employment, income and social intervention.

The first objective of the NSRF: strengthening the competitiveness of the economy to achieve high and sustainable growth is:

- to provide economic stability for sustainable growth; and
- to encourage the allocation of resources oriented to growth and jobs.

The first objective focuses primarily on interventions:

- to increase and improve investment in R & D, in particular by private enterprises;
- facilitating all forms of innovation;
- facilitate the spread and effective use of ICT and build a fully inclusive information society;
- strengthening the competitive advantage of the industrial base;
- promotion of sustainable use of resources and strengthen environmental protection;
- create more competitive business environment;
- promote of culture of entrepreneurship and creation of favorable environment for SMEs;
- improve European infrastructure



Policies adopted under the first objective of the NSRF, in fact, directly or indirectly include all microeconomic measures of the "Guidelines for Growth and Jobs (2005-2008)"

The second objective of the NSRF: Develop human capital to ensure a high labor income and social integration is related mostly with:

- Implementation of employment policies aimed at achieving full employment, improving quality and productivity at work and strengthening social and territorial cohesion;
- ensuring inclusive labor markets, improving the attractiveness of work for job seekers, including disadvantaged people;
- improvement of the ability to meet the needs of the labor market; and
- expanding and improving investment in human capital.

The second objective of the NSRF is a supplement to the policies adopted within the first order to the extent that it tries to accelerate the transfer of new technologies and build relationships between the scientific, educational and productive sectors.

NSRF demonstrates high compatibility with the Commission's guidelines for investing in the real economy, considering that more than 54% of the Community contribution is allocated to the above priorities.

NSRF strategy for SMEs is based on the increasing role they play in the Bulgarian economy, after the transitional period and the fundamental weaknesses of the sector as low labor productivity, which is the result of outdated technologies in production, leading and to high share of energy in production costs, less use of ICT, low level of certification of SMEs production, which prevents their export opportunities, access to finance for start-ups and less developed alternative forms of funding and insufficient coverage and quality consultancy and information services as a feature of the overall business environment.



Low labor productivity of Bulgarian enterprises is affected by low innovation activity, which is the result of poor cooperation between business, science and other institutions to implement innovative projects, insufficient pro-innovative infrastructure and the absence of financial instruments for innovation.

Following the approval of the NSRF implementation of OP "Competitiveness" is the main instrument for the reform of the SME sector. SME support is provided mainly through the procedures for the development of innovative start-ups, support for commercialization of innovative products and services, the development of innovation start-ups, technological modernization and introduction of internationally recognized standards, the establishment of incubators and clusters, procedures aimed at improving infrastructure and innovative investments in green economy.

In addition, in the last years, Bulgaria has shown a significant improvement in terms of research and development and the integration of ICT in socio-economic development, although in all relevant data, the country is still significantly below the EU average.

Expenditure for research and development (R & D) increased to 0.64% of GDP at end 1.20% for 2015, while the share of Internet users with broadband access has increased over 10 times compared to 2006, use of the Internet of households has increased by over 27% and the use of Internet by enterprises in Bulgaria lasts around 60% in the period from 2006 to 2014.

The education sector has a special focus, where major national policy goals are to enhance the quality of education, the adaptation of curricula to the current needs of the business, ensuring equal access to education and open education system, creating the preconditions for the practical application of the concept of the European Commission for lifelong learning (concept of lifelong learning), involvement of young people in the development of sectoral policies and turning the country into a knowledge and innovation based economy.



This analysis examines the NSRF in relation to smart specialization, which mainly refers to policy choices and prioritizing areas in what a set of actions, ie strategy, can be developed, based on encouraging entrepreneurs to find the right flight for future specialization.

Priorities and policies for regional Smart Specialization of EU aim to strengthen regional cooperation and achieve the objectives of the "Europe 2020" and of cohesion policy for the period 2014 – 2020. The National Reform Programme of the Republic of Bulgaria, updated in 2012 is addresses the strategy "Europe 2020".

The program addresses the key priority issues, taking into account current needs and national circumstances, the focus is on boosting competitiveness in order to take full advantage of the tools for economic recovery. NDP identifies the factors in support of sustainable economic growth. The strategy and NSRF priorities addressed in the context of the NDP and 2020 are consistent with those that operate in improving the determinants of economic growth.

The first national priority of the NSRF: IMPROVING BASIC INFRASTRUCTURE, supports factor III.6 NDP: Infrastructure to improve access to the single market, which covers the needs and policies in the area of transport infrastructure, investment in environmental infrastructure projects and urban development; investments to improve living standards and infrastructure business environment. Access to high-quality infrastructure is based on smart specialization as stimulating investment decisions of economic agents and also promote increased mobility and migration, business, capital and labor. Long-term investments in infrastructure help to overcome regional disproportion and development of settlements in the country.

The second national priority: IMPROVING THE QUALITY OF HUMAN CAPITAL WITH FOCUS ON EMPLOYMENT complements primarily the following components of the NDP:



- III.2: Improve the efficiency of public expenditure and ensuring a reallocation of public expenditure to promote growth in terms of policies in the field of education and the needs for health reform.
- III.3: Better and more efficient use of the labor potential in the economy. Implementation of reforms and measures to improve the functioning of this growth factor will contribute to higher and balanced growth through:
 - activating the workforce to fill jobs with the highest quality (higher labor demands and creating high added value);
 - higher labor productivity of employees as a result of a higher level of knowledge and skills;
 - flexibility shown by the rapid transfer of the existing workforce;
 - proactive training to provide the necessary manpower for the future needs of the labor market.
- III.5: Improving the quality and effectiveness of education and training systems.

The third national priority: Fostering entrepreneurship, favorable business environment and good governance is complementary to component III.4: *In response to the weaknesses in the business environment and promotion of administrative efficiency, including at local level, which includes the conditions of access for Bulgarian enterprises to financial resources and the need to develop human resources in public administration and optimization of Public Administration.*

Finally, the fourth national priority: SUPPORTING BALANCED TERRITORIAL DEVELOPMENT complements the others, mainly through components:

- III.4: Addressing weaknesses in the business environment and increase administrative efficiency, including at regional and local level



in terms of the needs for the modernization of public administration at regional and local level and the need to support access to finance for SMEs and

- III.6: Infrastructure to improve access to the single market in terms of its provisions for projects in support of urban development.

The overall strategy and specific policies, planning in the second national priority of the NSRF (Development of human capital to ensure higher employment, income and social integration) affect four of the five national objectives of the National Reform Programme 2011-2015:

- National Objective 1:

Reaching 76% employment rate of the population aged 20-64 by 2020.

- National objective 2:

Investments in R & D amounted to 1.5% of GDP.

- National Objective 4:

11% share of early school leavers by 2020 and 36% share of people aged 30-34, with a university degree by 2020.;

- National Objective 5:

Reducing the number of people living in poverty to 260 thousand.

Period 2007-2013 is characterized by a stable macroeconomic environment in the country, which is influenced by the international financial crisis, although its impact on the Bulgarian economy remains moderate compared with other Member States. Reduction of public debt contributed to this relative stability, while gross fixed capital formation and GDP increased faster than the EU average. Despite the improvement in GDP and labor productivity gap between Bulgaria and Member States of the EU remains high. Needs highlighted by the NSRF in reducing the energy intensity of the economy, accelerating investments



in infrastructure and increased investment in high value products remain valid. International favorable economic environment is the main threat to the Bulgarian economy, while stressing the importance of absorption of EU funds and use them as a tool to counter weakness in the macroeconomic environment. The insufficient basic infrastructure of the country has a strong impact on the overall competitiveness of the economy and a significant share of environmental infrastructure is incompatible with EU law. The need for modernization of transport networks is saved, as well as the waste management, the share of renewable energy in gross energy consumption is increased, and the network of gas supply – improved.

In terms of human resources, the rate of employment growth in the country remains stable, as a result of the increase in the retirement age but also due to the good level of education of the population. However, weaknesses in the labor market are still sharp, defined by the worsening of unemployment. With the exception of the improvement in individual indicators such as "Reducing the number of early school leavers" and "Reducing the percentage of population with secondary education" in human resources still need to catch up with the standards of the EU27, notably in relation to adult population in continuing education and training. At the same time, exploitation of the opportunities provided for under the EU's Structural Funds, allow to meet other threats such as high emigration of young and highly qualified staff and the high rate of population at risk of poverty.

In terms of entrepreneurship and good governance, the National Strategic Reference Framework illustrates the main strengths and weaknesses of the enterprises that are taken into account in the programming of the first procedures under OP "Competitiveness". The main elements of the SWOT analysis remain valid, since the implementation of interventions in the Operational Programmes marks delay and the effect will be measured after 2015.



Regional disparities in the country in terms of distribution of GDP and GDP per capita remains high, taking into account the comments mentioned above. OP "Regional Development" tries to deal with regional disparities in terms of social infrastructure, mainly education infrastructure and improve regional relations and living conditions. As highlighted in the evaluation report of the OP, some minor modifications in the SWOT reformulations are necessary to be compatible with current and future socio-economic environment. The presence of well-developed cities is noted as a strength, which can serve as engines of growth and better distribution of cities across the country, the presence of agglomeration areas and the potential for tourism development. At the same time as weaknesses should be reported poor quality of regional and local roads, strong territorial concentration of tourism, poor planning and weak investment capacity, especially in smaller communities, underdeveloped partnership and cooperation between municipalities, partners and stakeholders in the development of projects.

Achievement of the objectives of the NSRF

NSRF includes a set of indicators directly related to the strategic objectives and the priorities, according to an analysis of the current socio-economic development of the country and the needs in the field of transport, energy, human resources and other sectors of economic activity. In some cases, the evaluation of indicators is not possible either due to lack of relevant data in the current period or due to problems with the indicators themselves as difficulties with measuring values or inadequate definition of the indicator.

At the level of strategic objectives NSRF defines a set of six indicators of context presented in the table below. Three of them are related to the first strategic objective account and GDP growth, and the contribution of exports to GDP, while the remaining three indicators are linked to the second strategic objective,



a central feature of employment and living conditions of the population.

Table – Strategic Objectives of NSRF

STRATEGIC OBJECTIVE	INDICATOR	BASELINE	OBJECTIVE
Develop competitive economy to achieve high and sustainable growth	GDP per capita (PPP) as a part of the EU average	31,1% 2005	51,2% 2013
	GDP growth (average annual period);	5% 2000- 2006	5,73% 2007- 2013
	Ratio export / GDP	60.8% 2005	89,77% 2013
Develop human resources in order to ensure high employment rate, high income and social integration	Employment rate;	55,8% 2005	64% 2013
	Unemployment rate;	10,1% 2005	7% 2013
	At risk of poverty	14,2% 2005	13% 2013

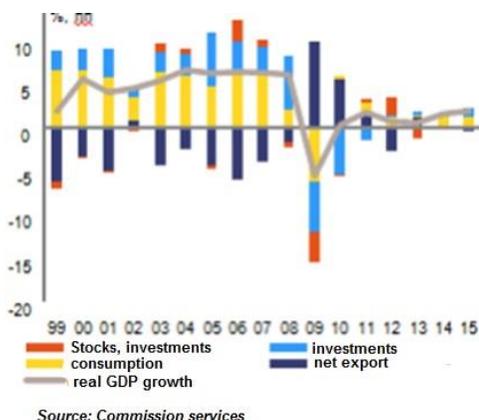
Source: Eurostat

Although included in the system of indicators of the NSRF, these indicators provide the broader context of implementation of the strategy that does not directly reflect the progress of operational programs.

In the period after approval of the NSRF, the country has made progress in terms of average GDP growth compared to the EU average. In 2013, GDP per capita reaches 45% of the EU27 average value, although average annual growth is lower than expected.



Fig. Real GDP growth in demand components



The average annual GDP growth was 1.90% for the period 2007-2011 (Eurostat), a contribution of exports remained almost stable in recent years, accounting for 60.8% in 2005 and 59.6% in 2011. Taking into account that some of the planned interventions in the Operational Programmes are not yet finalized, it can be argued that the contribution of the NSRF

to GDP growth is still at a relatively intermediate stages of the impact of investments. The econometric model used to measure the impact of the NSRF on GDP and employment can provide estimates based on the hypothesis of full implementation of the OP in accordance with the approved budget, which is not possible in the current period due to the fact that investments still are in progress.

Fig. Dynamics of exports (FOB), in%

Indicators	2012	2013
Export growth of consumer goods	7,0	8,0
Share of exports of consumer goods	23,3	23,4
Export growth of energy products	23,7	-2,8
Share of exports of energy products	16,8	15,2
Growth of exports to the EU	-3,6	9,1
Share of exports to EU	58,9	60,1
Growth to non-EU countries	12,6	4,0

Source: Calculations of the Ministry of Finance according to BNB data

The goal of developing competitive economy and achieve higher sustainable growth, though supported by the achieved growth of the national economy in recent years has been negatively affected by the continuing international



economic crisis. As in other Member States of the EU that catch up, the pattern of growth in the initial recovery is due to largely to strong exports of goods and services, while domestic demand remains stagnated, which is reflected in the degree of adaptation and correction of imbalances in the private sector. Taking into account the unfavorable international environment, although progress the country is expected to continue in the coming years, the achievement of the objectives set by the NSRF for 2015 remains questionable and appear to be too ambitious.

Assessment of progress based on indicators included in the NSRF for the thematic priorities is presented below:

Priority 1: Improving basic infrastructure

To assess achievement in regards with the first priority of the NSRF four indicators are used, although most of them are problematic in terms of their clear definition or measurability. The first indicator expresses economic growth achieved as a result of improved transport connectivity and reduced transport costs. Measuring the indicator is not yet complete, taking into account the fact that the implementation of the Operational Programme "Transport" is to be completed in 2015 and important projects will be finalized that could contribute to economic growth. Assessment of the contribution of the projects requires not only completed projects, but the passing of a specified period, where results in the growth to be seen. Measurement of the indicator requires the application of an econometric model that can assess its impact, but not in advance, and after the completion of the projects.

During this period, taking into account the above, the only approach may be based on macroeconomic model - it is used adapted to Bulgarian conditions and macro econometric model to assess the impact of Structural Funds in Bulgaria - HERMIN, which provides an estimate of the effects of operational Programme "Transport" in the country's economic growth. According to this model, OP "Transport", if implemented in accordance with specified financial flows will



contribute to growth in GDP of 2.1% in 2015 (2.0% in 2014 and 1.4% in 2013). This forecast overestimates the actual impact, as the level of absorption of the operational program was lower than projected, but generally assesses the potential impact of the OP in full utilization of the approved budget.

STRATEGIC PRIORITY	INDICATOR	BASELINE	AIM
Improving basic infrastructure	Increased economic growth as a result of improved transport connectivity and reduced transport costs	0	
	Reducing the time million. hours	0 (Railways) 0 (Motorways)	2.3 (2013, railway lines) 1.3 (2013, motorways)
	Increase the attractiveness of certain regions and destinations as a result of improved environmental conditions for life		
	Population having access to water supply	40,5% (2004)	66,46% (2013)

Table: Priority 1 "Improving Basic Infrastructure" Source: Eurostat

Methodologically the indicator that measures the time savings as a result of projects in the transport sector can be measured if data is available for the number of passengers and increase in the speed of travel, based on finalized or projects in progress.



The third indicator is not adequately defined, since these regions are not mentioned, and the attractiveness of each region may be the result not only of the projects implemented in the field of environment, but also of the factors associated with an increase in tourism activities improving accessibility in selected areas, improving tourism infrastructure and complementary activities, etc.

Priority 2: IMPROVING THE QUALITY OF HUMAN CAPITAL WITH FOCUS ON EMPLOYMENT

The second priority of the NSRF is correlated with three indicators, two of which show remarkable progress. The economic activity rate in the country increased rapidly from 62.1% in 2005 to 66.8% in 2011, close to the target set for 2013 (68.5%).

At the same time, participation in education or training system of the country increases as the share of the population aged 18-24 with secondary education and further training in 2011 reached 13.9% in the base value of 18% in 2005. The achieved value 15% in 2012 is lower than the target value for 2013 (16%). These figures give grounds for the conclusion that goal of reducing the proportion of the population between 18 and 24 years with secondary education and further training is completed before the end of the programming period.

Table: Priority 2 "Increasing the quality of human capital with a focus on employment"

STRATEGIC PRIORITY	INDICATOR	BASELINE	AIM
Increasing the quality of human capital with a focus on employment	Level of economic activity - 15-64 years of age	62,1% (2005)	68,5% (2013)
	Proportion of the population between 25 and 64, participating	1,3% (2005)	5,0% (2013)



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STRATEGIC PRIORITY	INDICATOR	BASELINE	AIM
	in education and retraining		
	Proportion of the population between 18 and '24 with secondary education without further education	18% (2005)	16% (2013)

Source: NSRF, Eurostat.

Priority 3: FOSTERING ENTREPRENEURSHIP, FAVORABLE BUSINESS ENVIRONMENT AND GOOD GOVERNANCE

The third priority of the NSRF is based on two sub-priority the first relates to business development and good governance. Labor productivity in the country grew by 6.7% in 2011 from 3.5% in 2005. Although the goal is expressed as an annual average, it is evident that it is already achieved by the current increase in productivity in the country. Labor productivity in Bulgaria increased by 1.7% yoy, according to data of the National Statistical Institute (NSI) for the second quarter of 2014. For the period April-June GDP worked out by an employed amounts to 5534 lev. For an hour on average a worker makes 13 Levs of GDP. Though labor productivity in Bulgaria to increase annually, it still remains one of the lowest in the EU. At the same time at the end of June 2014 the number of employed compared to the same period last year decreased in the agricultural sector - by 0.4% and industrial - 0.1%. The highest percentage of jobs in the service sector, in which there is an increase from 54.2% to 54.7%. On the other hand, the target can be more specific, representing a rate of growth of labor productivity at the end of the programming period.



Table: Priority 3 "Fostering entrepreneurship, favorable business environment and good governance"

STRATEGIC PRIORITY	INDICATOR	BASELINE	AIM
Fostering entrepreneurship, favorable business environment and good governance	Labour productivity	3,5% (2005)	5% annually
	Direct Foreign Investments	11,7 mn (2000-2006)	21,7mn EUR (2007-2013)
	Maximum number of days needed for registering a new business	32 (2006)	1 (2013)
	Maximum number of procedures necessary to register a new business	9 (2006)	1 (2013)

Source: NSRF, Eurostat

Although direct foreign investments in recent years decreased in comparison with the high rates of previous years, the total FDI inflows in the years 2007-2013 is nearly 21.1 million. EUR. In addition, changes in legislation on the registration of new companies has led to significant results. According to the Trade Register Act, the maximum days to register a new company is two, the law requires only one registration procedure. Even assuming that in practice the maximum number may be larger, the new law drastically changed the



business environment by reducing significantly the need for 32 days to create a new company.

Priority 4: SUPPORTING BALANCED TERRITORIAL DEVELOPMENT

The implementation of the fourth priority is monitored by an indicator that attempts to measure the increase in revenue in "less developed and peripheral areas" due to the implementation of cohesion policy.

MEASURES AND PRIORITIES OP THAT INDICATE ADDS TO RIS3 STRATEGIES AND CAN BE REPEATED AND DEVELOPED. BEST PRACTICES AND LESSONS LEARNED

Today we speak of "smart specialization", which is a new innovation policy, which aims to promote the effective and efficient use of public investment in research; to stimulate regional innovation to achieve economic growth and prosperity, allowing the region to focus on its strengths. As a result of the analysis of the NSRF on the strategy for "smart specialization" measures and priorities of the OP were identified, which should be repeated and developed, and which would contribute to economic growth of the South Central Region are as follows:

OP "Development of the Competitiveness of the Bulgarian Economy 2007-2013"

One of the priorities of the OP identified in connection with "inteligentna specialization", which should be repeated and developed is "Development of economy based on knowledge and innovation". The main objective is to improve the Bulgarian innovation system through support for innovation and improvement of the pro-innovative infrastructure.

The specific objectives of the priority are:



- Promoting development and commercialization of innovations in enterprises;
- Protection of Industrial Property of Bulgarian enterprises and research organizations;
- Development of pro-innovative environment supporting business.

Priority activities are concentrated in two groups of operations:

- *Support for the creation and commercialization of innovations in enterprises and protection of industrial property*

In this thematic group operations support to start or existing enterprises with innovative potential is provided.

The aim is to bridge the gap between enterprises and research institutes to improve the productivity of companies, development of new and improved products and services with high added value and improve production methods, processes and their market realization. Support is aimed at start-ups in their initial stage of existence by providing them with integrated support for various activities such as business consulting, initial investments in assets and introducing their products on the market. As a result of such interventions the number of highly innovative, market-oriented enterprises in the Bulgarian economy will increase.

OP supports companies for R & D, including the feasibility and industrial research and pre-competitive development and on the other hand, integrated support (consultations, training of personnel) needed for introduction of product or process innovations in manufacturing and management their practice. As a result of these activities will increase the successful R & D projects by enterprises, as well as increase the overall costs of R & D by firms. Businesses receive support to hire PhDs and other R & D specialists to carry out their own research projects. The aim is to increase employment of researchers and highly qualified technicians.



To ensure protection of the developed innovations in Bulgarian enterprises and research organizations, support is provided for industrial property protection through national and international application and registration of patents, trademarks and designs (including Trademark Community Design Community Agreement Madrid Protocol, etc.).

Improvement of the pro-innovative infrastructure

The purpose of this set of operations is to create favorable conditions for the development of innovative enterprises and to strengthen the capacity of the Bulgarian scientific organizations to conduct applied R & D activities.

Funding is directed to different types of organizations in support of businesses that offer professional consulting services for innovative start-ups and existing innovative enterprises. Means are provided for the creation and / or expansion of technology transfer centers, technology incubators, technology platforms, technology parks, etc. In technology transfer offices and technology incubators, financial support covers the costs of projects related to the creation of such institutions, institution building on the similar ones, development and delivery of new services to business and networking of such institutions and organizations in support of business and innovative enterprises. In the implementation of projects for technology parks, preparations are unded for the creation of parks (development of feasibility studies, technical documentation, engineering plans, etc.).

To ensure sufficient "flow" of innovative ideas to the economy, research organizations are supported to acquire and / or upgrade existing applied research equipment, if there is a clear demand from businesses in particular research field, as well as proven necessity of such equipment, and the potential for wide application of the expected R & D results in the national economy. This activity improves companies' access to high quality pro-innovative services.

To maximize the impact of the activities of the various "players" in the



innovation system, a group of related operations is implemented, such as: creation of "national innovation network" bringing together innovative companies and organizations, as well as high-speed broadband infrastructure to connect all network.

Priority "Increasing efficiency of enterprises and promoting supportive business environment" is the second important element of the OP, which examined in the context of RIS3 shall be repeated and developed.

The main objective of the priority is: Investment support for the development of competitive enterprises, as well as improving the business environment by providing businesses easily accessible, high-quality information and consultancy services.

The specific objectives are:

- Modernization of technologies and management in enterprises.
- Providing accessible and quality consultancy and information services to the business.
- Reducing energy intensity and diversification of energy sources used by enterprises.
- Increase the efficiency of manufacturing and marketing performance of enterprises through business networking and clustering.

Priority activities are concentrated in four groups of operations:

- *Improvement of technologies and management in enterprises*

As a part of the support of this operation, companies receive funds for investments in modern tangible and intangible assets, aimed at improving and expanding business activities, improving management, introducing new products, services and processes in the company, entering new or expanding existing markets, etc. Among the priority activities are purchasing and the introduction of innovative technologies.



Businesses are supported to achieve compliance with internationally recognized standards - introduction of systems for quality management, environmental standards, management systems based on information technology, good governance, etc.

The priority aims also to fund activities for the introduction of energy-saving technologies and the use of renewable energy sources (sun and wind) from businesses.

- *Creating infrastructure to support business*

In this operation, Business Support Organizations receive funding. BSOs network includes institutions that support entrepreneurship and provide a wide range of information and consultancy services for start-ups and existing companies. Network members offer basic business consultancy for starting and running a business, including business planning, marketing, financial management, legal advice, etc. At the same time, specialized information and consulting services related to specific standards and requirements for various sectors, including environmental protection, connecting with suitable partners for export, etc. are provided.

To provide an integrated support for start-ups, regional business incubators in the form of "infrastructure for network" are created.

- *Support for the introduction of energy saving technologies and use of renewable energy sources*

Introduction of energy saving technologies in enterprises leads to greater economic efficiency through cost reduction and increased competitiveness. The use of highly efficient CHP and other technologies in the production process of enterprises has a significant impact on the reduction of production costs. Implementation of energy interconnection projects, leads to significant economic benefits for all partners and enhance security of supply. Development of international exchange helps to enhance competitiveness and market



advantages for all parties involved. Activities aimed at energy-saving technologies and utilization of renewable energy by businesses are also supported.

- *Encouraging business networking and clustering*

The modern economy has long recognized the benefits of business networking and clustering as a tool for improving the production and marketing performance of enterprises through synergy effect, economy of scale and improved access to innovations.

Cluster concept covers a wide range of business structures - national-regional-border clusters, clusters of competence, industrial or production systems and innovation systems. They are designed for different purposes - to increase the competitiveness of enterprises, to support collective research, to improve the functioning of various sectors and introduce systems for environmental protection. Clusters have a positive effect on competitiveness and innovation, development and improvement of skills, providing and receiving information, durable and dynamic business growth.

Because of the complex nature of the clusters, the operation supports various types and characteristics - at the same time common cluster activities will be funded (cluster management and general investment needs) and support for individual cluster members (including consultancy, investment and training).

Operational Program "Regional Development 2007-2013

Priority: *Local development and cooperation* aims to contribute to local and inter-regional development.

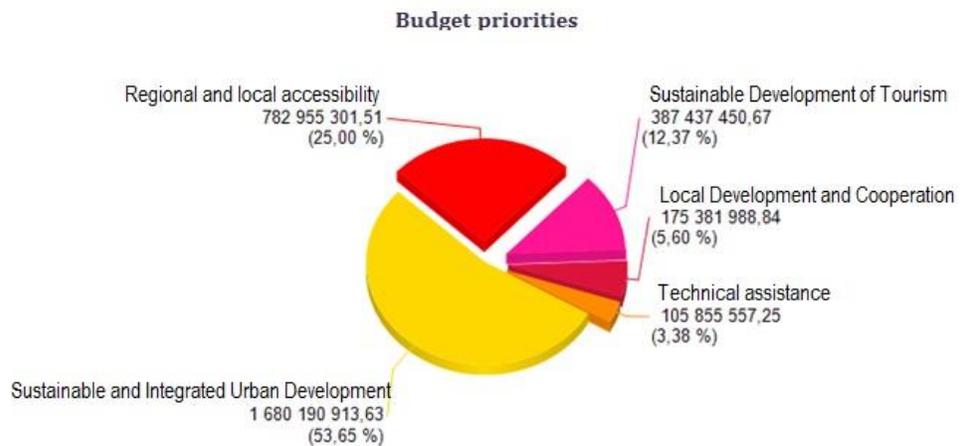


Fig. Budget priorities of OPRD

It is characterized by the creation and promotion of investment initiatives with local ownership, formulated at local level by local stakeholders and developed in a flexible way to find solutions to specific local problems. Along with the government, municipalities are the main actors of the regional and local development in Bulgaria. 178 out of all 264 municipalities in Bulgaria are small and peripheral status. At the same time some of these communities can be defined as the disadvantaged in terms of location, level of development and structure of the local economy. In most cases, small size is in a combination with or as a result of adverse circumstances. OPRD is focused on integrated regional development and territorial cohesion throughout the country. Though in Bulgaria regional development largely passes through urban development and urban connectivity options, there are still certain areas where non-agglomeration and small municipalities could justify the need for large-scale retail investments that are essential for their competitiveness and sustainability. This priority is directed exclusively to municipalities, which are located outside urban agglomerations and feel a strong need investment to stimulate development.



The priority activities are concentrated in two operations:

- *Small-scale local investments*
- *Inter-regional cooperation*

Operational Programme "Human Resources Development 2007-2013"

An important element of the OP, which should be extended and further developed in relation to achieving the objectives of RIS3 is the priority: to improve the quality of education and training in accordance with the needs of the labor market to build an economy based on knowledge.

The main objective is to increase the employability of the workforce through quality services in education and training, effectively performing educational and training institutions and sustainable links between education, vocational training and business.

The development of the Bulgarian economy, as part of the European economy based on knowledge requires rethinking and strengthening the links between education, research and business sectors. There is a mismatch between business needs and trained people by the higher schools: more than 60% of students are studying "traditional" humanities, while the number of students in natural sciences, engineering and information specialties is insufficient. According to the European Commission only 6.7 percent of the scientists in Bulgaria are employed in the manufacturing sector with an average for EU-15 - 49.7%, EU-25 - 47.3%, and the US - 80.5%. To stimulate connections between these sectors it is necessary to set up appropriate mechanisms to promote the work of young scientists, post-graduate students in the field of applied research.

For the purposes of this analysis will be taken into account interventions aimed at strengthening the links between institutions for education and training, research and business sectors, as a measure to find continuation. Crucial for improving the quality of Bulgarian education is to strengthen existing and build



new relationships with the business sector. Successful implementation of the labor market is the clearest measure of the value of the education received. Despite the good results of individual initiatives in this area as the "Labour Market" of the US Agency for International Development (USAID), education and the economy still have not found the intersection of their interests. Therefore, within the OP "HRD" serious intervention is planned to strengthen the links between education institutions and training, research and business sectors. On the one hand investment motivate young and promising people to work in science (through better conditions for research and opportunities for training), and help to strengthen the intellectual potential of Bulgarian education. On the other - It is expected to build strong contacts between educational and training institutions, research and business sectors. Interaction between education and business is twofold. Economy is interested in the quality of school and university. But the scope of knowledge and skills offered by the system of education and training can not be defined without the active partnership of the business that provides the best possible environment for practical training and determine the priority areas of the labor market. In this regard, the statistics shows a disproportion between the needs of the labor market and graduates, as in natural sciences, mathematics, engineering and computing. In these specialties smaller share of total graduates train, while the demand for such specialists increases. Comparative analysis of the jobs market of skilled labor in 2009 and 2011 shows that the demand for specialists with priority is the engineer-technical specialties, which is two times more than the next in the list of services. It should be noted the fact that employers are concerned about the shortness of people in those areas and weak practical skills of graduates. All this requires investments to be targeted at areas of greatest need for trained professionals and outlines the main activities that occur:

- development of research programs in horizontal scientific organizations and universities;



- development of mechanisms for practical training of students;
- support for the development of PhD students, post-graduate students and young scientists.

The development of research programs and implementation of programs is supported to build a dynamic international teams in interdisciplinary scientific fields. The activity is aimed at the development of partnership networks between research organizations, universities and businesses. To facilitate the transition from school to work activities for the implementation of school and student placements and internships, participation of specialists from the business in the preparation of curricula, programs and materials, and implementation of programs to promote research interest of students are provided. The development of career centers in vocational schools is encouraged, the organization of specialized career days and information seminars is supported, investment in the establishment of relations between employers of the branch and the specialized school. Suitable forms for such interaction are internships, involvement of employers in the school boards, etc.

In order to stimulate and develop the scientific potential of the country activities related to the financing of postgraduate training and education through the development of programs to provide grants for doctoral students, graduate students and young scientists are supported. Academic mobility and access to equipment, databases and libraries are facilitated within the frame of the financial support. In addition, programs have been developed for further training of young researchers. Creation of research networks for the exchange of knowledge and experience is encouraged. In accordance with the National Reform Programme, natural, mathematical, engineering and information sciences are a priority.



ANALYSIS OF THE REGIONAL CONTEXT - STUDY OF REGIONAL POSITIONING IN THE EU. ANALYSIS OF PROJECTS INCLUDED IN OP FOR BULGARIA 2007-2013. MONITORING AND EVALUATION OF PROJECTS FOR SCR

The analysis of the projects included in the OP for Bulgaria in the period 2007-2013 on the NSRF priorities, identifies calls for proposals under the OP whose priorities and measures are most relevant to the objectives of the strategy RIS3.

Priority 1 Improving basic infrastructure

Transport Infrastructure

In the field of railway infrastructure, the implementation of projects has resulted in 13 km newly built railways, 3.3% of the physical target for 2013. The delay in the launch of the projects is also reflected in the values of rehabilitated railway lines and electrified railway lines. 242 km were rehabilitated by 2014. Train. Pazardzhik station is modernized with funds from OPT. Projects related to road infrastructure are in progress at the end of 2014 to build over 140 km motorways. In the field of intermodal transport, an increased number of subway passengers to 156,000 is reported, as close to the target of 260,000 passengers in 2015. There are 13 new stations and 13 km of new subway lines. Savings of time of the projects is estimated at 23.4000 hours per day (60.5000 is a target for 2015) and total savings are estimated at around 4.9 million per day (target for 2015 is 12.8 million).

Sector Environment

In the water sector, at the end of 2011 - 15 investment projects - WWTP (3 pcs.), Pumping stations (4 pcs.), Collectors (5 pcs.) And pushers (3 pcs.) were put into operation. There are 76.9 km. sanitation and 21.5 km collectors and others were reconstructed. 15.4 km sewerage and 0.58 km. collectors (compared with indicators) were built. 5.4 km water supply network were built and other 37.6



kilometers reconstructed. Total number of people benefiting from the water supply network, put into operation is 173,078 people.

In the waste sector, the objectives set are to build 12 regional systems in 2010 and 27 in 2013.

In the field of biodiversity conservation, the percentage areas within the Natura 2000 to be mapped and managed in 2010 was 26% of the total area. This objective will be achieved in the mapping of 14 areas within the Natura and drawing up plans for management.

Priority 2 Improving THE QUALITY OF HUMAN CAPITAL WITH FOCUS ON EMPLOYMENT

Through the implementation of the "Development of Human Resources" by 2014 over 430 thousand unemployed and employed people are included in the training for the acquisition or improvement of the qualification or the acquisition of key competencies. More than 62 thousand students are involved in practices. Nearly 7 thousand STN pupils are integrated into mainstream education. Nearly 390 thousand students of general education are involved in vocational guidance and career development. Близко 20 хил. възрастни, включени в програми за ограмотяване. Over 70 thousand people receive social services and over 1200 persons from specialized institutions are reintegrated into the community. More than 13 thousand employees of the institutions of the labor market, social inclusion and provision of health services are included in the training for qualification. Over 5 thousand people are involved in transnational and interregional programs for exchange of experience.

According to the MA 23 572 are unemployed and inactive persons who were employed after training. These figures demonstrate the satisfactory performance of the activities undertaken for training of vulnerable groups in the labor market.



The measures within the framework of HRD OP aim to support entrepreneurship 1917 are unemployed and inactive persons who are involved in entrepreneurship education (below 4% of program goal)..

Within interventions aimed at improving the quality of services in education and training 3618 teachers and trainers are involved in training programs, of which 2785 have completed these programs at the end of 2011. Programs for external and internal evaluation involved 5703 persons as 2237 received certificates for appraisers. In addition, 5,947 students participated in the school practices (10% of the target value), 3836 students participate in student placements (77 600 is the objective of the program). Within the same priority, 2,039 students and young scientists participate in development programs of scientific potential as 992 of them completed these programs (1 200 persons is the goal for 2013). Mechanisms for student support (eg. Credit, new and additional grants) benefit 78,034 students. Under the program values of indicators aimed at developing a system for lifelong learning are not counted.

There are 29 new social enterprises, the number of those who started working in the social economy sector is over 335. 720 new forms of social services in the community are opened (approximately 2 times the target). The number of persons served in a family environment is 56770.

Priority 3: FOSTERING ENTREPRENEURSHIP, FAVORABLE BUSINESS ENVIRONMENT AND GOOD GOVERNANCE

Progress in the business environment can be written by an improvement in the efficiency of SMEs and the positions of the Bulgarian enterprises on the international markets. According to the evaluation of the OP "Competitiveness", the supported SMEs demonstrate 33.6% increase in production capacity (almost double than the target of 15%) and the average age of equipment used by the supported enterprises decreased by 20.34% (30% the goal, according to the OP). With the support of OPC 172 SMEs have implemented the use of new



technologies / products (32% of the target value).

Also, 97 enterprises have participated in promotional projects aimed at improving the situation on international markets, and 37 enterprises participated in events for promotion of conformity assessment, certification and production quality. The total number of laboratories that were supported is 19, exceeding the goal of the program, while the number of new or improved services provided by the organizations of the national quality infrastructure is 10, approaching the goal of the program (12 new or improved services in 2013).

In the field of good governance, 19 functional analyzes were performed by public authorities (12% of target OP), 90 new measures have been taken to streamline procedures as a result of functional analysis and 92 information campaigns were conducted. A total of 23 administrative bodies have introduced rules for monitoring the implementation of policies (18% of the target), while 32 newly developed modules are accepted by the administration. Administration personnel trained is 35.916, of which 36% are women and 7% are employees of the local administration. 146 judicial authorities introduced systems for case management (83% of the target) and 89 new modules developed are adopted in the judicial system, and another 32 in administration.

Positive results from interventions in the field of good governance also include trained magistrates and court clerks (20,507 pcs.), Of which 63% are women, 16 judicial bodies that have introduced systems for managing human resources (8% of the target) and 126 administrative authorities have set up quality management (which exceeded the program target), the introduction of standard time for the provision of services of 214 administrations (46% of the target), the use of best practices to improve access to administrative services people disadvantaged people are adopted by 48 institutions to 2012 (68.5% of target).

Interventions in the provision of online services by public administrations were accelerated as a total of 2095 administrative services are now available online, as the program objective is exceeded 2 times. The number of administrations,



providing one-stop services increases, although the quality of services is expected to improve in the coming years of the program period.

Priority 4: SUPPORTING BALANCED TERRITORIAL DEVELOPMENT

Implementation of OP "Regional Development" notes the following achievements and results: In urban areas, 29 buildings were renovated educational institutions, and covered the 20 completed projects in 2009 and executed 64.4% of the target of 45 completed projects in 2013 .; 8827 students have benefited from improved educational infrastructure (138.5% of the interim target). The population benefiting from renovated buildings (with the exception of educational and health institutions) totaled 18,165 inhabitants (18.1% of the interim target) and 51,375 residents benefit from measures to prevent the risk of landslides in urban agglomerations (landslide area 23.400 sq.m.). In the aim of improving regional accessibility projects for the reconstruction of 128.18 km roads represent 25.6% of the interim target of the program, 15 projects were implemented in the sectors of roads, ICT and gas connections, covering 50% of the program objective 2009

According to the evaluation of the OP "Regional Development", the value of time savings in Euro per year, resulting reconstructed roads for passengers and cargo is € 294,335 / hours, value much higher, as of mid-term (46,000), and the final (208 000) target. Likewise, the increase in passenger and freight traffic on the rehabilitated areas is estimated at 17.57%, while the intermediate target for 2009 is 10%.

Within Operation 2.3 "Access to sustainable and efficient energy systems" the implemented projects have led to the reduction of greenhouse gas emissions by over 25% in 2012, targets for 2009 by 4%, and by 2015 39%.

Within the OP "Regional Development" 36 small investment projects are implemented by 2010 (60% of the interim target), which are used by 293,901 inhabitants, almost four times more than the target set for 2009 (75 000



inhabitants), but also exceeding the ultimate goal of OP (166 000 inhabitants). Energy savings in refurbished buildings is estimated at 587,582 MWh, based on projects completed by 2011.

In the field of interregional cooperation 9 projects were completed by 2011 (60% of the interim target) and 25 innovative practices were moved and adopted on the basis of interregional cooperation (83.3% of intermediate target).

Mentioned above data on outputs and results of OP "Regional Development", demonstrate satisfactory progress, as most indicators present good performance levels. Taking into account, improvements to the system indicators, implementation of the operational program is expected to be even better at the end of the implementation of the projects of this programming period.

Reported progress in physical implementation indicators operational programs at the time was made entirely on the basis of interventions implemented through grant aid where the beneficiary implements its project with its own funds and agreed percentage grant is recovering after verification of expenditure. In support of beneficiaries in project implementation MA provides for advance payment of 20% (in 2010 the advance payment is increased to 35% for public beneficiaries of OPT and OPE OPRD). To verify the funds can proceed as in the implementation of the entire project, and at the completion of a separate part of it with concrete results. This type of financing is effective in ensuring compliance with the basic principles of the Cohesion Policy:

- strategic approach (support is provided in accordance with a strategy at European level);
- programming (support received from the Structural Funds, is part of a program);
- additionality (EU resources complement and not replace national



resources);

- consistency and compliance (activities financed by different funds are consistent with each other).

In the period 2007-2013 the grant awarding /generally the 7 national operational programs/ is an essential financial resource to which there is an extremely high interest in different types of organizations. According to several studies, the grant beneficiaries are extremely interested, the interest is greatest in the central administration, regional administrations and the judiciary (100%) and municipalities (94%). For this type of beneficiaries provided funds are often the only opportunity for development. Although slightly lower, the interest of the companies, educational institutions and nonprofit organizations is also significant - an average of 79% of respondents studies declare interest. Lower interest from these beneficiaries are largely due to the difficulties they encounter when applying and implementing projects.

The huge interest to the operational programs is a prerequisite for achieving the NSRF objectives. Meanwhile, despite the high interest in the OP, there is a significant barrier to the use of the possibility of obtaining grants - the provision of financial resources for pre-financing and co-financing of the project costs. Studies show that this is the main difficulty among all beneficiaries regardless of the funding program. Municipalities face the most difficulty in securing financial resources - 61% experiencing considerable difficulties in financing their projects, and 39% - partial disability. The same is declared by educational institutions (77%) and NGOs (73%) who have limited access to alternative sources of funding for its activities. Less difficulties in this area have companies (56%) who have alternative investment opportunities (own funds or credits), and the central administration and the judiciary (57%), which as budgetary organizations have relative stability.

To counteract registered difficulties in securing funding in 2007 Fund for local authorities in Bulgaria (FLAG) was created as an instrument of state policy for



regional development. The Fund supports the Bulgarian municipalities and municipal companies in the preparation and implementation of projects under OPRD OPE and OECD, in particular the development of municipal infrastructure. Financial resources with FLAG available form of targeted budget funds and loan capital of the European Bank for Reconstruction and Development. The midterm evaluation of OPRD and OPE show that nearly 30% of the interviewed municipalities beneficiaries have experienced problems in providing bridge financing and co-financing as a result of the crisis, some of them have applied for credit under FLAG to reduce this effect. In this sense, the fund plays an important role in dealing with the effects of the financial crisis, which should continue to be used.

Subsequently, in line with the Europe 2020 Strategy and identified needs of beneficiaries at national level a new type of "innovative" financial instruments started to be implemented. The term is used as an indication of interventions other than pure grant funding. The idea of applying them is not to replace but to supplement the aid for projects that contribute to achieving the objectives of EU cohesion policy, particularly in terms of innovation, sustainable growth, job creation. At national level the use of such tools is defined in OPC, AXIS 3 (JEREMIE) and OPRD AXIS 1 (JESSICA).

During the period 2007-2013. rising incomes per capita in the EU declined even when excluded the statistical effect of EU enlargement. Although there are many analyzes of the reasons for the delay, they can be reduced to three, fully valid for the regions in Bulgaria:

- barriers to innovation and insufficient investment in research and development by businesses;
- insufficient investment in human capital (education and training);
- under-use of the opportunities provided by the emergence and spread of information and communication technologies (Internet, systems quality



management software for analysis, monitoring and management of business processes, etc.).

The sustainable delay of the main partners and competitors of the EU on income and other indicators of economic development become the acceleration of productivity growth and a major political priority for the EU after 2007. This leads to focusing of attention of the European Commission and Member States on innovation, research and development as a central element in their policies to create more jobs and higher growth in the EU.

The main document guiding the general economic policy of the EU is the Lisbon strategy, adopted in 2000. Its mission is to make the EU the most dynamic knowledge-based economy in the world by 2010. The most important tool to achieve this mission, turned into its peculiar brand is increasing investment in research and development in the EU average to 3% of GDP. In 2005 the EU reviewed the implementation of the strategy and found that progress is unsatisfactory. As a result, the European Commission proposed a number of policies and measures to improve the innovation activity in the EU, the implementation of which is included in the new seven-year budget cycle throughout the period 2007 – 2013. The key documents in this respect are the following two releases of the European Commission:

- **More research and innovation - a common approach**, COM (2005)

4883. The Communication proposes measures to:

a) *stimulate innovation through various EU policies (clearer rules to regulate economic activity, creating an internal market for researchers, public procurement and state aid to support innovation, tax incentives for research and development);*

b) *more funding for innovation (through EU funds, EU framework programs, public-private partnerships, etc.);*

c) *encourage cooperation business - education - science (eg by creating and*



financing of clusters);

d) implementation of better analytical tools for analysis and coordination of policy innovation and development of national reform programs for employment and higher growth.

- **Application of knowledge into practice:** innovation strategy of the EU, COM (2006) 502. In autumn 2006 the European Commission presented first of its kind EU innovation strategy, whose main objective is to encourage the development of investment in research and development in Europe into market products and services.

The main lines of action in the innovation strategy of the EU:

a) creating a positive attitude towards innovation in the EU;

b) creating conditions for the emergence in Europe of the first markets for promising new technology products (such as the creation of the GSM standard for mobile phones, which was first approved in Europe and then became the most successful in the world);

β) creation of better management and coordination of European and national initiatives in the field of innovation.

EU innovation strategy includes Roadmap for building the innovation economy of Europe, containing 10 measures the highest political priority to guide innovation activities of member governments and the European Commission in the period to 2007-2013.

Measure 1. Modernising education systems of the Member States in order to create better education and innovation skills.

Measure 2. Establishment of a European Institute of Technology, to support European associations / initiatives leading research, educational and business organizations.



Measure 3. Construction of an open, single and competitive European labor market for researchers, to allow free movement of the most highly qualified specialists in Europe to meet market demand.

Measure 4. Adoption by the end of 2006 a Communication on the EU to stimulate knowledge transfer between universities and public research organizations and industry.

Measure 5. Use the instruments of cohesion policy (European funds) to support innovation in the European regions.

Measure 6. Change the framework for state aid so as to improve the financing of innovation, research and development. The European Commission will provide guidelines for the development of tax incentives for R & D.

Measure 7. The European Commission will propose a new patent strategy and a new strategy for intellectual property protection.

Measure 8. Stimulate the development of new digital products, services and business models with better enforcement of existing legislation.

Measure 9. The European Commission will test opportunities for the development of lead markets in new technologies in Europe (support for turning the EU into a technology leader in the promising new markets).

Measure 10. The European Commission will publish a manual for use of the system for public procurement to stimulate innovation.

Specific characteristics of Bulgarian enterprises determine the important role that European policies and instruments in support of innovation will have for the development of Bulgarian economy. Overall Bulgarian enterprises have fewer assets from its European partners and competitors have a short credit history and operate in markets with low purchasing power. As a result they are less innovative, almost do not invest in research and development and rely heavily on product innovation with low level of innovation (adapting existing products to Bulgarian or Eastern markets).



However the most innovative are those Bulgarian companies that export to the European market and cooperate with foreign, mostly European partners. Therefore the ability and capacity of Bulgarian companies and organizations to cooperate in the implementation of innovative projects with partners from Europe plays an important role in their competitive development. Currently, Bulgarian enterprises are still relatively passive in collaborating in their innovation projects compared with the most innovative new countries with comparable socio-economic characteristics. It can be enhanced only with a good knowledge of national and European innovation policy and actively seek opportunities to absorb their instruments and financing.

European innovation policy in Bulgaria: Framework Programmes and the EU coordination mechanisms are managed at European level. The role of national structures is to ensure the best possible participation of organizations from the country in these tools, but they do not take the final decision to fund an initiative.

Bulgaria's accession to the EU provides to the country many good opportunities to develop its innovation system, taking advantage of the experience of other member states and the European Commission and the financial resources of EU funds.

Imposed by the Government of the Republic of Bulgaria medium-term objectives in the National Strategic Reference Framework for the 2007 - 2013 (NSRF), the basic document governing the financing of EU funds in Bulgaria are in close connection with the development of the national innovation system:

1) *improving the competitiveness of the economy to achieve high and sustainable growth and*

2) development of the human capital to ensure higher employment, income and social integration.

To achieve these goals on average Bulgaria receive access to twice the resources



from European funds compared to the last two years of pre-accession period.

With regard to innovation and related areas - research, technological development, investment in ICT, entrepreneurship, education and training, this increase is even greater. In industry, which includes opportunities for innovation, growth is several tens of times.

Requirement for complementarity of EU funds to national resources, commitments by the Bulgarian government for limits of public spending and the objective of maximum utilization of the available funding suggest the emergence of strong pressure to channel funds to areas where their realization is easier. This creates a risk of "lock" in a vicious circle where the funds are directed to the areas that can most easily absorb them. Most often these are infrastructure projects, construction, tourism and large enterprises. In areas where is initially provided the greatest increase in financial resources compared to past experience, it is required to enhance the administrative capacity to manage projects at national, regional, local and sectoral level and careful synchronization of the national actions with the EU and other Member States.

This applies also to the national innovation system in Bulgaria that meets challenges in terms of their financial security and coordination of activities between public authorities which form it.

Main objective of the Bulgarian government in respect with the successful management of EU funds in this area is to achieve optimal integration in innovation policy and the EU structures and the careful selection of the partners and examples among the Member States to develop the administrative capacity of the Bulgarian participants in the innovation system.

The development of the Bulgarian national innovation system and policy to a large extent depends on the successful integration of Bulgaria into the European initiatives and financial mechanisms in this area. Access to EU funds after 2007 allows a substantial increase in investment in innovation, research and science



and related fields such as entrepreneurship, ICT and education. According to the National Strategic Reference Framework 2007 - 2013 on the period under review Bulgaria has the opportunity to double its total public expenditure for the policies in most areas outside of basic infrastructure, including innovation and research.

Overall picture of the implementation of the the indicators, in fact, will be received at the end of the current 2015 and early 2016.

The transfer of the main burden of the funds ahead in time is that the Bulgarian business and other organizations willing to participate to start their preparation projects since 2007, to be able to realize them in 2009-2013, when EU funds in Bulgaria increased at a faster pace. The cost of innovation, research and technological development, which Bulgarian government was planned for the 2007 - 2013 under the EU funds are allocated to several operational programs:

- **Operational Programme "Development of the Competitiveness of the Bulgarian Economy"** provides 15% of the total cost of the program (1.9% of the total EU funds for Bulgaria, 124.4 mln. Euros for the period 2007 - 2013) to be allocated in priority 1 "Development of economy based on knowledge and innovation."

Many of the activities in other priority areas of the program are organically linked to innovation and innovation potential by focusing on the development of entrepreneurship, venture capital, ICT and others. For clarity, they are not included in the calculations in this section, but their condition and potential for development is important to the overall innovative development of Bulgarian economy. This operational program is managed by the Ministry of economy, while the Executive Agency for Promotion of Small and Medium Enterprises is entrusted with innovation activities.

One of the key indicators of the OP "Competitiveness" is significantly delay in achieving the set target values - "Number of cooperation projects enterprises -



research institutions", whose value at the end of 2013 is zero, since projects procedure BG161P0003-1.1 0.06 "Support for research and development of the Bulgarian enterprises" whose implementation will lead to the achievement of objectives in 2013 are in the process of the implementation through a project have a duration of 30 months. On indicator "Number of projects for renewable energy sources" to 31.12.2013 was a slight improvement compared to the previous year as the procedures leading to its achievement are two, one (BG161P0003-2.3.01 "Investments in green industry ") was announced in 2011 and contracts under it are in progress and the other (BG161P0003-2.3.02" Energy efficiency and green economy ") was announced in mid-2012 and the deadline for applying to it during the reporting period was extended until 31/1/2014. Therefore, the effects of the projects in the two procedures will occur by the end of the programming period.

Priority 1: even to 31.12.2013 be a negotiation up to 131% compared with the planned budget, actual utilized funds are to 12.36% of the planned budget, as most of the contracts under Priority Axis concluded in 2013 and their implementation will be completed in 2014 and 2015. Significantly better condition at the AXIS 2, where contracts are 89% of the estimated budget axis and certified amounts amounted to 45.86% of the budget. Providing support in PA1 and PA2 is aimed primarily at business in the form of grants, as there are a large number procedures and a large number of contracts to be finalized and reported, respectively verified and where it is expected almost 64% of the funds to be used by the end of the programming period.

Objectives of the Lisbon strategy for accelerated transition to an economy based on knowledge, contributing to the effective economic growth play a key role in implementing the priorities of the Operational Programme "Development of the Competitiveness of the Bulgarian Economy 2007-2013". Procedures performed under Axis 1 "Development of economy based on knowledge and innovation" are directly related and contribute to achieving the goals and objectives of the



Lisbon strategy in its part to promote R & D and innovation. The main objective of the priority axis is to improve the Bulgarian innovation system through support to innovation in enterprises and improve the pro-innovative infrastructure.

On procedure BG161P0003-1.1.03 "Development of innovative start-ups by supporting the introduction of innovative products, processes and services" in 2013 grants are provide to 32 innovative start-ups to the performance of their projects to implementation in the production and marketing realization of innovative products, processes and services with high added value.

Under procedure BG161P0003-1.1.04 "Support for the commercialization of innovative products, processes and provision of innovative services" in 2013 60 companies were supported that have the capacity to implement in production innovative products, processes or services - own design, and to ensure their successful marketing. Under procedure BG161P0003-1.1.05 "Development of innovation start-ups" in 2013 141 innovative start-ups were supported with high innovation potential in the stage of development of innovative products, processes and services with the potential for subsequent deployment in the economy.

Under procedure BG161P0003-1.1.06 "Support for research and development of Bulgarian enterprises" in 2013 68 projects were supported, which stimulate the implementation of successful research and development projects in order to create new or improve existing innovative products, processes and services that are aimed at strengthening economic efficiency, increase the innovative potential and technological development of enterprises.

Under procedure BG161P0003-1.1.07 "Implementation of innovations in enterprises" in 2013 210 contracts were completed, which provides support to start and in the existing micro, small, medium and large enterprises for implementation in the production of innovative products, processes, services



for their own development, and purchased from third parties.

The announced at the end of 2012 procedure BG161P0003-1.2.04 "Development of applied research in research organizations in Bulgaria" promote the strengthening and development of the capacity of 33 Bulgarian scientific institutions for the implementation of successful programs for research and development activities by providing support for the renewal and modernization of the equipment necessary for the implementation of applied research.

Directly aimed at the development of the national pro-innovative infrastructure is also the concluded in 2013 a contract for the direct award of a grant procedure BG161P0003-1.2.05 "Create a science and technology park" with a total value of the contract 97 766 105.66 lev (49 987 782.83 euros). Specific beneficiary of the contract is "Sofia Tech Park" EAD. The goal was the first Bulgarian Technology Park to become a center of excellence to attract leading researchers and serve as a model for other technology parks in Bulgaria.

In addition, the procedures under Priority Axis 2 "Increasing efficiency of enterprises and promoting supportive business environment" contribute to improving the business environment and economic growth.

In proceedings BG161P0003-2.1.13 "Technological modernization in small and medium-sized enterprises" in 2013 162 enterprises were supported to expand their business through technological innovation, improve management, introduction of new products, services and processes.

Under procedure BG161P0003-2.2.01 "Support for the creation and development of business incubators" in order to provide the same services with high added value for sustainable and competitive development of enterprises in different regions of the country in 2013 13 incubator were supported. In 2013, procedure BG161P0003-2.3.01 "Investment in" green industry" supported 29 large enterprises to overcome the negative impact they have on the



environment. The procedure encourages the implementation of projects directly related to manufacturing products that are recyclable as they fall waste, more efficient use of waste products and reduce energy consumption as a key factor for improving the competitiveness and sustainable development of large enterprises in the country.

Announced in 2012 and open for applications also in 2013. procedure BG161P0003-2.3.02 "Energy efficiency and green economy" have supported 178 SMEs for implementation of projects related to improving the efficiency and productivity of beneficial environmental friendly technologies used in small and medium-sized enterprises, as well as reduce energy consumption and adverse environmental impact by promoting environmentally beneficial, reducing waste and energy production technologies.

The attached list is referred to projects that are good practices of implementation of the OP identified in connection with RIS3 and implemented within the South Central Planning Region:



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
1	Pazardzhik	" Development and testing of new quality medicinal products from natural substances useful in veterinary miditsina "	"MASTARHERB" Ltd.	170 775,25	153 697,73
2	Peshtera	" Development of innovative products for efficient systemic prevention of zoonoses Heartworm "	" ENDEKTOVET "Ltd.	152 961,54	137 665,39
3	Panagyurishte	Introduction of the none cooled thermal imager with three visual fields	Optix AD	5 477 761,12	2 738 880,56
4	Plovdiv	Implementation of patented processes for the preparation of pleuromutilins and tiamulin in Biovet	"Biovet" AD	6 571 460,44	3 285 730,22
5	Dimitrovgrad	Increasing the competitiveness of "LCI-VOLTA" Ltd. through introduction of the innovative product	"LCI - VOLTA" Ltd.	508 634,00	304 947,00
6	Plovdiv	"Technological modernization of" Chukov BG "Ltd. by introducing into production of innovative photovoltaic panel"	Chukov BG "Ltd	706 441,80	476 972,90
7	Plovdiv	"Increasing the competitiveness of the" CBA "Ltd., through investment support for the production of innovative product	ARP Ltd.	1 840 190,20	1 287 791,14
8	Plovdiv	"Starting our own production of an innovative system for remote reading and control of electricity through the purchase of necessary equipment"	ADD Bulgaria Ltd	3 077 477,98	1 860 122,49
9	Panagyrishte	"Putting into production of fusion attachment for industrial and security cameras"	Optx AD	5 337 206,70	2 668 603,34
10	Plovdiv	"Commercialization of innovative products - Lenses for digital cameras"	"Plant for Optics" AD	1 909 405,62	954 702,81
11	Kardzhali	Increasing the competitiveness of "Teklas-Bulgaria", by introducing innovative process to start production of new products	Teklas Bulgaria AD	5 757 589,33	2 735 718,22



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
12	Asenovgrad	SUPRA-MODIFICATION OF polyalkenes and receiving strip and foil extrusion	„Aseniva Krepost,, AD	6 345 736,36	2 765 215,82
13	Plovdiv	Input in the production of an innovative series of mattresses with built-payer against harmful geopathogenic influences	Ted Invest Ltd.	3 757 407,32	1 878 703,65
14	Asenovgrad	IMPLEMENTATION OF PRODUCTION OF toffees and chewing gum PACKED by extruding	"ALPS COMMERCE" Ltd.	903 764,00	621 256,80
15	Plovdiv	"Development of LED lighting"	"ATRA EXPORT" Ltd.	397 686,47	314 172,31
16	Plovdiv	"Getting nutraceuticals with antioxidant and immune-stimulating action"	"ITC-Innovative-Technological Center" Ltd	279 298,00	224 824,98
17	Plovdiv	e-Accountant	"Jay MG 2004" Ltd.	204 910,64	181 079,53
18	Plovdiv	Development of high-rotor automatic production of bottles from PET / PET / preforms	"TOPMASH" Ltd.	398 704,16	358 833,73
19	Plovdiv	Creation of test samples of complete conversion diesel engines with even and odd number of cylinders in gas engines to reduce damaging	EH NANO TECH	271 129,35	244 016,41
20	Plovdiv	Preparation for introduction in production and commercialization of twin camming engine with internal combustion	"MODERN ENERGY SOURCES" Ltd.	394 500,12	355 050,11
21	Pazardzhik	Innovative system to increase energy efficiency through new ecodesign details for the production of asynchronous motors	"NG DESIGN" Ltd.	430 420,00	387 378,00
22	Haskovo	Recovery of the solid waste product from the pyrolysis of worn tires as filler in compositions for the rubber industry and in particular for insulating coverings for livestock	"Polimermetal" Ltd.	281 058,93	222 607,14



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
23	Pazardzik Region	"Technology for producing an optical fiber mass originating secondary papers after sorting of household waste"	"EKOBULHART" Ltd.	399 733,94	260 262,06
24	Plovdiv Region	"Industrial research:" Creating a new formulation for the production of PVC profiles "	"PROFILINK" Ltd.	987 976,96	493 988,48
25	Plovdiv Region	"Study the conversion of vehicles for industrial purposes"	"Transport Electronics 91" Ltd.	314 516,00	250 492,80
26	Plovdiv	"Enhancing competitiveness" Zografa "Ltd. by implementing an innovative process for the production of rack system stores of steel sheets and profiles by implementing a machine with fiber optic system for laser cutting"	"Painters" Ltd.	417 950,00	376 155,00
27	Asenovgrad	"Starting production of innovative product - Sheet bending presses"	"MILKO" Ltd.	4 454 250,00	2 672 550,00
28	Plovdiv	"Implementation of gerotor pump with an innovative pair of gears"	"METAL IN" Ltd.	295 660,00	266 094,00
29	Brezowo	"Implementation of innovative RFID hotel lock management"	"Soniko" Ltd	321 100,00	224 770,00
30	Karlovo	"New competitive advantages by implementing innovative stand for umbrellas"	"MONI-83 " Ltd.	314 755,90	283 280,31
31	Haskovo	"Implementation in production of machine for water jet cutting with innovative cutting head"	"TERATEK INDUSTRIAL" Ltd.	432 550,86	389 192,26
32	Plovdiv	Optimization of the production process "CBA" Ltd., through the introduction of innovative processes and products from its own research and development	"ARP" Ltd.	1 344 334,00	976 294,40
33	Plovdiv	Introduction of innovative process "flexible production system of folk costumes through the implementation of innovative activity organization of" Meli-M "Ltd.	Meli-M "Ltd	159 860,00	143 874,00



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
34	Maritza	Increasing the competitiveness and efficiency of Gamma Plast BG European and world markets through investments for implementation of innovative plastic crate pallet	"Gama Plast BG" Ltd.	2 193 265,55	1 548 886,28
35	Plovdiv	Introduction of innovative products in its own production program of "INDEX-6" Ltd.	"INDEX-6" Ltd.	1 780 000,00	1 068 000,00
36	Kirkovo	Enhancing the competitiveness of "VSK Centauri - IZ Dinamika" LTD by the introduction into production of innovative products - machine tools and machine equipment	VSK Centauri - IZ Dinamika" LTD	4 969 615,26	2 976 969,16
37	Panagyurishte	Commercialization of Multichannel optoelectronic observation devices with electronic of axles	OPTIX AD	5 994 870,00	2 999 939,73
38	Plovdiv Region	"Implementation of an innovative system for the production of bioenergy"	"BEYS Energy" Ltd.	690 592,20	519 701,58
39	Plovdiv Region	IMPLEMENTATION OF INNOVATIVE PRODUCTS INDUSTRIAL DESIGN IN ATRA 96 Ltd.	ATRA 96 Ltd.	2 607 990,86	1 829 637,80
40	Plovdiv Region	Introduction of innovative products in "GLORIA - 2001" Ltd.	"GLORIA - 2001" Ltd.	4 206 470,00	2 958 423,00
41	Rodopi	Implementation of innovations in "Install Engineering SV" Ltd.	"Install Engineering SV" Ltd.	2 545 000,00	1 783 942,40
42	Haskovo Region	"Implementation of innovative machine for dispensing filling and sealing of food liquids in bottles with screw caps ET" Milko Miloushev "c. Haskovo"	ET" Milko Miloushev	176 460,00	158 814,00
43	Pazardzhik Region	"Support for the acquisition of rights to use innovative software" Telecable "AD"	" Telecable "AD"	2 278 440,00	1 375 596,00
44	Pazardzhik	Increasing the competitiveness of RAIS Ltd. in the global market through the introduction of innovative product	RAIS Ltd.	3 958 900,00	2 378 310,00



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No	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
45	Plovdiv	Implementation of innovative renovation process of organic lenses for glasses in "Dio" Ltd.	"Dio" Ltd.	392 731,04	281 391,73
46	Plovdiv	Increasing the competitiveness of "Full Engineering" Ltd by introducing innovative product.	Full Engineering" Ltd	349 622,00	314 659,80
47	Asenovgrad	Increasing the competitiveness of "Rättich Pack" LTD by introducing innovative product.	Rättich Pack" LTD	311 450,00	280 305,00
48	Haskovo Region	"Increasing the competitiveness of the" TOP FLEET "Ltd. through the introduction of innovative products."	TOP FLEET "Ltd	228 950,00	206 055,00
49	Plovdiv	Capacity building for technology transfer at the University "of Plovdiv"	Plovdiv University Paisij Hilendarski	135 961,44	90 700,58
50	Plovdiv	Creation of an office for technology transfer of knowledge about the quality of solid biofuels	FOUNDATION "ENERGY AGENCY Plovdiv	591 152,66	370 940,92
51	Plovdiv	"Eco Technologies of Information Service"	" Eco Technologies 21"	1 294 087,03	905 860,92
52	Plovdiv	"Increasing the capacity of Plovdiv University for applied research by equipping the laboratories biocompatible materials and molecular biosensors"	Plovdiv University Paisij Hilendarski	902 383,34	767 025,45
53	Plovdiv	"High-tech equipment for environmental nanostructured multilayer coatings with multifunctional applications received by the imbalance magnetron sputtering"	Central Laboratory of Applied Physics Plovdiv	1 300 000,00	1 105 000,00
54	Haskovo	"Automation and modernization of the production process and introduction of new products in" Haskovo Aluminum "Ltd.	Haskovo Aluminum "Ltd.	125 000,00	50 000,00



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
55	Sopot	"OPTIMIZATION OF MANUFACTURING PROCESS" FIL-KO "Ltd. through technological modernization"	FIL-KO "Ltd.	2 009 065,09	602 719,53
56	Plovdiv	"Improving the competitive advantages and market position of the company" Ted-DT "Ltd. by launching new production"	Ted-DT "Ltd.	2 372 132,23	948 852,89
57	Asenovgrad	Increasing the competitiveness of "Dema" LTD by building CUTTING UNIT PRODUCTION OF ROTATION DETAILS	"Dema" LTD	369 836,58	110 950,97
58	Plovdiv	Improving the competitiveness of "Heriks" Ltd. through technological modernization - purchase of CNC punch machine with a rotary tool	"Heriks" Ltd.	310 586,00	77 646,50
59	Devin	Renovation and modernization of the technological process of bottling of mineral water "Mihalkovo"	The producer cooperatives "Mihalkovo"	941 182,00	235 295,50
60	Maritza	INNOVATION AND QUALITY - THE WAY OF CASCADE Ltd. TO European competitiveness	CASCADE Ltd	315 487,00	77 294,00
61	Plovdiv	Modernization of existing production base of "Interbelts" Ltd. and automation of certain stages of production	"Interbelts" Ltd.	301 201,12	84 336,32
62	Panagyurishte	Increasing the competitiveness of "Plant optics" via the technology for diversification of manufactured optical products	"Plant for Optics" AD	706 054,63	141 210,93
63	Kardzhali	Ardastrói Ltd. - competitiveness and development through technological modernization	Ardastrói Ltd.	1 241 455,72	372 436,72
64	Plovdiv	Increasing the competitiveness and modernization of production "T.I.EF.INVEST" Ltd., by introducing a system for recycling residual concrete	"T.I.EF.INVEST" Ltd.,	182 875,00	45 718,75



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
65	Plovdiv	Increasing the competitiveness of the company "SIGROTEH" Ltd., through the development and improvement of the technological process	"SIGROTEH" Ltd.	3 966 656,67	991 664,00
66	Plovdiv	Increasing the competitiveness of "Tomser 90" LTD through technological upgrading and modernization of the production process	"Tomser 90" LTD	1 223 584,36	305 896,09
67	Plovdiv	"Internationally recognized standards - a guarantee for high competitiveness of the company"	"APEX - 11" EOOD	68 461,00	24 721,27
68	Panagyurishte	"CE marking - a valid pass for the European market"	OPTIX Ltd	203 252,59	82 520,55
69	Plovdiv	Support for the introduction of ISO 9001: 2000 and the purchase of equipment for the implementation of QMS in "Stefan - STEFANKA GERGOVA" - c. Plovdiv	in "Stefan - STEFANKA GERGOVA" ET	193 136,45	95 969,50
70	Plovdiv	"The system of quality management" DAX "Ltd."	DAX "Ltd.	17 369,57	8 684,78
71	Haskovo	"Certification to ISO 9001: 2000 and the purchase of equipment to improve the competitiveness of the" Global "Ltd."	Global "Ltd.	12 453,09	5 230,29
72	Kardzhali	Improving governance in "FLEXICON BG" Ltd. through implementation of systems for Management added quality and environmental control	"FLEXICON BG" Ltd.	46 414,19	22 659,40
73	Plovdiv	Increase product safety in "Synergon Hotels" AD through meeting the requirements of ISO 22000: 2005	"Synergon Hotels" AD	79 232,50	38 823,93
74	Belovo	"Paper mill Belovo" JSC - modern and competitive company with European presence - committed and responsible for the protection of the environment.	"Paper mill Belovo" JSC	93 997,28	46 998,64
75	Plovdiv	"Compliance with internationally recognized standards"	"Hranpak" Ltd.	39 015,74	19 507,87
76	Chepelare	"Compliance with international quality standards ISO 9001 and ISO 22000"	"Tivamex and Co" JSC	3 582,26	1 791,13



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
77	Plovdiv	"Introducing a system of quality management according to ISO 9001: 2000 in Universal K Ltd."	Universal K Ltd.	17 525,40	8 762,70
78	Batak	"Management of industrial waste through effective eco management"	"KIMI-1" Ltd.	147 700,00	73 850,00
79	Karlovo	"Meeting the requirements of ISO 9001: 2000 Colore Bulgaria Ltd."	Colore Bulgaria Ltd.	78 960,00	38 690,40
80	Devin	"Meeting the requirements of ISO 9001: 2000 in Vazhod Manifakcharing Ltd."	Vazhod Manifakcharing Ltd.	102 200,00	50 078,00
81	Rudozem	Implementation of ISO 9001: 2000 "Rudmetal-TECHNOMASH" Ltd. -. Roudozem to improve the competitiveness of the company	"Rudmetal-TECHNOMASH" Ltd.	24 889,00	12 444,50
82	Pazardzhik	Implementation of System Quality Management in accordance with ISO Standard 9001: 2000 "HEBARSTROY" Ltd.	"HEBARSTROY" Ltd.	97 984,00	48 012,16
83	Asenovgrad	BG161PO003-2.1.03 "compliance with internationally recognized standards"	"Sweet MAGIC EUROPE" Ltd.	11 199,60	5 599,80
84	Panagyurishte	Development, implementation and certification of quality management according to requirements of the international standard BS EN ISO 9001: 2008	"RITON-P" AD	45 000,00	22 500,00
85	Rodopi	Conformity assessment standards EN253, EN448 and EN488 product of "Install Engineering" and control system for their testing	"Instal Engineering CB" ltd.	139 077,00	69 538,50
86	Velingrad	Competitiveness through certification	"TERAZINI" EOOD	27 992,90	13 996,45
87	Momchilgrad	Increase efficiency and create a favorable environment in ET "Lights - ERGUN Bahri" by covering medunarodno recognized standards	ET "Lights - ERGUN Bahri"	40 620,00	20 310,00
88	Kardzhali	"Simex" LTD - more competitive by introducing international standards	"Simex" LTD	27 166,67	13 179,87



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
89	Kardzhali	On the way to international markets through the introduction of internationally recognized standards	"EUROPEAN PROJECT CENTER" Ltd.	23 500,00	11 515,00
90	Kardzhali	By international standards in design and architecture - to higher competitiveness	"Lukov Design 2" Ltd.	13 300,00	6 517,00
91	Plovdiv	Increasing the competitiveness of HELIOS - METAL CENTER by covering the requirements of ISO 9001: 2000	HELIOS - METAL CENTER ltd	31 300,00	15 337,00
92	Pazradzhik	Increasing the competitiveness of "Bio Fresh" Ltd. by covering the requirements of ISO 9001: 2000	"Bio Fresh" Ltd.	31 000,00	15 190,00
93	Plovdiv	Covering the international standards ISO 9001: 2000	BULLIFT Ltd	73 755,60	36 877,80
94	Ardino	Introducing a system of quality management BS EN ISO 9001: 2008 and CE marking in company KARO-06, on. Zhaltusha	KARO-06	15 313,23	7 433,04
95	Dimitrovgrad	Construction of Quality Management according to ISO 9001: 2008 and environmental management according to ISO 14001: 2004	Euro Fert AD	50 908,00	25 454,00
96	Dimitrovgrad	Building a system of environmental management according to EN ISO 14001: 2004	NEO TITAN Ltd	29 380,00	14 690,00
97	Plovdiv	Training and certification system for quality management ISO 9001: 2008 management system environment according to ISO 14001: 2004, product certification according to Eco-Text and the purchase of equipment and instrumentation	"Gloria-2001" Ltd.	28 803,02	14 401,51
98	Haskovo	"Setting and meeting the requirements of ISO 9001: 2008 in" Kalinovi Consult "LTD step for sustainable development."	Kalinovi Consult "LTD	32 415,00	16 207,50
99	Plovdiv Region	"MIG Engineering Ltd. - responsible for environmental protection"	MIG Engineering Ltd.	29 502,42	14 456,19
100	Plovdiv	"Technological modernization in the enterprise"	Hranpak EOOD	993 504,53	645 777,94



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101	Plovdiv	"Technological innovation and modernization of" MONI MG "Ltd."	MONI MG "Ltd.	1 874 451,91	925 042,02
102	Rodopi	"Expand the technological capabilities, product range and capacity of" proxy - 2 "Ltd."	Proxy - 2 "Ltd."	389 572,50	253 222,13
103	Banite	"Switching to green technology asphalt laying and expanding the range of products MINERAL Ltd. through investment in automated, modern and high-tech systems and equipment"	MINERAL Ltd.	150 871,00	98 066,15
104	Plovdiv	"Increasing competitiveness through modernization and technological innovation in the" CBA "Ltd."	"ARP" Ltd.	755 394,55	491 006,46
105	Plovdiv	"Implementation of new technological equipment in" Tranemo-Amitsbol Corporation "Ltd."	Tranemo-Amitsbol Corporation "Ltd."	171 152,00	102 691,20
106	Plovdiv	"Stability, sustainability and competitiveness now and in the future"	"PLASTEK" Ltd.	1 238 375,00	804 943,75
107	Plovdiv	"Introduction of new products in line with European standards and requirements, from SD" ENKO - Nedev-sie "	SD" ENKO - Nedev-sie "	562 260,00	365 469,00
108	Peshtera	"Technological innovation and modernization in Barry Shoe Factory"	"BARI KBK Group" Ltd.	946 420,00	567 852,00
109	Plovdiv	"Enhancing the competitiveness of" Nemateks "Ltd. through investment support for technological renovation of production equipment"	Nemateks "Ltd."	309 629,00	185 777,40
110	Peshtera	"Improving the competitiveness of" GIDO "Ltd. as a producer for EU markets"	GIDO "Ltd."	1 666 190,00	999 714,00
111	Peshtera	"Improving the process in" Sophie-B ", by purchasing new equipment"	ET "SOFI-B Vasil VATCHKOV-MARIA VACHKOVA"	209 580,00	136 227,00



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
112	Plovdiv	"Introduction in production of new products with high added value - systems for curtain walls of glass and aluminum facades and aluminum"	"SONKO" Ltd.	1 324 637,32	794 782,39
113	Asenovgrad	"Modernization of the production base in the village of Lenovo"	LENOVEX Ltd.	527 688,90	342 997,78
114	Plovdiv	"Improving the competitive advantages of the company"	"TOKASH" Ltd.	349 904,91	227 438,19
115	Rudozem	"Improving the competitiveness of" Rubella Beauty "AD by introducing modern technological equipment"	Rubella Beauty "AD	1 728 000,00	999 975,11
116	Septemvri	"Improving the competitiveness of" KZU-ZLMK "Ltd. through technological modernization"	KZU-ZLMK "Ltd.	927 054,17	556 232,50
117	Plovdiv	"Supply and putting into operation of new technological equipment"	Index 6 Ltd	784 112,00	470 467,20
118	Plovdiv	"Introduction of innovative technology for direct laser engraving in" Polifleks "Ltd."	Polifleks "Ltd."	1 145 950,00	687 570,00
119	Panagyurishte	"Production of precision optical components used in the visible and infrared spectrum of light"	"Plant for Optics" AD	296 617,34	177 590,70
120	Pazardzhik	"Automating and expanding the production of doors and frames"	INTEX Ltd	872 387,41	523 432,45
121	Asenovgrad	"Technological modernization of competitive production of" Mechanics-90 "LTD"	Mechanics-90 "LTD"	122 486,46	61 243,23
122	Haskovo	Increasing the competitiveness of "Himmash" AD by introducing modern technological equipment	Himmash" AD	586 345,00	351 807,00
123	Haskovo	Introduction of high-tech equipment in the production process	AREA Ltd	646 600,00	419 740,34
124	Haskovo	Technological Modernization "HIDROPLASTFORM" Ltd.	"HIDROPLASTFORM" Ltd	118 720,00	77 168,00
125	Panagyurishte	Increasing the effectiveness of "Asarel Medet" through technological modernization in now	"Asarel Medet" Ltd.	6 938 635,16	3 352 748,51



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126	Maritza	Increasing the competitiveness of "Liebherr-Hausgeräte Maritza" Ltd. by introducing new technology pyanozapalvane doors refrigeration and freezer equipment	"Liebherr-Hausgeräte Maritza" Ltd	4 204 243,26	2 101 280,78
127	Pazardzhik	Increasing production capacity "Elhim Iskra" JSC	"Elhim Iskra" JSC	729 720,00	364 860,00
128	Kardzhali	Enhancing the competitiveness of "Teklas- Bulgaria"	"Teklas- Bulgaria" AD	1 992 887,09	996 443,54
129	Karlovo	"Technological modernization in" BONNER "Ltd.	BONNER "Ltd.	593 920,00	326 656,00
130	Asenovgrad	Increasing the competitiveness of "Coral Spectrum" Ltd by introducing modern production equipment	"Coral Spectrum" Ltd	587 260,77	352 356,46
131	Kaloyanovo	Increasing the competitiveness of "Diex" Ltd., through investments in technological innovations and production activity optimizatsiyana	"Diex" Ltd	453 641,00	272 184,60
132	Plovdiv	"Increasing the competitiveness of" Techno Press"Ltd. through technological modernization and introduction of innovative enterprises"	" Techno Press"Ltd	1 480 175,41	888 105,24
133	Plovdiv	Diversification of product range and increase the production capacity of MSC GROUP	MSC GROUP	516 360,00	309 816,00
134	Plovdiv	Diversifying and expanding the production of plastic products in Carina - 4 Ltd	Carina - 4 Ltd	1 792 480,00	999 849,39
135	Plovdiv Region	"Technological modernization in" Ka Engineering "Ltd.	Ka Engineering "Ltd.	146 409,00	95 165,85
136	Dimitrovgrad	MODERNIZATION OF SPRING LTD	SPRING LTD	983 024,00	540 663,20
137	Plovdiv	"Технологична модернизация на "Агррия"АД	"Агррия"АД	1 307 030,82	718 866,95
138	Plovdiv	"Modernization of production technology" Biomashinostroene "AD	Biomashinostroene "AD	791 500,00	405 882,69



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139	Kardzhali	"Modernizing the production of" Proton-MM "Ltd. through technological innovation"	" Proton-MM "Ltd.	121 290,00	78 797,63
140	Asenovgrad	New investments and modernization in BULFED Ltd.	BULFED Ltd.	129 208,00	83 985,20
141	Plovdiv Region	Improving productive capacity and export performance "FIL-KO" Ltd.	"FIL-KO" Ltd.	1 941 955,13	1 068 075,32
142	Plovdiv Region	Input in the production of all elements of an integrated product company with a secure domestic and export large market	"KODKIY TEKNOLODJIS" Ltd.	857 329,95	471 531,47
143	Plovdiv Region	Technological modernization of "SAMI MSD" Ltd. by buying milling center with a central program management	"SAMI MSD" Ltd.	354 164,00	195 375,43
144	Plovdiv Region	Renovation and modernization of production capacities in "Index - 6" Ltd.	"Index - 6" Ltd	2 153 903,00	1 184 646,65
145	Asenovgrad	Improving technological potential of "Milko" Ltd.	"Milko" Ltd	3 302 791,55	1 816 530,63
146	Plovdiv	Purchase of new production equipment to enhance the competitiveness of Pleksistab Bulgaria AD	Pleksistab Bulgaria AD	418 697,22	230 283,47
147	Harmanli	Modernization and expansion of the production base of "SLAVEY-D" Ltd.	SLAVEY-D" Ltd	3 634 400,00	1 899 858,77
148	Madan	Omeliya Ltd - competitive and sustainable European market	Omeliya Ltd	429 070,00	235 988,50
149	Asenovgrad	Modernization of production processes in "Bravis KO" Ltd.	"Bravis KO" Ltd.	554 405,60	332 643,36
150	Plovdiv Region	PURCHASE OF FIRE KILN Solders PCBs and INSPECTION CONVEYOR	"ASTERIX ELECTRONIC" Ltd.	82 770,00	53 800,50
151	Plovdiv Region	Technological modernization of Prolift Ltd. for the production of elevator components	Prolift Ltd.	297 604,00	193 442,60



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152	Peshtera	Modernization of production processes and expanding the markets for INGILIZ - 2009 Ltd.	INGILIZ - 2009 Ltd.	318 506,50	191 103,90
153	Plovdiv Region	Increasing the competitiveness of "Kostov - 69" Ltd., Plovdiv	"Kostov - 69" Ltd.	306 723,09	199 370,00
154	Plovdiv Region	Increase the market share of Alexandris Engineering Ltd by enriching the product range	Alexandris Engineering Ltd	476 106,00	261 382,45
155	Rudozem	Efficient and competitive production through technological modernization	"RUBELA BEAUTY" AD	1 962 959,00	1 079 627,45
156	Asenovgrad	"Construction of high-tech production of natural spring and mineral water"	Nova Trade Ltd.	13 868 927,79	3 735 638,29
157	Plovdiv Region	"Integral Centre for the treatment of tumors and injuries"	University Hospital for Active Treatment "St. George" EAD	2 809 866,00	1 404 933,00
158	Maritza	Increasing the competitiveness of "Liebherr-Hausgeräte Maritza" Ltd. through technological innovation	"Liebherr-Hausgeräte Maritza" Ltd.	7 879 547,37	3 918 853,14
159	Plovdiv	"Increasing the competitiveness of "Dunapack Rodina" through the introduction of innovative production lines"	"Dunapack Rodina" Ltd.	7 972 253,18	3 986 126,58
160	Пловдив	Технологична иновация в производството на PVC и технически профили	"ПРОФИЛИНК" ООД	7 997 352,60	3 998 676,29
161	Belovo	Enhancing the competitiveness of "PP Belovo" AD through innovative technological modernization, directly connected with the implementation of six innovative products	"Paper Plant - Belovo" AD	3 308 901,63	1 654 450,81
162	Plovdiv	Improvement of technologies and management in "Lion Trading" Ltd., to produce quality and safe food, in accordance with the standard ISO22000: 2005	"Lion Trading" Ltd.	198 166,65	147 970,95



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163	Plovdiv	"Competitiveness and development of" Universal -95 "Ltd.	Universal -95 "Ltd.	27 790,53	20 842,90
164	Plovdiv	"ZED Bulgaria" LTD - reliability and efficiency of the services through the implementation of a system of quality management ISO 9001: 2008 based on information technologies "	"ZED Bulgaria" LTD	47 001,00	35 250,75
165	Plovdiv	Cover the internationally recognized standard ISO 9001: 2008	KG Auto	92 691,58	69 518,68
166	Plovdiv	Modern service and competitiveness by implementing a system of quality management according to standard SYAD 9001: 2008 in "Medical Center Dr. Tonev" Ltd.	"Medical Center Dr. Tonev" Ltd.	17 792,63	13 344,47
167	Plovdiv	Increase the competitive advantages of "Darmed service" Ltd., Plovdiv "	"Darmed service" Ltd.	178 869,90	134 152,42
168	Plovdiv	Implementation and certification of international standard ISO 9001: 2008 to enhance competitiveness "CHEHOBUL" Ltd.	"CHEHOBUL" Ltd.	191 429,00	143 571,75
169	Panagyurishte	Increasing the competitiveness of "Bunay" AD through certification system of quality management in the company under the standard ISO / TS 16949: 2009	"Bunay" AD	153 985,00	113 948,90
170	Plovdiv	"Modern management and quality of health services at DCC II - Plovdiv"	DCC II - Plovdiv" EOOD	166 284,92	124 713,69
171	Plovdiv	"Information security and data protection in the Hospital of St. Panteleimon"	Hospital of St. Panteleimon	185 329,47	138 997,10



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172	Plovdiv	System for quality management in "New Style" Ltd., a guarantee for competitiveness and development	"New Style" Ltd.	81 255,50	60 941,62
173	Plovdiv	Compliance with internationally recognized standards.	ET "DIANZHELI - Angel Angelov"	169 200,00	126 900,00
174	Plovdiv	Improving the quality and safety of the product in "Aphrodite Hotels" Ltd. by meeting the requirements of the ISO 9001: 2008 and ISO 22000: 2005	"Aphrodite Hotels" Ltd.	102 479,50	76 859,62
175	Sadovo	Competitiveness SD "HIK-91 Patsev and Co." through the implementation of a management system of food safety	HIK-91 Patsev and Co.	46 713,68	35 035,26
176	Kardzhali	More competitive by introducing internationally recognized standards	"Irina 92 Irina CHANKOV 'ET	64 241,58	47 852,20
177	Kardzhali	Increasing the effectiveness of "Proton-MM" Ltd. by introducing internationally recognized standards	Proton-MM" Ltd.	102 290,00	75 835,19
178	Plovdiv	"Denikal -05" Ltd. competitiveness and quality of services "	"Denikal -05" Ltd.	41 916,60	31 437,45
179	Plovdiv	"Harteks" Ltd. - quality and competitiveness "	"Harteks" Ltd.	164 801,00	123 600,75
180	Kardzhali	Competitive market with responsibility, quality and care for the environment	"DIOLEN" EOOD	73 086,70	54 815,02
181	Plovdiv	Improve the competitive advantages of Medicus Alpha medical and dental center Ltd. through certification to ISO 9001: 2008	Medicus Alpha medical and dental center Ltd.	198 786,19	149 089,64
182	Plovdiv	System of quality management "D.Mladenov" Ltd. guarantees of future development	"D.Mladenov" Ltd.	15 168,42	11 376,31
183	Maritza	Improving the quality and ensuring the safety of the products of "Ekselpak Bulgaria" Ltd.	"Ekselpak Bulgaria" Ltd.	108 178,95	80 593,32
184	Plovdiv	Reducing the impact on the environment and sustainable development of services	"FACILITY OPTIMUM BULGARIA" AD	185 572,00	137 323,28



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185	Smolyan	Implementation and certification of management system of information security in accordance with standard BDS EN ISO 27001: 2005 in the activities of "Profit" Ltd.	"Profit" Ltd.	170 236,36	127 487,57
186	Plovdiv	DIO LTD - Quality Standard for better market positioning of optical products - Quality Standard for better market positioning of optical products	DIO LTD	101 086,58	74 804,07
187	Plovdiv	"Apex-service" Ltd. - competitive and responsible company, committed to the cause of environmental protection and product safety	"Apex-service" Ltd.	171 207,76	128 405,82
188	Plovdiv	Strengthening the competitive advantages and expand market positions in Samitash Metalbau Ltd.	Samitash Metalbau Ltd.	171 441,00	126 866,34
189	Pazardzhik	Certification of "Ekobulhart" - quality and competitiveness	"Ekobulhart" Ltd.	16 462,11	12 346,58
190	Haskovo	Higher competitiveness in "Nia-Milva" Ltd.	"Nia-Milva" Ltd.	319 085,64	303 131,35
191	Dimitrovgrad	"Commissioning of the production line and packing wooden toothpicks"	"B&D" Ltd.	268 200,00	254 790,00
192	Panagyurishte	Technological modernization of 'Holding Kimkoop Trading "LTD"	'Holding Kimkoop Trading "LTD"	882 592,07	617 814,45
193	Plovdiv	"Enhancing the competitiveness of" BTL Industries "JSC in the international market of electronic medical equipment	BTL Industries "JSC	1 290 420,98	774 252,59
194	Rudozem	Introduction of new technology in the production process and diversification of supply as factors for creating competitive advantages and market development of "Rubella Beauty" AD	"Rubella Beauty" AD	4 112 259,00	2 467 355,00
195	Krichim	Competitiveness by growth in the development, volume, range and quality of products	"Solvex Cosmetic Products" Ltd	1 664 243,90	998 546,34



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196	Peshtera	Increasing the growth potential of "Passat antennas" Ltd. by investing in new products and manufacturing improvements	"Passat antennas" Ltd.	741 030,00	518 721,00
197	Pazardzhik	Enhancing competitiveness through the introduction of modern high-tech equipment	"RAIS" Ltd.	2 018 025,77	1 210 815,46
198	Pazardzik	Technological modernization - the road to expanding the scope of the digital offering of "Telecable" AD	Telecable" AD	1 876 550,00	1 125 930,00
199	Haskovo	"Optimization in production technology and modernization of assets (OPTIMA)	"RONIS" Ltd.	448 415,05	313 890,54
200	Haskovo	"Technological modernization of industry of "Kalinovi Consult" Ltd."	"Kalinovi Consult" Ltd.	593 524,00	415 466,80
201	Plovdiv	"Bio Fresh" Ltd., modernization and development	"Bio Fresh" Ltd.,	1 213 022,00	727 813,20
202	Plovdiv	Technological modernization of machinery in "Apex 11" Ltd.- a guarantee for product quality, high competitiveness and sustainable presence in the domestic and foreign market	"Apex 11" Ltd.	1 372 650,00	960 855,00
203	Smolyan	Technological modernization of production in "Gamakabel" AD	"Gamakabel" AD	2 649 410,94	1 589 548,77
204	Asenovgrad	Investment in modernization and marketing- in enhancing the competitiveness of "Compass Engineering" Ltd.	"Compass Engineering" Ltd.	1 051 762,00	735 651,33
205	Plovdiv	Technological modernization in "KA Engineering" Ltd.	"KA Engineering" Ltd.	233 162,00	151 555,30
206	Asenovgrad	Completion of the new production area for large parts in "Milko" Ltd.	"Milko" Ltd.	4 979 492,75	2 492 659,35
207	Plovdiv	Expansion and modernization of separate production "Dithiocarbamates"	"AGRIA" AD	749 139,67	449 483,80
208	Plovdiv	Investment and modernization in "ELITKOM" Ltd.	"ELITKOM" Ltd.	782 659,00	547 861,30



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209	Plovdiv Region	ADMINISTRATION OF MANAgEMENT SCHEME FOR PROCESSES AND PROCEDURES (ERP MANAGER)	„FIL-KO” Ltd.	205 500,00	154 125,00
210	Stamboliyski	Increasing the competitiveness of "Master SOP" Ltd. with the introduction of a standard for information security management - ISO / IEC 27001: 2005 and ERP system of a new generation	Master SOP" Ltd.	165 509,45	124 132,09
211	Plovdiv Region	Introducing a system of environmental management in "Frigopan" Ltd. and covering the standard BS ISO 14001	"Frigopan" Ltd.	333 002,00	249 751,50
212	Pazardzhik region	Building a competitive business atmosphere, with care for the environment by Cable Group Ltd.	Cable Group Ltd.	101 873,00	76 404,75
213	Rudozem	Implementation of specialized software system for managing the traceability of material flows and Quality Management in the "Rubella Beauty" AD	"Rubella Beauty" AD	420 550,00	315 412,50
214	Plovdiv Region	Implementation of IOM system in INTRAMA PROTEK Ltd.	INTRAMA PROTEK Ltd.	258 391,95	193 793,96
215	Asenovgrad	Enhancing the competitiveness of "Balkancar - Ruen" AD through effective energy management	"Balkancar - Ruen" AD	418 909,00	314 181,75
216	Plovdiv Region	Competitive advantages for the "BULARMEX - IC" JSC through implementation of internationally recognized standards	"BULARMEX - IC" JSC	14 980,00	11 235,00
217	Peshtera	GIDO Ltd. - a competitive company with European presence, committed and responsible for environmental protection	GIDO Ltd.	272 329,64	204 247,23
218	Plovdiv	MDC Caspela - the benchmark for health care	MDC Caspela	418 950,21	314 212,65
219	Plovdiv	Promote the development of "FAT" Ltd. with care for the environment	"FAT" Ltd.	419 838,64	314 878,98
220	Plovdiv	Management system for information security in "ZED BULGARIA" Ltd.	"ZED BULGARIA" Ltd.	101 684,00	76 263,00
221	Plovdiv	Competitive advantages of "Apex - Service" Ltd.	"Apex - Service" Ltd.	327 740,00	245 805,00



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222	Plovdiv	Improving environmental performance in "KMD" Ltd.	"KMD" Ltd.	578 095,10	390 272,00
223	Plovdiv	Quality and security of information in "Adroit Electronics" Ltd.	"Adroit Electronics" Ltd.	513 500,00	385 125,00
224	Plovdiv	Introducing a system for planning and resource management in Filkab AD	Filkab AD	483 480,49	362 610,37
225	Plovdiv	Improve the competitiveness of "Techno Prsss" Ltd. by introducing software system for resource management (ERP) in the enterprise.	"Techno Prsss" Ltd.	338 210,00	253 657,50
226	Plovdiv	PRECISION AND QUALITY IN LABORATORY PISANETS	"SELF-DIAGNOSTIC MEDICAL LABORATORY DR PISANETS" Ltd.	507 841,60	380 881,20
227	Plovdiv Region	"Optimizing the production process at" Proks- 2 "Ltd. through the ERP system implementation"	Proks- 2 "Ltd.	148 839,00	111 629,25
228	Plovdiv	"Optimizing sales and marketing activities of" Penchev "LTD through the implementation of CRM - System Management"	Penchev "LTD	47 202,00	35 401,50
229	Plovdiv	Enhancing the competitiveness of the 'EVROPAT - 2000' AD by introducing a new module to the system "Courier"	'EVROPAT - 2000' AD	434 664,80	325 998,60
230	Plovdiv	QUALITY AND HEALTH - VIA Ltd.	"Outpatient services for MEDICAL CARE - VIA" Ltd.	441 427,80	331 070,85
231	Plovdiv	"Implementation of ERP system for resource management in" Avis Engineering "Ltd. as a step of developing the competitiveness of the company"	Avis Engineering "Ltd.	207 285,00	155 463,75



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232	Plovdiv	Implementation of a software system for managing the resources of the company Agria AD - type ERP	Agria AD	475 475,00	356 558,70
233	Plovdiv	Increase the competitiveness of the "Install Engineering SV" Ltd.	"Install Engineering SV" Ltd.	110 300,00	82 725,00
234	Plovdiv	Optimization and improvement of management in "Biomashinostroene" AD	"Biomashinostroene" AD	367 560,00	275 670,00
235	Haskovo	ZMM Haskovo AD - a competitive company with a commitment to the environment	ZMM Haskovo AD	150 524,00	112 893,00
236	Smolyan	"Production of garments to international quality standards"	"Paro" Ltd.	257 849,00	193 206,26
237	Kardzhali Region	By implementing management system energy efficiency to a new level of competitiveness	"Rodopastroy" Ltd.	532 339,75	383 018,45
238	Plovdiv	Technological modernization of "Sammy ITU" Ltd. by buying turning and milling center with a central program management	"Sammy ITU" Ltd.	716 309,22	499 999,46
239	Kardzhali	Enhancing the competitiveness of "Delis" Ltd. through technological modernization	"Delis" Ltd.	553 549,99	387 484,99
240	Plovdiv	Improve the competitiveness of the "Center for Laser Technology" AD through technological modernization	"Center for Laser Technology" AD	614 412,00	430 088,40
241	Parvomay	Improve the competitiveness of Iskra Ltd. by investing in modern technology and developing a marketing strategy	Iskra Ltd.	817 479,34	486 400,21
242	Plovdiv	Investment for competitiveness and expand markets	Mekson Ltd	976 956,05	586 173,63
243	Peshtera	Technological modernization of production processes in the "Passat antennas" Ltd.	"Passat antennas" Ltd.	641 546,78	449 082,75
244	Smolyan	Technological modernization in "Micon" Ltd.	"Micon" Ltd.	856 022,05	599 215,43



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245	Plovdiv	Improving the market position of Digital Cable Television Ltd. by increasing the quality of services	Digital Cable Television Ltd.	320 144,03	224 100,82
246	Rodopi	Technological modernization to increase competitiveness of "Celta" Ltd.	Celta" Ltd.	600 810,00	420 567,00
247	Dimitrovgrad	Enhancing the competitiveness of "Spring" Ltd.	Spring" Ltd.	561 000,00	336 600,00
248	Plovdiv	Increase the competitive advantages of " Dio " Ltd. on Bulgarian and international market	" Dio " Ltd.	527 500,00	369 250,00
249	Maritza	Technological innovation of "Ekselpak Bulgaria" OOD through introduction of equipment for the production of photopolymer flexographic printing forms	"Ekselpak Bulgaria" OOD	548 675,00	384 072,50
250	Plovdiv	Technological modernization in "Intrama Protek" Ltd.	"Intrama Protek" Ltd.	569 859,26	341 915,56
251	Plovdiv	Samitash Metalbau Ltd. introduces new technologies and expands its production range	Samitash Metalbau Ltd.	758 135,00	530 694,50
252	Plovdiv	"Kostov - 69" Ltd. - progress through modernization	"Kostov - 69" Ltd.	261 358,10	182 950,67
253	Maritza	Improve the competitiveness of "Gama Plast BG" Ltd. on world markets through technological innovation and modernization of production facilities for plastic products	"Gama Plast BG" Ltd.	1 544 150,94	978 233,56
254	Plovdiv	Enhancing the competitiveness of "Itom" Ltd., through the introduction of new technological equipment	"Itom" Ltd.	276 343,69	193 440,58
255	Karlovo	Sustainable development through Technological modernization in "BONNER" Ltd.	"BONNER" Ltd.	1 184 670,00	710 802,00
256	Asenovgrad	Expansion of "Poligroup" Ltd. through the introduction of new production equipment	"Poligroup" Ltd.	3 239 809,00	1 943 785,44
257	Septemvri	Enhancing the competitiveness of "PFB Preso fund-Bulgaria" LTD through the introduction of modern high-tech equipment	"PFB Preso fund-Bulgaria" LTD	3 439 522,50	1 994 923,05



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258	Kuklen	Improve the competitiveness of "Yanev-Yanevi-sie" SD through diversification of production and improving the efficiency of the production activity	"Yanev-Yanevi-sie" SD	452 400,00	316 680,00
259	Sopot	Improve the competitiveness of ET "Son Elena Iankova" through technological innovation "	ET "Son Elena Iankova"	850 768,00	594 686,83
260	Haskovo	Technological modernization of growth and development of new products	"Poligrafyug"ADД	644 300,00	451 010,00
261	Karlovo	Growth through investment in modern high-tech equipment	"MONI-83 " Ltd.	903 719,00	632 603,30
262	Saedinenie	Technological modernization and diversification in the production of "Doev" Ltd.	"Doev" Ltd.	543 033,06	380 123,14
263	Pazardzhik	Enhancing the competitiveness of "Belloprint" Ltd. by upgrading technological equipment	"Belloprint" Ltd.	611 384,00	424 471,98
264	Rodopi	Technological modernization of "Install Engineering SV" Ltd.	"Install Engineering SV" Ltd.	1 218 720,00	853 104,00
265	Panagyurishte	Expansion and modernization of "Holding Kimkoop Trading" OOD	"Holding Kimkoop Trading" OOD	1 317 197,74	922 038,41
266	Asenovgrad	Technological modernization of "Nikimol" OOD	NIKIMOL OOD	333 486,10	233 246,79
267	Peshtera	Investment in modern equipment aimed at modernization and optimization of the production process in Barry Shoe Factory	"BARI KBK GROUP" OOD	1 172 448,00	703 468,80
268	Haskovo	Technological modernization of "Himmash" AD by buying innovative automatic machine for shaping bottoms of specialized vessels and developing marketing analysis and strategies	"HIMMASH" AD	2 133 960,00	1 280 375,99
269	Plovdiv	Technological renovation of ET "Dianzheli-Angel Angelov"	ET "DIANZHELI-ANGEL ANGELOV"	776 778,29	543 744,80



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270	Asenovgrad	Technological modernization for competitiveness of "Dema" EOOD	"DEMA" EOOD	724 689,98	507 282,98
271	Rakovski	Technological renovation and modernization of "Luka" OOD	LUKA OOD	286 378,97	200 465,28
272	Maritsa	Expansion of the product range of the East Cord Kompany conquering new markets	"East Cord Kompany" EOOD	302 647,07	211 852,95
273	Plovdiv	Increasing the competitiveness of "Biomashinostroene" AD by applying innovative production technologies	"Biomashinostroene" AD	2 406 320,00	1 443 792,00
274	Plovdiv	New perspectives for increasing the competitiveness of KARINA - 4 OOD	KARINA - 4 OOD	680 500,00	476 350,00
275	Plovdiv	Expansion of markets through product diversification in the M S Group	"M S GROUP" OOD	445 000,00	311 500,00
276	Plovdiv	Increasing the competitive advantages of "Gloria-2001" OOD through technological modernization	"Gloria-2001" OOD	1 435 154,00	999 871,79
277	Peshtera	Innovative technologies as a factor for development and competitiveness	"INGILIZ-2009" EOOD	908 749,98	636 124,99
278	Asenovgrad	Investments to improve the competitiveness of "Alpi Commerce" OOD	"ALPI COMMERCE" OOD	1 012 364,43	708 655,10
279	Sadovo	Competitive opportunities for SD "HIK-91 Patsev and Co."	"HIK-91 - Patsev and Co." SD	3 333 005,05	1 999 802,23
280	Maritsa	Environmental technologies	"ECO -TECH" OOD	269 834,00	188 883,80
281	Haskovo	Improving the competitiveness of "STIMEX" OOD through technological modernization	"STIMEX" OOD	852 840,00	511 704,00
282	Plovdiv	Enlarging the production of "Enco Plastics" EOOD through the purchase of new production facilities and equipment	"Enco Plastics" EOOD	1 328 656,63	930 059,63



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283	Devin	Technological renovation to expand the activities of TPK Mihalkovo	Manufacturing cooperation "Mihalkovo"	1 544 184,00	988 277,76
284	Karlovo	Creating a competitive advantage and creating strategies for the success of "Bulgarian Rose" AD	"BULGARIAN ROSE" AD	476 190,00	285 714,00
285	Plovdiv	Introduction of new technological equipment in the production process	"INDEX-6 " OOD	1 420 400,00	852 240,00
286	Pazardzhik	Introduction of new technological equipment in the production process of "ATM" OOD	"ATM" OOD	321 250,00	224 875,00
287	Plovdiv	New technological opportunities for diversification of production BULARMEX - IK AD	BULARMEX - IK AD	1 267 750,00	887 425,00
288	Plovdiv	Technological innovation in the production process of DANKO SYSTEMS OOD	DANKO SYSTEMS OOD	160 310,00	112 217,00
289	Plovdiv	Technological modernization of "Ecoengineering 96" OOD by purchasing new equipment	"ECOENGINEERING 96" OOD	1 077 082,50	753 957,75
290	Asenovgrad	Increasing the competitiveness of "Calcite" AD by introducing a new technology for fine grinding of quicklime	"CALCITE" AD	2 118 770,25	1 271 262,14
291	Plovdiv	Increasing the competitiveness of "Heriks" OOD through optimization and diversification of production activity	"HERIKS" OOD	308 000,00	215 600,00
292	Asenovgrad	Increasing the competitiveness of "Novipak 2002" OOD through introducing new high-tech machine in producing process and new products	"NOVIPAK 2002" OOD	724 128,00	506 889,60
293	Plovdiv	Increasing the efficiency of production of "Arise" OOD	"ARISE" OOD	750 787,50	525 551,25
294	Sopot	Increasing the competitiveness of "FIL-KO" EOOD through expansion and modernization of production	"FIL-KO" EOOD	529 930,40	317 948,45



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295	Plovdiv	Increasing the competitiveness of Vi-Rus International OOD through technological innovation	VI-RUS INTERNATIONAL OOD	714 654,35	500 258,04
296	Stambloyski	Increasing the competitive advantages of "A and E Commercial" EOOD on the European market through technological modernization of the production base in plant for soft drinks "Party Club"	"A AND E COMMERCIAL" EOOD	4 037 921,71	1 721 446,93
297	Plovdiv	Increasing the competitiveness of "Techno Press" EOOD through diversification of production and enhancing production	"TECHNO PRESS" EOOD	1 441 520,00	999 979,19
298	Plovdiv	Increasing the competitiveness of "ALEXANDRA-04" EOOD	"ALEXANDRA-04" EOOD	469 695,00	328 786,50
299	Panagyurishte	Increasing the production capacity of "Bunay" AD and starting the production of tools	"BUNAY" AD	757 055,35	454 233,21
300	Plovdiv	Development of "cloud" services as a factor for stability and competitiveness in the information technology sector	"Orak - ENGINEERING" EOOD	515 192,00	360 634,40
301	Asenovgrad	Completing the assembly of new production area for large parts in "Milko" EOOD	"MILKO" EOOD	3 287 958,20	1 972 774,92
302	Plovdiv	Technological modernization of "Milara International" OOD by purchasing new productive machines	"MILARA INTERNATIONAL" OOD	3 038 872,77	1 823 323,66
303	Rudozem	Increasing the competitive advantages and market development of "Rubella Beauty" AD by introducing new production lines in the production process of toothpaste	"RUBELLA BEAUTY" AD	3 331 506,00	1 998 903,60
304	Dzhebel	Technological modernization to increase the competitiveness of "Djebel 96" OOD by investing in new modern equipment	" DJEBEL - 96" OOD	2 022 332,42	1 213 399,45



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305	Plovdiv	Modernization of small flexible foundry for the production of high-quality non-ferrous metals	"LAKI 131" OOD	487 525,00	341 267,50
306	Peshtera	Increasing the competitiveness of Herkal EOOD by introducing high-performance technological equipment	HERKAL EOOD	1 070 653,00	642 391,80
307	Asenovgrad	Increasing the competitiveness of "Plast - 60" EOOD through commercialization of an automated system for the production of a new product range	"PLAST - 60" EOOD	539 677,86	377 774,50
308	Smolyan	Modernization and equipment of "Anastas Antchev" EOOD to improve the competitiveness of the enterprise	"ANASTAS ANCHEV" EOOD	284 677,60	199 273,53
309	Plovdiv	Expanding the production of "Charlton" EOOD	" CHARLTON" EOOD	241 640,00	169 148,00
310	Plovdiv	Increasing the competitiveness of "Protei - M" EOOD	Protei - M EOOD	343 380,00	240 366,00
311	Rodopi	Increasing the competitiveness of "Flexprint" OOD by expanding production and diversification of production	"Flexprint" EOOD	2 838 849,35	1 703 309,60
312	Septemvri	Increasing the competitiveness of "KZU-ZLMK" EOOD through technological modernization	KZU-ZLMK" EOOD	591 630,00	354 978,00
313	PAZARDZHIK	New technological modernization of Telecable AD	Telecable AD	1 093 000,00	655 800,00
314	Panagyurishte	Technological modernization of "Astroida" OOD	" Astroida" OOD	1 392 411,00	835 446,60
315	Pazardzhik	Technological modernization of "MM MECHANICS" OOD	"MM MECHANICS" OOD	1 090 449,16	654 269,49
316	Plovdiv	Support for the production of parts for the automotive industry and parts and assemblies for use in hydraulic systems /hydraulic pumps, valves, cylinders/	"METAL IN" EOOD	981 638,34	687 146,84
317	Peshtera	Technological modernization of GIDO OOD, Peshtera	""GIDO" OOD	2 067 239,16	1 240 343,50



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318	Plovdiv	Competitive future for "Helios Metal Center" OOD	"HELIOS METAL CENTER" OOD	2 296 140,00	1 377 684,00
319	Haskovo	Increasing the competitiveness and technical innovation in "Donido Machine Industry" AD and sustainable growth through the purchase and commissioning of "water cutting system" and "Hydraulic shears"	"DONIDO MACHINE INDUSTRY" AD	732 837,00	439 702,20
320	Haskovo	Modernization of production processes in "Technics" OOD	"TECHNIKS" OOD	350 650,00	245 455,00
321	Kaloyanovo	Increasing the competitiveness of Marelli EOOD by increasing the capacity of the production process and improving the quality of the final product	"MARELLI" EOOD	1 705 208,10	1 023 124,86
322	Karlovo	Technological modernization of "MEGA SPORT INTERNATIONAL" OOD	"MEGA SPORT INTERNATIONAL" OOD	1 014 072,00	709 850,40
323	Kardzhali	Effective on the market	HLEBOPROIZVODSTVO - Kardzhali OOD	509 908,00	305 944,80
324	Harmanli	Expansion and diversification of the production of "Slavei-D" EOOD	Slavei-D" EOOD	2 265 550,00	1 359 330,00
325	Haskovo	Introduction of high-tech equipment in the production process	"AREA" OOD	348 100,00	243 670,00
326	Haskovo region	"Increasing the competitiveness of small and medium businesses in Haskovo region through the creation and effective functioning of regional business incubator in Dimitrograd."	"TI-VI-BI" OOD	1 063 373,17	631 472,10
327	Kardzhali region	"Creation and development of a business incubator Kardzhali - a key factor in promoting businesses and improving the business resources in Kardzhali region"	DZZD "Business Incubator Kardzhali"	846 950,90	620 779,64



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328	Plovdiv	Competitiveness through energy efficient modernization of metal products	"HUS" OOD	7 957 266,22	3 978 633,10
329	Smolyan	Making investments in green industry " Arexim Engineering " EAD	AREXIM ENGINEERING EAD	5 356 355,30	2 678 177,65
330	Saedinenie	Increasing the competitive advantages and robustness of the " ITD " EOOD through investments in energy efficient technologies and environmentally friendly production	"ITD" EOOD	5 398 167,47	2 699 083,73
331	Plovdiv	Reduce energy consumption and improve energy efficiency in the production of lead in "KCM" AD	Plant for non-ferrous metals AD	2 882 006,08	1 441 003,03
332	Plovdiv	Increasing the competitiveness of "Yuriy Gagarin" AD through the introduction of new high technology to reduce energy consumption and expanding production	"YURIY GAGARIN" AD	6 568 345,59	3 284 172,79
333	Plovdiv	Introduction of energy saving technologies and environmental protection in the production of PVC profiles	"PROFILINK" OOD	4 865 347,41	2 432 673,70
334	Panagyurishte	Reducing the energy intensity of Optics by investing in new equipment	Optics AD	5 200 878,58	2 600 439,29
335	Saedinenie	Optimization of production resources and increasing energy efficiency of technological processes in "GOTMAR" EOOD	"GOTMAR" EOOD	4 658 914,49	2 329 457,24
336	Karlovo	"Higher competitiveness by reducing energy costs"	DAGA - CA EOOD	138 684,00	69 342,00
337	Plovdiv	"Introduction of energy efficient equipment in "ADD Bulgaria" OOD"	"ADD Bulgaria" OOD"	306 648,40	153 324,20
338	Kuklen	Reduce energy consumption and improve energy efficiency in "Cinkovi pokritia" AD	"ZGP BULGARIA" AD	1 384 097,67	692 048,83



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339	Haskovo	"Increasing energy efficiency of "Bulmashengineering" OOD through the use of renewable energy sources and introducing energy-saving technological equipment"	"BULMASHENGINEERING" OOD	369 762,00	184 881,00
340	Plovdiv	MODERNIZATION AND GREEN INVESTMENTS IN SIGAL 1 EOOD	SIGAL 1 EOOD	137 391,53	68 695,76
341	Pazardzhik	"Investments to improve the energy efficiency of "Daneli 2000 OOD"	"DANELI 2000 OOD"	50 568,17	25 284,08
342	Maritsa	"Introduction of energy efficient equipment and lighting in "Touriststroy - Tsaratsovo EOOD"	"TOURISTSTROY -TSARATSOVO EOOD"	666 935,21	333 467,60
343	Plovdiv	Reduce energy consumption and increase energy efficiency in "JUPITER 05" OOD	"JUPITER 05" OOD	844 100,00	422 050,00
344	Asenovgrad	"MACHINE - COMMERCE starts green and energy-efficient production"	"MACHINE – COMMERCE" EOOD	3 947 151,63	1 973 575,81
345	Kardzhali	"Higher competitiveness through energy efficiency"	"DENTO-21 Ambulatory for individual practice for primary dental care" EOOD	83 194,77	41 597,38
346	Maritsa	"Energy efficiency - a prerequisite for success"	"Ekselpack Bulgaria" OOD	3 928 110,67	1 964 055,33
347	Asenovgrad	"Improving the energy efficiency of "Milko" EOOD"	"MILKO" EOOD"	3 909 080,00	1 954 540,00
348	Pazardzhik	"Competitiveness with energy efficient technologies and renewable energy sources"	INTEXT OOD	692 906,00	346 453,00
349	Haskovo	"Increasing energy efficiency of "Delena DD" EOOD through implementation of energy saving measures"	"DELENA DD" EOOD	270 370,00	108 148,00



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350	Haskovo	Increasing the energy efficiency of production in "STIMEX" OOD	"STIMEX" OOD	2 868 791,99	1 434 395,99
351	Velingrad	Energy efficiency in "Elbrus Holidays" EOOD	"ELBRUS HOLIDAYS" EOOD	414 343,60	207 171,80
352	Kardzhali	Introduction of energy saving technologies in the production of "FORCE 81" OOD	"FORCE 81" OOD	464 836,91	232 418,45
353	Harmanli	"Increasing the energy efficiency of the production process in "Hlebna promishlenost" AD"	"HLEBNA PROMISHLENOST" AD	1 596 206,95	798 103,47
354	Rudozem	"Implementation of energy efficiency measures in the activities of "Rudmetal-technomach" OOD"	"RUDMETAL-TECHNOMACH" OOD	85 987,34	42 993,66
355	Maritsa	"Increasing the energy efficiency of "Stovi 1" EOOD through implementation of energy saving measures in buildings and commissioning of new production equipment"	"STOVI 1" EOOD	3 376 802,80	1 688 401,40
356	Plovdiv	"Energy efficiency in "Patproekt" EOOD"	"PATPROEKT" EOOD	77 809,74	38 904,87
357	Rodopi	"Increasing the competitiveness of "Yota" OOD by investing in energy-efficient and technologically advanced equipment"	"YOTA" OOD	624 431,72	312 215,86
358	Panagyurishte	"Introduccing of energy efficiency measures in "HMG Agro" EOOD for platform "Asarel Medet - Panagyurishte"	"HMG AGRO" EOOD	983 418,00	491 709,00
359	Plovdiv region	"Increasing energy efficiency of "CHI ESSE TRADING" EOOD through implementation of energy saving measures"	"CHI ESSE TRADING" EOOD	843 404,00	421 702,00
360	Asenovgrad	"Increasing energy efficiency of "Megamach" EOOD"	"Megamach" EOOD	4 000 000,00	2 000 000,00
361	Plovdiv region	"Introduction of energy efficient equipment in "Andrea Design" OOD"	"ANDREA DESIGN" OOD	1 893 240,38	946 620,19



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362	Plovdiv region	"Energy efficient production of new products in June - M 01"	"JUNE - M 01" OOD	1 068 079,00	534 039,50
363	Asenovgrad	"Diversification of production of COMPASS ENGINEERING OOD"	COMPASS ENGINEERING OOD	2 040 731,50	1 020 365,75
364	Asenovgrad	"Energy efficient activities in CLARA TTC EOOD"	CLARA TTC EOOD	3 972 044,00	1 986 021,99
365	Asenovgrad	"Energy efficient administrative, development, research and application activities in CLARA ENGINEERING EOOD"	CLARA ENGINEERING EOOD	3 914 469,16	1 957 234,58
366	Asenovgrad	"Improving energy efficiency in the PLAST-60 EOOD"	PLAST-60 EOOD	227 028,00	113 514,00
367	Haskovo region	"Increasing energy efficiency of "Aliana" OOD"	ALIANA OOD	1 039 977,40	519 988,70
368	Velingrad	"Introduction of energy efficient technologies and machines in "PREMIERA 257" OOD	"PREMIERA 257" OOD	85 052,65	42 526,32
369	Chernoochene	"Sustainable and competitive development of "Azar TRADE" EOOD by launching new energy-efficient production in the field of garment industry"	"Azar TRADE" EOOD	3 922 315,40	1 961 157,70
370	Plovdiv region	Purchase of an integrated multifunctional system for management, control and monitoring of parameters of pressurized fluid stored in tanks type SM2000-1- 30 pcs, SM2000-2 - 3 pcs, SM2000-3 - 2 pcs.	MG Logistics EOOD	298 870,00	119 548,00
371	Plovdiv region	Purchase of 936 pcs. /nine hundred thirty-six/ bottles for storing gaseous fluids under pressure made of material compatible for storing of natural gas- 34CrMo4, designed for the operating pressure 20MPa and test pressure 30MPa, water bottle volume of 150l, average weight 147 kg.	"Sigma Invest 'EOOD	730 080,00	365 040,00
372	Plovdiv region	Energy efficiency in BG PARAPETI EOOD	BG PARAPETI	1 070 582,00	535 291,00



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373	Plovdiv region	Improving the energy efficiency of "Vladplast" OOD	"Vladplast" OOD	1 932 606,00	966 303,00
374	Smolyan region	"Implementation of energy efficiency measures in Hotel Kiparis alfa in the town of Smolyan"	"D and K" OOD	166 018,32	83 009,15
375	Kaloyanovo	"Improving energy efficiency in Kittner Anlagen und Mashinenbau EOOD"	KITTNER ANLAGEN - UND MASHINENBAU EOOD	899 821,15	433 803,76
376	Plovdiv	Increasing the energy efficiency of METIMPEX EOOD	METIMPEX EOOD	617 838,92	308 919,46
377	Haskovo region	Quality and energy efficiency in Escom OOD - Haskovo	"ESCOM" OOD	805 901,17	402 950,58
378	Plovdiv region	"Introducing energy saving measures in "ROSTRADE" EOOD"	"ROSTRADE" EOOD	606 127,50	303 063,75
379	Pazardzhik region	Improving energy efficiency and introduction of energy-saving machines in Gerkand OOD	Gerkand OOD	226 123,40	113 061,70
380	Plovdiv	Increasing energy efficiency in METAL IN EOOD	METAL IN EOOD	1 027 797,39	513 898,69
381	Panagyurishte	"Implementation of energy efficiency measures for platform in the area Bratanitsa, Panagyurishte municipality"	"HERMES-87" EOOD	2 236 831,00	1 118 415,50
382	Pazardzhik	Introduction of energy saving measures in "ML Bulgaria" AD	"ML Bulgaria" AD	290 927,62	145 463,81
383	Kaloyanovo	" Introduction of energy saving measures for operation of concession for extraction in the land of Razhevo Konare village, Plovdiv region"	"KOREKTBETON" EOOD	2 758 457,00	1 379 228,50
384	Plovdiv	"Energy Pro"	"Archcenter-A" OOD	641 868,06	320 934,03
385	Asenovgrad	"Increasing the energy efficiency of "Techno press" EOOD"	"Techno press" EOOD	59 276,39	25 469,65
386	Haskovo	"Increasing energy efficiency of "Yanev" EOOD"	"Yanev" EOOD	469 204,25	234 602,12



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387	Plovdiv	Improving the energy efficiency of "Vanela" EOOD	"Vanela" EOOD	160 401,33	80 200,66
388	Dzhebel	"Increasing the competitiveness by optimizing energy consumption in the activities of "Dzhebel-96"OOD"	"Dzhebel-96"OOD	1 864 283,15	932 141,57
389	Plovdiv	"Improving energy efficiency in "Bittel" EOOD"	"Bittel" EOOD	409 245,00	204 622,50
390	Plovdiv	"Increasing the competitiveness and energy effectiveness of "ZIM" EOOD"	"ZIM" EOOD	600 800,30	300 400,15
391	Pazardzhik	"Introduction of energy-efficient equipment in the production of paper products"	"MISHEL ADVICE" EOOD	3 899 448,00	1 949 724,00
392	Plovdiv	"Energy efficiency in "REAL-54" OOD"	"REAL-54" OOD	80 400,00	40 200,00
393	Dzhebel	"Implementation of energy efficiency measures of clothing factory "	"IDEALFASHION" OOD	1 131 977,14	565 988,56
394	Dimitrovgrad	"Implementation of energy efficiency measures on ZKI- VOLTA OOD for manufacturing platform in industrial area - Dimitrovgrad"	ZKI- VOLTA OOD	610 096,00	305 048,00
395	Asenovgrad	"Energy efficient activity in production of metal products in the Machine Industry EOOD"	Machine Industry EOOD	3 911 497,28	1 955 748,64
396	Plovdiv	IMPROVE ENERGY EFFICIENCY of "FIL-KO" EOOD	"FIL-KO" EOOD	1 286 199,95	643 099,97
397	Rodopi	"Investments for improving energy efficiency in the enterprise "SELT" EOOD"	"SELT" EOOD	667 273,03	333 636,51
398	Kardzhali region	"To be more competitive through increased energy efficiency"	"TEAM INTERNATIONAL" OOD	293 465,70	146 732,85
399	Pazardzhik region	"Increasing the competitiveness by investing in energy-efficient technological equipment and construction works in a workshop for recycling of plastics"	"Ecoinvest" EOOD	3 665 159,00	1 832 579,50
400	Plovdiv region	"Improving the energy efficiency of Hotel NOVIZ in Plovdiv city"	"NOVIZ" AD	164 349,20	82 174,60



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Nº	Place of implementation	Name of the project	Beneficiary	Total amount	Grant
401	Velingrad	"Energy efficiency in "Holiday" AD"	"Holiday" AD	290 192,01	145 096,00
402	Plovdiv	" Energy efficiency and competitiveness in "MACHINETECH ENGINEERING" EOOD"	"MACHINETECH ENGINEERING" EOOD	459 600,00	229 800,00
403	Plovdiv	Sustainable development of the cluster "Green Synergy"	Green Synergy	146 186,72	112 281,96
404	Plovdiv	Sustainable development of Veterinary practice, improving knowledge in veterinary medicine and promotion of the profession Veterinarian doctor	Association Veterinary E-Practice	218 638,77	170 333,67
405	Plovdiv	Development of micro, medium and small business in Bulgaria through provision of complex administrative products and services	"Ultra Office Cluster" OOD	486 006,00	358 446,30
406	Plovdiv	Improving the capacity of "Cluster-Wellness BG" through the establishment of administrative body and activities for promotion of the name and the activity of the cluster	Association "Cluster-Wellness BG"	307 063,60	245 184,06
407	Plovdiv	Establishment and development of "Cluster information and communication technologies Plovdiv"	Non profit Association "ICT Cluster Plovdiv"	340 686,20	241 106,27
408	Plovdiv	"Establishment of administrative body and promotion of the activities of "Cluster ELOPED"	Association "Cluster ELOPED"	300 382,78	238 582,96
409	Plovdiv	Cluster for development and promotion of bio foods and bio feeding in Bulgaria	Association "BIOHRAN 7"	518 180,10	365 277,08
410	Plovdiv	Cluster DESIGN AND BUILDING – effective model for sustainable business development	"Cluster DESIGN AND BUILDING "	930 370,59	518 946,89



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- **Operational Programme "Human Resources Development "** provides within the priority "Improving the quality of education and training" the implementation of Operation" Development of postgraduate training and research" for which 3.2% of the total budget of the program are planned (0.5% of EU funds for Bulgaria, 33 mln. euros for the period 2007 - 2013). Similar to the previous operational program the new provides funds for activities that affect strongly on the innovation capacity, entrepreneurship, education and training. For human resources it was expected a total of threefold increase in public and their equivalent annual allocations after 2007. The operational program "Human Resources Development" is managed by the Ministry of Labour and Social Policy, but the activities that affect the research, education and training are assigned to the Ministry of Education and Science.

In the attached list the projects funded under Priority Axis 3 are specified: Approving the access to education and training, sub-priority *Strengthening the links between education and training institutions, research sector and business*, which are good practices in the OP implementation identified in relation to RIS3 and implemented on the territory of South Central Planning region:



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Procedure: BG051P0001-3.3.01 Developing mechanisms for school and student practices

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Vocational School of Transport - Vinogradets village	South central; Pazardzhik; Velingrad	Integrating learning with real business	33 253,58	33 253,58
Agricultural University - Plovdiv	South central; Plovdiv;	Student internships in higher agricultural education - link between education, science and business	63 379,01	63 379,01
Vocational School of interior architecture and woodworking "Hristo Botev" - Plovdiv	South central; Plovdiv;	Professional development through practice in a real working environment	56 474,90	56 474,90
Vocational School of Forestry "Hristo Botev" - Velingrad	South central; Pazardzhik; Velingrad	Young foresters for a healthy forest. Enhancing practical skills of students from PSF "Hristo Botev" - Velingrad, by working in a real working environment	49 629,73	49 629,73
Vocational School of Electrical Engineering and Electronics "Kapitan Petko Voyvoda" - Kardzhali	South central; Kardzhali;	Education through action	44 172,65	44 172,65
University of Food Technologies	South central; Plovdiv;	Integrated practical training of students from the UFT - the basis for sustainable development of the relationship between the University and the biotechnology industry	69 143,89	67 471,28



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Vocational School of Tourism	South central; Haskovo;	School practice - effective mechanism for successful realization	53 138,26	53 138,26
Medical University - Plovdiv	South central; Plovdiv;	Creation and implementation of practical experience in general medicine students	62 638,93	62 638,93
Vocational School "Bratya Evlogi i Hristo Georgievi" - Karlovo	South central; Plovdiv; Karlovo	Professional start	41 882,68	41 882,68
European College of Economics and Management	South central; Plovdiv	Plovdiv municipal officials invite their future colleagues from ECEM for internship	60 125,68	60 125,68
Vocational School of Tourism "Prof. Dr. Asen Zlatarov" - Kardzhali	South central; Kardzhali;	Visit to profession	21 079,92	21 079,92

Procedure: BG051P0001-3.3.02 Support for the development of PhD students, post-graduate students and young scientists

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Institute of Vegetable Crops "Maritsa" Plovdiv	South central; Plovdiv;	Initiatives to attract, promote and improve the quality of young scientific potential in priority areas of horticultural science	53 073,86	53 073,86
Agricultural University - Plovdiv	South central; Пловдив; Plovdiv	Support for the development of PhD students in scientific direction "Agricultural Sciences" and similar scientific disciplines	148 386,73	148 386,73

Procedure: BG051P0001-3.3.03 School and student practices - List of projects



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~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Medical University – Plovdiv	South Central; Plovdiv	Practical experience in palliative medicine for medical students	83 668,49	83 668,49
Plovdiv University "Paisiy Hilendarski"	South Central; Plovdiv	Improving the professional qualification of students at the Faculty of "Biology" by practice internship in the research sector and business	70 542,88	68 391,32
Vocational School "Tsar Ivan Asen II" - Asenovgrad	South Central; Plovdiv; Asenovgrad	Good practices - additional skills - high qualification	49 642,32	49 642,32
Vocational School of Construction and Architecture – Pazardzhik	South Central; Pazardzhik;	VSCA – Pazardzhik and CCB - for sustainable partnership in the training of construction professionals	41 473,47	41 473,47
Plovdiv University "Paisiy Hilendarski"	South Central; Plovdiv	Practical training in a real working environment for students - future psychologists and school counselors	83 068,82	83 068,82
Vocational School of interior architecture and woodworking "Hristo Botev" – Plovdiv	South Central; Plovdiv	"Practice in a real working environment - the stage of development of young professionals"	57 629,92	57 629,92
VOCATIONAL SCHOOL – DIMITROVGRAD	South Central; Haskovo; Dimitrovgrad	Student practice - the first step in the profession	41 685,34	41 685,34



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Vocational High School of Light Industry – Haskovo	South Central; Haskovo;	Full education for quality realization	5 653,87	5 653,87
Vocational School of Transport "Hristo Smirnenki" – Krumovgrad	South Central; Kardzhali; Krumovgrad	Conducting student practices in a real working environment with students from the School of transport - town of Krumovgrad	53 128,16	53 128,16
Plovdiv University "Paisiy Hilendarski"	South Central; Plovdiv;	Students on the way of the book - Practical course in book publishing	90 001,61	90 001,61
Vocational School of Agriculture "Tsaritsa Yoanna" – Pazardzhik	South Central; Pazardzhik	"Practices in real production conditions - students with high professional qualification"	56 087,55	56 087,55
VOCATIONAL SCHOOL OF BUILDING TECHNOLOGY "PENYO PENEV" – Plovdiv	South Central; Plovdiv	School practice of students from VSBT "Penyo Penev" Plovdiv on new technologies and techniques in construction	56 630,42	56 630,42
VOCATIONAL SCHOOL OF ELECTRICAL ENGINEERING AND ELECTRONICS – Plovdiv	South Central; Plovdiv	Adapting vocational education to dynamically changing requirements of the the labor market through active partnership with business	30 794,09	30 794,09
Vocational School of Electrical Engineering and Electronics "Kapitan Petko Voyvoda" – Kardzhali	South Central; Kardzhali	"Cooperation in education"	56 573,62	56 573,62
Vocational school in Mechanical Engineering "Professor Tsvetan Lazarov" – Plovdiv	South Central; Plovdiv	School and business together!	4 964,27	4 964,27

Procedure: BG051P0001-3.3.04 Support for the development of PhD students, post-graduate students and young scientists - List of projects



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~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Agricultural University – Plovdiv	South Central; Plovdiv	Support for the development of young scientists and post-doctoral students in scientific direction "Agricultural Sciences" and similar scientific disciplines	165 649,61	165 649,61



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- **Operational Program "Regional Development"** invests in innovation 1.2% of priority "Promoting local and regional development in Bulgaria" (0.2% of the total EU funds for Bulgaria, 16.3 mln. Euros for the period 2007 - 2013). The program provided for investment in ICT and development of the business environment in certain regions of the the country, which had to have a stimulating effect on innovation. In sub-priority "Small-scale investments" by 2015 there are 2218 financed grant contracts on the amount of 179 392 265 lev. In sub-priority "Interregional cooperation" there are 61 grant contracts funded on the total amount of 7 337 703 lev, the good practices implemented regarding RIS3, and implemented on the territory of South Central Planning Region are listed in the table below:



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Procedure: BG161P0001-4.1.01 Support for provision of adequate and cost-effective educational infrastructure contributing to sustainable local development

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Kirkovo Municipality	South Central; Kardzhali; Kirkovo	"Capital repair of the sports hall to school "Otets Paisii" - Kirkovo"	786 417,01	786 417,01
Momchilgrad Municipality	South Central; Kardzhali; Momchilgrad	"Repair, reconstruction and renovation of the kindergarten "Zdravets", Kindergarten "Zornitsa" and nursery "3-ti mart" - Momchilgrad"	820 445,99	820 445,99
Nedelino Municipality	South Central; Smolyan; Nedelino	"Improving energy efficiency and modernization of the education infrastructure in Nedelino Municipality"	702 309,89	702 309,89
Svilengrad Municipality	South Central; Haskovo; Svilengrad	European home for our children "We invest in our future through construction works and renovation of material and technical base of the kindergarten "Zvezdichka" in Stambolovo village"	956 243,82	956 243,82
Stambolovo Municipality	South Central; Haskovo; Stambolovo	"Improvement of the buildings of educational institutions in the municipality of Ardino"	501 678,84	501 678,84
Ardino municipality	South Central; Kardzhali; Ardino	European appearance of the educational infrastructure in Kaloyanovo Municipality	667 127,02	667 127,02
Kaloyanovo Municipality	South Central; Plovdiv; Kaloyanovo		955 676,05	955 676,05



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Rudozem Municipality	South Central; Smolyan; Rudozem	Repair and reconstruction of the buildings of primary school "Vasil Aprilov", Kindergarten "Snezhanka" and Nurseries - town of Rudozem	912 319,26	912 319,26
Krumovgrad Municipality	South Central; Kardzhali; Krumovgrad	Refurbishment, general repair and equipment of Kindergarten "Mitko Palauzov", town of Krumovgrad Better conditions and living environment in the educational services provided in the village and Varbina and in the area of High School "St. St. Cyril and Methodii" and in Kindergarten "Elitsa" - town of Madan, Madan Municipality	808 440,84	808 440,84
Madan Municipality	South Central; Smolyan; Madan	"Capital repair and refurbishment of Primary School "Hristo Botev", Kindergarten "Yordan Shopov" - Isperihovo village and Kindergarten "Zdravets" - town of Bratsigovo"	884 994,45	884 994,45
Bratsigovo Municipality	South Central; Pazardzhik; Bratsigovo	Renovation, improvement and heating efficiency in Kindergarten Mecho Puh, town of Hisarya	800 403,25	800 403,25
Hisarya Municipality	South Central; Plovdiv; Hisarya	Renovation and rehabilitation of Primary school "Prof. Dr. Asen Zlatarov" - Mineralni bani village Carrying out energy efficiency measures and implementation of the necessary construction works of High school "Hristo Botev"	930 757,19	930 757,19
Mineralni Bani Municipality	South Central; Haskovo; Mineralni bani	"Reconstruction of High School "Dimitar Madzharov" - town of Madzharovo, Haskovo region"	572 211,71	572 211,71
Devin Municipality	South Central; Smolyan; Devin		643 017,68	643 017,68
Madzharovo Municipality	South Central; Haskovo; Madzharovo		795 838,46	795 838,46

Procedure: BG161PO001-4.1.02 Support for building and strengthening of small-scale infrastructure to prevent landslides



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~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Luki Municipality	South Central; Plovdiv; Luki	Building infrastructure to prevent landslides	769 007,73	769 007,73
Madan Municipality	South Central; Smolyan; Madan	"Building and strengthening of the small-scale infrastructure to prevent landslides in the municipality of Madan"	665 492,28	665 492,28
Momchilgrad Municipality	South Central; Kardzhali; Momchilgrad	Building and strengthening of small-scale infrastructure to prevent landslides in Kos village and Letovnik village, Momchilgrad municipality	654 832,86	654 832,86

Procedure: BG161P0001-4.1.03 Support for implementation of energy efficiency measures in municipal educational infrastructure of 178 small municipalities

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Banite Municipality	South Central; Smolyan; Banite	Higher energy efficiency - better environment for everyone in educational institutions, Banite Municipality	453 744,97	453 744,97
Rudozem Municipality	South Central; Smolyan; Rudozem	Implementation of energy efficiency measures in municipal educational infrastructure: Primary School "Hristo Botev" in Elhovets village, Kindergarten "Duga" in Elhovets village and Kindergarten "Elitsa" in Chepintsi village	510 192,49	509 299,69
Lyubimets Municipality	South Central; Haskovo; Lyubimets	Energy efficiency measures in High school "Zhelyazko Terpeshev" town of Lyubimets	1 030 321,93	989 524,61
PERUSHTICA MUNICIPALITY	South Central; Plovdiv; Perushtitza	Implementation of energy efficiency measures in Kindergarten "Radost" and Kindergarten "Trakiyche" in the town of Perushtitza	679 664,39	679 664,39



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Rakitovo Municipality	South Central; Pazardzhik; Rakitovo	Creating a European appearance of the educational infrastructure with high levels of energy efficiency, contributing to local sustainable development in Rakitovo municipality	767 861,33	767 861,33
Krichim Municipality	South Central; Plovdiv; Krichim	Implementation of measures to improve the energy efficiency of Primary School "Sv. Sv. Cyril Methodii", Primary school "Vassil Levski" and Kindergarten "Ralitsa" in the town of Krichim	749 106,56	692 474,94
Borino Municipality	South Central; Smolyan; Borino	Modernization of the municipal educational infrastructure by implementing energy efficiency measures in the Borino municipality - High school "Nikola Vaptsarov" – Borino village	511 927,74	497 250,51
Hisarya Municipality	South Central; Plovdiv; Hisarya	Implementation of energy efficiency measures in kindergarten "Pinokio", kindergarten "Duga", primary school "Kliment Ohridski", town of Hisarya and primary school "Hristo Botev" Krasnovo village, Hisarya Municipality	511 567,32	493 939,41
Dospat Municipality	South Central; Smolyan; Dospat	Increasing the energy efficiency of the building Vocational School "Vasil Levski", town of Dospat	823 107,13	823 107,13
Dzhebel municipality	South Central; Kardzhali; Dzhebel	Increasing the energy efficiency of the building of the school "Hristo Botev" city of Dzhebel	1 077 528,26	1 077 528,26
Ivaylovgrad Municipality	South Central; Haskovo; Ivaylovgrad	Renovation and modernization of the the building of the kindergarten, RLP 1 - q.379, q.58, town of Ivaylovgrad	598 101,67	598 101,67
Lesichovo Municipality	South Central; Pazardzhik; Lesichovo	Increasing the energy efficiency of Kindergarten "Slanchice" Kalugerovo village and Primary School "Kocho Chestemenski" Dinkata village, Lesichovo Municipality	715 804,55	715 804,55



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Bratsigovo Municipality	South Central; Pazardzhik; Bratsigovo	Sustainable development of Bratsigovo municipality by implementing energy efficiency measures in educational infrastructure - High school "Narodni buditeli", Primary School "Vasil Petleshkov" and Kindergarten "Bozhura Furnadzheva"	949 564,34	949 564,34
Madan Municipality	South Central; Smolyan; Madan	Building energy-saving activities in the Kindergarten in the Initial building to High school "Otets Paisii" town of Madan	859 715,39	623 640,07
Momchilgrad Municipality	South Central; Kardzhali; Momchilgrad	Implementation of energy efficiency measures at High school "N.Y.Vaptsarov" and in Primary school "Dr. Petar Beron" town of Momchilgrad	1 114 453,26	983 261,46

Procedure: BG161P0001-4.1.05 Support for reconstruction / renovation and equipment of municipal hospitals in municipalities outside urban agglomerations

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
Svilengrad Municipality	South Central; Haskovo; Svilengrad	"Reconstruction, renovation and equipment of "Multiprofile Hospital for Active Treatment -Svilengrad" EOOD	4 092 533,75	3 919 939,37
Zlatograd municipality	South Central; Smolyan; Zlatograd	Reconstruction, renovation and equipment of the Multiprofile Hospital for Active Treatment "Prof. Dr. Assen Shopov" EOOD, Zlatograd	2 000 000,00	1 979 694,98

Procedure: BG161P0001-4.2.01 Support for interregional cooperation and exchange of best practices

~ Beneficiary	Place of implementation	Name of contract	Total amount	Grant
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Luki Municipality	South Central; Plovdiv; Luki	"Partnership for Sustainable European Development"	97 769,00	97 769,00
Madan Municipality	South Central; Smolyan; Madan	"Partnership and friendship in common European home"	216 000,19	216 000,19
Pazardzhik Municipality	South Central; Pazardzhik; Pazardzhik	Pazardzhik - sustainable and growing municipality	193 227,68	193 227,68
Banite Municipality	South Central; Smolyan; Banite	Banite Municipality and Skio Municipality implement good European practices to increase energy efficiency and use of renewable energy	178 399,57	178 399,57
Haskovo Chamber of Commerce and Industry	South Central; Haskovo; Mineralni bani	Interregional cooperation in the field of cultural and alternative forms of tourism. Sharing best practices and developing know-how	188 226,72	188 226,72
Peshtera Municipality	South Central; Pazardzhik; Peshtera	Creating models for interregional cooperation	194 998,26	194 998,26
Maritsa Municipality	South Central; Plovdiv; Maritsa	Maritsa and Sayent together in Europe	206 879,66	206 879,66
Foundation "Radio New Europe"	South Central; Kardzhali; Kardzhali	Creation of a marketing tourist product - "own brand" of the Kardzhali region through the exchange of know-how and best practices in cooperation with Hague Region	232 106,96	232 106,96



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Brezovo Municipality	South Central; Plovdiv; Brezovo	"Green Energy: Mastering the best practices in attracting investors and building partnerships for effective use of renewable energy sources in the municipalities Brezovo Maritsa"	261 734,04	261 734,04
Strelcha Municipality	South Central; Pazardzhik; Strelcha	Tourism to promote interregional cooperation	131 582,67	131 582,67
Belovo Municipality	South Central; Pazardzhik; Belovo	Innovative practices for sustainable development of tourism in Belovo, Velingrad and Septemvri	204 282,33	204 282,33



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OP MANAGEMENT, DEFINITION OF THE VISION, SELECTION OF PRIORITIES, POLICIES ON INNOVATION FOR 2007 – 2013

On the one hand, a substantial increase in funding for innovation, research and technological development after 2007 is a prerequisite for the need to construct additional administrative capacity in the country for management and coordination of activities in this field in business and public administration, more so funds are received in various lines from the EU. On the other hand, viewed through the prism of share in the general public and equivalent expenditure for the period 2007 - 2013, *the role of research and technological development remains modest - 2% less than that of tourism.*

The resources provided by the EU funds and national funding for innovation and the innovation potential for the period 2007 - 2013, show that Bulgaria relies mainly on EU funds for the development of national innovation system. The analysis of the implementation of operational programs in Bulgaria indicates the need for a substantial increase of administrative capacity and enriching experiences in the public and private sectors in the country to develop and implement projects in the field of innovation and introducing mechanisms to improve coordination between the administrative units in charge to carry out a set of policies governing the environment for innovation in the country - innovation policy, entrepreneurship and SMEs, research, education, ICT policy.

Achieving better coordination is a prerequisite for overcoming the existing imbalance between supply and demand in the Bulgarian innovation system. It will allow the country to take full advantage of the full range of policies and supporting financial instruments of the Community in the field of innovation, which includes apart from European funds and framework programs for research, innovation and competitiveness of the EU.

NSRF aims to ensure the transformation of the economy of Bulgaria into



competitive within the EU by 2013, with high quality of life, incomes and social awareness through:

- a) strengthening the competitiveness of the economy to reach higher and sustainable level of growth and
- b) development of human resources with a view to ensuring greater employment, income and social integration.

These medium-term goals are translated into four national strategic priorities, three thematic (basic infrastructure, human resources, business environment and good governance) and one territorial (balanced territorial development) and into seven operational programs.

NSRF is a set of policies whose focus is directed towards sectors that are directly linked to key EU policies, as to them including transport infrastructure, environmental protection, energy, business innovation, regional development and administrative reform.

In drawing up their NSRFs, all Member States must take account of the Community guidelines for 2007-2013 which place particular emphasis on innovation, research and technological development, renewable energy sources and creating more and better jobs. NSRF is closely linked to the national reform programs of the Member States which set out the measures they apply the implementation of the Lisbon strategy for growth and employment.

Lisbon Strategy for Growth and Jobs has two foundations.

1. Partnership designed to ensure real ownership of the strategy at all levels in Europe.
2. Political program to modernize the European economy and offering the social systems needed to meet the challenges of globalization by shifting policies towards research and innovation, making full use of resources and energy, giving freedom to develop the potential of SMEs, entrepreneurship and



education , investing in human capital and modernization of labor markets together with securing funding for high levels of social protection in the future.

While there are many new initiatives compared to the previous programming period, the main differences reported by the NSRF are two: a) making investments in research and development and innovation a central priority, lined with the largest increase in financial resources to other areas of the budget; b) centralizing, simplifying and focusing the financial instruments and EU programs in order to avoid overlapping of resources used. It is reported that the income per capita in the EU begins to decline, the reasons for this decline can be reduced to three:

- barriers to innovation and underinvestment in their research and development by businesses;
- insufficient investment in the development of human capital (education and training);
- under-use of the opportunities provided by the emergence and spread of information and communication technologies (internet, systems quality management, software for analyzing, monitoring and managing business processes, etc.).

At the end of 2006 the European Commission launched an innovative economy in the EU, allowing member states to make the best use of the exchange of information and good practices in innovation policy with each other. The goal of the adopted in 2007 documents from the European Commission is to encourage Member States to use as many tools to stimulate innovation and investment in research and development. It was decided that countries that succeed most fully benefit from EU instruments and develop quickly their national innovation systems, will receive the greatest support from the EU. Additionally, it is expected to give them a competitive advantage over other countries in



attracting the interest and resources of the private sector.

In terms of tax incentives for research and development are most likely Bulgarian enterprises (incl. Foreign investors in the country) to be placed at a disadvantage, since the tradition in the years following the introduction of the currency board in Bulgaria is not to introduce tax incentives due threat to the stability of the state budget. This implies Bulgarian government to more actively use provided by other EU financial instrument to support innovation - state aid. But given the limited capacity of the national budget and probably this option will be severely restricted. So the main instruments to support innovation in the country will be funds from the EU funds and EU framework programs.

The specific characteristics of Bulgarian enterprises define the important role that EU policies and instruments in support of innovation will be the development of the Bulgarian economy. Generally Bulgarian enterprises have fewer assets from its European partners and competitors have a short credit history and operate in markets with low purchasing power. As a result they are less innovative, do not invest in research and development and rely heavily on product innovation with low novelty (adaptation of existing products for Bulgarian or eastern markets). However the most innovative are those Bulgarian companies that export to the European market and cooperate with foreign, mostly European partners. Therefore the ability and potential of Bulgarian companies and organizations to cooperate in the implementation of innovative projects with partners from Europe will play an important role in their and the country's competitive development. Currently Bulgarian enterprises and in particular of the SCR are relatively passive in the conduct of collaboration in their innovation projects compared with the most innovative new countries with comparable socio-economic characteristics. Their level of cooperation, however, is comparable to the member states of southern Europe



(Greece and Portugal), which is a sign that EU membership does not automatically improve the innovation cooperation of national companies. It can be enhanced only with a good knowledge of national and European innovation policy and actively seek opportunities for learning their instruments and funding.

Framework Programmes and the EU coordination mechanisms discussed in the previous section is managed at European level. The role of national and regional structures is to ensure the best possible participation of organizations from the country in these tools, but they do not take the final decision to fund an initiative. Therefore, although they are important for the innovation performance of the Bulgarian economy here were considered mainly provided funds in Europe skis funds in Bulgaria and evaluated how they complement and support the Framework Programmes and the EU coordination mechanisms.

The requirement for additionality of funds from the EU to national resources, commitments made by the Bulgarian government for a ceiling on public spending and the objective of maximum utilization of available funding imply the emergence of strong pressure to channel funds to areas where their realization is easiest. This creates a risk of "lock" in a vicious circle where the funds are directed only to areas that can most easily absorb them. Most often these are infrastructure projects, construction, tourism and large enterprises. In areas where initially provides the greatest increase in financial resources to past experience, are required to enhance the administrative capacity to manage projects at national, regional, local and sectoral level and carefully synchronizing national actions with the EU and other Member States. This also applies to the national innovation system in Bulgaria that meets challenges in terms of their financial security and the coordination of activities between public institutions that shape it. The main goal for the Bulgarian Government in connection with the successful management of EU funds in this area should be



to achieve optimal integration in innovation policy and EU structures and careful selection of partners and examples among member states for the development of administrative capacity of the Bulgarian participants innovation system.

Based on the analysis so far and the assessment of the state of the national innovation system the following recommendations can be derived to successfully optimize the national innovation policy and to ensure a higher degree of absorption of European funds for activities related to innovation, research and technological development:

- There is a need for strategic vision for the development of the Bulgarian innovation system in the EU to ensure complementarity between innovation policy and policies on science and technology development, entrepreneurship, ICT and education at the national level and coordination with EU innovation policy. It is important to comply with the guidelines for the development of European innovation strategy and how they will be applied in Bulgaria under the various European funding mechanisms.
- There should be better coordination between the various operational programs which affect the development of innovation and related fields. The interaction between individual operational programs except content justified should include specific administrative coordination mechanisms and a clear picture of how EU funds will be supplemented with other programs for financing innovation at EU level.
- Special attention should be paid to building the administrative capacity to manage EU funds in the field of innovation at regional level, which will gradually pass the management of activities and the burden of execution. In this regard at the central level capacity for summary and coordination



of innovation activities and policies should be increased, including greater emphasis on measures for public-private partnership.

- To improve the administrative capacity for preparation and management of innovation projects under European funds at regional and national level existing European instruments in this field in the EU Framework Programmes such as the Regional Innovation Strategies and the Network of European Information and Innovation Centres must be used.

Ultimately, the successful building of the Bulgarian innovation economy with tools and resources from the EU depends to a large extent on the motivation and capabilities of the individual participants in European innovation projects - mostly Bulgarian companies. In this respect, the Bulgarian company managers need to focus on opportunities for innovative developments that offer them various European funds and programs. For this purpose they have to take measures in several guidelines:

- Build expertise for management of European research, development and innovation projects within the enterprise or by creating lasting relationships with external consultants;
- Regular monitoring of developments in the European and Bulgarian innovation policy through adequate selection of information sources
- identify the best national and European centers for research and development and education in Bulgaria and the EU in the area of business activity and create regular, sustainable relations with them.

Thus Bulgarian companies will ensure their knowledge of the latest and / or future trends in their industries, which will enable them to maintain or improve their competitive positions.

Useful web addresses for Bulgarian companies that plan to develop innovative



projects:

http://ec.europa.eu/growth/index_en.htm

http://ec.europa.eu/research/innovation-union/index_en.cfm

www.eufunds.bg

http://cordis.europa.eu/fp7/home_en.html

<http://www.nsfb.net/>

<http://www.sme.government.bg>

II. ANALYSIS OF THE PARTNERSHIP AGREEMENT FOR 2014-2020

European innovation policy

European policy in the field of research and innovation is targeted policy, where "knowledge in all its forms plays a crucial role in the economic process". In this sense, investments in intangible assets should grow at a significantly faster pace than in the material. Market winners will be those companies that have more know-how. Nations that have more knowledge, are more competitive. In 2002 at the European summit in Barcelona it was decided in the European Union by 2010 to increase the level of spending on research and development on average 3% of GDP by encouraging the involvement of private industrial capital. Later this goal is reaffirmed in the new strategic document "Europe 2020". The roadmap for the implementation of the Community innovation policy contains a number of priority measures such as:

- modernization of the educational system in order to create innovative skills;
- Improved knowledge transfer between universities, research organizations and industry; construction of lead markets for new



technologies;

Today, innovation policy is defined as: (a) Non-interventional - which does not affect active on sectors and puts only framework conditions for development; or (b) systematic - with an approach to the whole innovation system requiring support innovation in all sectors and at all levels. By its nature modern innovation policy aims to give a new interpretation and design of the links in the innovation system, with particular emphasis on the integration of key elements and participants in the system. Successful innovation policy not only promotes knowledge creation, seen as a public good, and ensures social cohesion, but *also achieves economic prosperity and high competitiveness*. Over the last decade Europe prioritises innovation as the basis for sustainable competitiveness and growth. The aim to reach the leading economies in the world necessitates a number of initiatives and measures, combined with various strategic documents - strategies for smart specialization strategy for higher education and others. As important for the development of innovation the following are defined: the accumulation of knowledge; construction of creatively minded human resources with new skills and knowledge; technology transfer; exchange of knowledge based on established scientific complexes, easier access to publications, the open method of coordination. Europe put efforts innovation policy to be coordinated with sectoral policies. The aim is to achieve synergy between the various instruments such as the Framework Programmes for Research and Innovation, European educational programs, Structural Funds, other European and / or regional instruments.

In this sense, the accelerated pace of innovation is particularly important public-private partnership (PPP). Not surprisingly, it is widespread in the new program for science and innovation "Horizon 2020". Public-private partnership is seen as particularly necessary and contributes to:

- achieving the objectives of Community's competitiveness;
- tackling societal challenges;



- attracting more industrial (business) investment in science and innovation.

An important instrument of European innovation policy is the new framework program for research and innovation "Horizon 2020". It brings together all existing forms of financing research and innovation in the Community, including Framework Programmes for research, technological development and demonstration activities, the Framework Programme for Competitiveness and Innovation (CIP), the Institute for Innovation and Technology (EIT), the "Euratom". Through it European Programme on Science and Technology COST and joint research centers JRC are financially ensured. The main objective of the program "Horizon 2020" is the concentration of resources and their effective utilization through a comprehensive approach and open access for new entrants; coordination of research and innovation. "Horizon 2020" has three core and also complementary priorities:

- excellence in science - 24.4 bln. Euro;
- leading positions in industry (industrial leadership) - 17 bn. Euro;
- tackling societal challenges -29.7 bln. Euro.

A number of other European papers draw attention to the importance of developing and implementing more innovative practices. Besides focusing on attracting more funds through the implementation of various initiatives - more flexible and unbureaucratic. To achieve synergistic effect different types of partnerships are applied: institutional and contractual PPPs; European Technology Platforms; European Innovation Partnerships as a common platform for cooperation; communities of knowledge and innovation, created to EIT, networks of excellence; partnerships for smart specialization.

In its report of September 2013 the European Commission found that there has been some progress in achieving the objectives of otnpshenie invotsionnata policy, but still remain unsolved until 2020 (the scope of the strategy "Europe



2020):

- Ineffective solved issues with cross-border mobility and the achievement of both cooperation and competition between researchers and organizations.
- The commitment of researchers in enterprises is still low.

Achieving the target of 3% of GDP for investment in science and innovation is essential, but there warning signs that indicate that in some countries of the Community general expenses decreased. As a result of the analysis of the achievements in building the European Research (Research) Area (ERA) five priorities on which to focus further efforts are identified:

- effective national research systems;
- Better cooperation and
- competition through the creation of joint research infrastructures;
- a more open labor market for researchers;
- optimum dissemination and transfer of knowledge;
- gender equality in the implementation of scientific projects.

In Bulgaria design and development of innovation policy is associated with actions and measures arising from fulfilling the criteria for EU membership. Guiding document that governs policy in this area is the Innovation Strategy of 2003. It was developed with the understanding that we need to focus in particular on *creating a favorable environment to unleash the potential of entrepreneurship and innovation*. Innovation Strategy lays down measures aimed at increasing the competitiveness of national industry and cope with competitive pressure in the EU market. For this purpose the innovation strategy introduced a specialized tool - National Innovation Fund (NIF). The strategy envisaged gradual increase resources for innovation for 10 years and rhythmic work of the specialized tool NIF. Parallel to this growth was provided and the resources of other national instrument - Fund "Scientific Research", also



structured in 2003 by the Act to stimulate research.

Expectations of successful operation of the innovation strategy is linked to the achievement of the following parameters:

- growth of the gross domestic product;
- increasing the value added created by the Bulgarian industry;
- increasing productivity;
- export growth;
- improve the balance of payments of the country;
- attracting foreign investment.

Today we recognize, however, that much of these expectations have not been realized primarily due to two main reasons:

- **underfunding of the national innovation system**, which covers research institutions, innovative companies, large and small traditional company structures, non-innovative formations, etc.;
- **Lack of coordination** between different policy and regulatory documents in order to common regulatory framework and favorable.

Although innovation strategy is focused on the need for sustained scientific innovation policy, there are no clear signs of its functioning. The lack of coordination of the two parallel operating strategies - innovation strategy and research development in the period when they were both up to date, has taken its toll. They have neither complementary action plans, which is highly recommended in some European findings and recommendations nor provide coordination in the update of the two strategies. Innovation strategy for smart specialization (ISIS, 2014), which is up to date for programming period 2014-2020, reports state support, implemented through various instruments such as the National Innovation Fund, OPC, NSF and others, and outlines the future potential for accelerated technological development, promising sustainable economic growth. The prioritization is based on the view to the outside world,



assuming that business will be ambitious, but also realistic in terms of what can be achieved through the combined capabilities. The following technological areas are defined as priority:

- Mechatronics and clean technology;
- Information and Communication Technologies;
- Biotechnology;
- Nanotechnology;
- Creative industries, including cultural;
- Pharmacy;
- Food Industry.

Innovation strategy for smart specialization (ISIS) is implemented through the tools of two operational programmes OPIC and OPSESG, NSF, NIF and the national budget and priorities of each of these instruments are complementary.

National strategy "Bulgaria 2020", which is regarded as long-term national programming document for the development of the Republic of Bulgaria provides the link between the national priorities of the Republic of Bulgaria and the EU in the context of the strategy "Europe 2020". One of its main objectives to support the development of innovation is *"Increasing the competitiveness of the economy by creating a favorable business environment, investment promotion, implementing innovative solutions and increasing resource efficiency"*. Among the eight identified priorities is the following *"Support for innovation and investment activities to increase the competitiveness of the economy, which is aimed at stimulating innovation and sustainable innovation policy."*

Partnership Agreement 2014-2020

Partnership Agreement 2014-2020 (PA) is the successor to the National Strategic Reference Framework 2007-2013, however, except the three Structural Funds (Cohesion Fund, European Regional Development Fund and



European Social Fund) it also covers the financing under the European Agricultural Fund for Rural Development and the European Fund for Maritime Affairs and Fisheries. The five funds form the EU structural and investment funds (ESIF) provide strategic guiding principles in programming and implementation, including the Europe 2020 strategy.

PA is prepared according to the Common Strategic Framework of the European Union, the specific recommendations of the Council of July 2012, Country Fact Sheet for Bulgaria of the European Commission in July 2012, taking into account the position of the EC.

Accent in the PA is its contribution to the implementation of the NDP: 2020 Bulgaria, as a basic document for the development of Bulgaria and the National Reform Programme and to achieve common European goals for growth and employment set out in the strategy "Europe 2020".

Based on detailed analysis of socio-economic factors in the areas that can be financed under the ESIF critical points for the development of Bulgaria are drawn for the following:

- Demographic decline and aging
- Inadequate share of employed (20-64) and insufficient economic activity of the population (young people, older people, women)
- penultimate place in the EU for healthcare and insufficient sustainability of social systems
- Low labor productivity and share R & D investment
- Low efficiency of research and innovation system
- Inefficient use of resources and energy
- Ineffective implementation of EU legislation in the field of water, air and waste
- Inefficient systems for prevention, management and addressing the consequences of risks



- Limited internal and external connectivity
- Limited freight transport (by rail and water)
- Unfinished modernization of the system of public services
- Unfinished Judicial Reform
- Growing disparity in development between Sofia-city and regions
- growing imbalance in the development of territories.

Europe 2020 defines three types of growth - *smart, sustainable and inclusive*. In the PA Bulgaria identifies the main prerequisites that will contribute to them. For inclusive growth these are *education, training and employment*. For smart growth these are *investments in science, innovation and competitive SMEs*. For sustainable growth these are *connectivity and green economy*.

In addition to the three types of growth for Bulgaria it is highlighted the importance of horizontal priority in relation to the capacity of the administration and the judiciary (incl. E-Governance and Justice) - good governance and strategic spatial dimension. Based on the critical points for the development of Bulgaria and identified preconditions for growth in line with the objectives of the Europe 2020 in the strategy of the PA four key priorities for ESIF in 2014-2020 are formulated:

- *Priority 1: Education, training and employment for inclusive growth, which includes sub-priorities:*
 - Employment and labor mobility;
 - Social Inclusion and Education;
 - Lifelong Learning.
- *Priority 2: Innovation and investment for smart growth, which covers sub-priorities:*
 - Increasing the competitiveness of SMEs in key economic sectors;
 - R & D and innovation; and
 - Access to and use of ICT.



- *Priority 3: Connectivity and green economy for sustainable growth, which includes sub-priorities:*
 - Connectivity (external and internal);
 - Switch to a low-carbon economy;
 - Energy and resource efficiency;
 - Climate and Climate Change and Environment, and
 - Preservation of natural resources
- *Priority 4: Good governance and access to quality public services, which covers sub-priorities:*
 - Investments in institutional capacity building for good governance;
 - Qualitative and independent judiciary; and
 - Access to quality public services and effective implementation of e-government with a view to reforms.
- *Spatial dimension and policies for local development* is a horizontal priority set out in the PA and includes urban, rural, fisheries areas and areas with potential for tourism development

National strategic documents affect **all eleven thematic objectives** by which Bulgaria will contribute to the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth.

Distribution of funds from the European Structural and investment Funds is made, taking into account national needs and priorities in the context of the GSF and EUROPE 2020, the National Development Programme for Bulgaria 2020 and specific recommendations of the Council for National Reform Programme (NRP) and the rate of absorption of the 2007-2013 period.

The application of horizontal principles and policy objectives for the implementation of ESIF covers the implementation of the partnership principle, the principles of equality between men and women and to prevent discrimination, and sustainable development, including the achievement of the balance between the environment and available resources and aspirations



growth.

The principles of complementarity and coordination of aid is carried out at four levels in order to maximize the achievement of the objectives:

- aid coordination between the programs financed by the ESIF and avoid overlapping in investment objectives;
- coordination of ESIF aid with that of National Instruments;
- coordination of assistance from ESIF and other Union programs;
- coordination of the aid from ESIF with that of the European Investment Bank.

A new element in the cohesion policy for 2014-2020 is the existence of preconditions for funding under ESIF. The aim is to encourage strategic planning based on "smart specializations" in relation to achieving the objectives of Europe 2020. The preconditions are requirements for performance in individual areas under the thematic objectives that the country is committed to achieve by the end of 2016 and are a prerequisite for receiving financial aid for 2014 - 2020. For each Fund separate preconditions are set. For failure to conditions, the country will be suspended of funds from ESIF.

In accordance with Regulation 1303/2013, each program contains a framework for implementation, including key indicators by which to demonstrate progress in the implementation of the program priorities and intermediate (for 2018) and final (2022) aims for each indicator. Based on the progress against targets the so called 'performance reserve' will be allocated in 2019 and the lack of satisfactory progress will be grounds for suspension of payments.

PRELIMINARY ASSESSMENT OF RIS3 - BASED ON THE RIS3 STRATEGY FOR SCR

As an EU member Bulgaria has stated its intention to actively participate in achieving the objective of strengthening research, technological development



and innovation.

In the EU, the majority of investments in science are from the business sector. A similar trend is already observed in Bulgaria in 2010-2013, by registering a large share of R & D expenditure by the business sector - 53% to 37% of costs in the public sector and 10% of expenditure in sector "Higher education". Until then prevails the share of government spending on R & D. To a large extent the reversal of business to new technologies and innovation is due to the need to be competitive in the conditions of economic crisis. Although invested funds for R & D enterprises gradually increased over the years, it still is not the necessary size and pace.

Situation and key trends:

- Traditional research centers in Bulgaria are universities, research institutes and units of BAS, and few departmental research structures. In universities and independent colleges there are specialized units for scientific, research and development activities.
- The level of investment in research and innovation is low. R & D expenditures and their share in the GDP of the country and all areas are unsatisfactory. The lagging behind on this indicator puts into question the realization of the objective of achieving a level of *1.5% of GDP on R & D expenditure in 2020*, defined by the National Reform Programme 2011-2015 in implementation of Europe 2020 strategy.
- The EU value for R & D employees of the economically active population of is 1.03% for 2010 while for Bulgaria this indicator is only 0.7%. Only Southwest region is characterized by higher than the average for the EU27 indicators for personnel engaged in R & D (1.36%), but this value is significantly lower than employment in metropolitan areas of the EU. In the other regions employment in R & D is in the range 0.21% for Northwest to 0.56% for Northeast.



- Regional differences in the concentration of public resources for R & D and on investment in research products of the enterprises are significant. For example in 2010 in the South West region significant resources to R & D (83% of total R & D expenditures) is concentrated, on the other hand research costs of businesses are also significant (85% of spending in the business sector). On the other side is the Northwest region where public sector spent only 3.2% of total expenditure and invested funds in research products of enterprises have less than 2% of the total costs of enterprises in the country. The North Central region concentrates 0.83% of public spending and 2.52% of the costs for businesses, and in the Southeastern region - 3% of public sector spending and 5% of the cost of businesses. Data for the period 2010-2013 range with an increase of approximately 0.8%, which is still unsatisfactory.
- Despite the relatively high number of educational and research centers, there is no qualitative transition to applied research and transfer of innovation and technology to other sectors. The link between research and education institutions and businesses in all regions is weak or absent. The idea for establishment of techno-parks and other structures of this type is still not realized on the territory of no region (contract has been signed for the construction of Sofia Tech Park).
- According to the report of the *Regional innovation scoreboard 2014* Bulgaria is a "modest innovator", together with Latvia and Romania. The presentation of innovation has increased constantly until 2010 but in 2011 began to decline.
- Regionally, the development of high technologies in Bulgaria is very uneven.
- *There is a serious underestimation of the opportunities offered by the*



interaction between the units of the innovation system and business. Despite the presence of research and university organizations in the areas interaction with businesses is not systemic in nature and is rarely associated with the implementation of joint research and innovation. There is no clear thematic focus and distribution of scientific infrastructure to the specific potential of the regions and their specialization. Such steps are already being taken for the construction of scientific and technological parks in Sofia, Burgas and Varna.

- *Financial ensurance for science and innovation remains below the required level to improve the innovation potential* of the regions, which will be reflected in lower growth in the future. The ongoing process of deleveraging (capital used for scientific research is not updated) and deskilling (working age population does not participate actively in continuing education) are factors having negative effects on the productivity and competitiveness of the national and regional economy amid the faster growth of technology and can lead to even more drastic retardation.
- The structure of public spending and lack of concentration of resources not stimulate targeted research. Institutional support for many scientific organizations is predominant at a very low share of program and project financing in areas, often with divergent demand by businesses.

REGIONAL INNOVATION STRATEGY OF THE SOUTH CENTRAL REGION

In the mid 90s of the twentieth century Directorate General "Enterprises" and DG "Regional Policy" of the European Commission announced the development of regional innovation strategies (RIS) as a key policy instrument to promote innovation at regional level in the Member States of the EU. Both directions laid



the foundations of the "Regional Innovation Strategies" which is just one of the many initiatives to encourage more innovative thinking in Europe, led to the creation of the Network of Innovating Regions in Europe - over 100 EU regions undertake RIS in 1994 , with support from the European regional Development Fund and the Fourth Framework Programme for research, technological development and demonstration.

Implementation of the Programme "Regional Innovation Strategies" represents the beginning of the transition from outdated understanding of innovation as a linear process in which researchers generate innovations, enterprises deploy them and public sector provides financial support to an entirely new approach, involving all stakeholders in the regions - local and regional authorities, industry, commerce, representatives of science, research centers, financial institutions, intermediaries and others.

At present, over 250 European regions are members of the Network of Innovating Regions in Europe, which went through several stages of development.

The main objective of regional innovation strategies is to enhance the capacity of regional institutions to formulate policies aimed at the real needs of the business sector, particularly small and medium-sized enterprises. RIS support regional authorities to undertake a comprehensive assessment of the local environment for innovation. The result was developing a strategy which sets the framework for optimizing innovation policy and innovation system at the regional level, especially in terms of their compliance business needs. Regional Innovation Strategies promote cooperation between the private sector, SMEs, research organizations and public administration in order to enhance the innovation capacity of the region as a whole.

In addition, the 145 EU regions are implementing programs in the implementation of the measure "Innovative actions" of the European Regional Development Fund for the implementation of part of the activities set out in



regional innovation strategies, many of these projects are a continuation of the first generation RIS and RSTTI - the so called RIS + projects.

South Central Planning Region is the first in Bulgaria, which is implementing a project to develop a regional innovation strategy for the period 2001 - 2004, in partnership with the Ministry of Regional Development, the Regional Development Council of the South Central Region, University of Thessaly, Greece and "Technology Transfer and Innovation - Magdeburg" Ltd. It is part of the first generation of RIS projects in 16 countries - candidates for EU membership, and is supported by the Fifth Framework Programme for research, technological development and demonstration projects (1998-2002). The project created a common platform for cooperation between the public and private sector, research organizations and universities and financial institutions in the South Central Region

RIS of SCR has been approved by the governors of the six areas of the South Central Region and is integrated into the Regional Development Plan for the period 2007 - 2013. The set measures are the basis for working with the Cohesion and Structural Funds in the field of innovation in the region.

Priorities of the Regional Innovation Strategy

The defined strategic priorities for the completion and optimization of regional innovation system of the South Central Planning Region are:

- 1. Increasing the competitiveness of SMEs through innovation.**
- 2. Increasing the innovation culture in the region.**
- 3. Completion of the regional innovation system.**

For the purposes of this analysis a comparison is made between RIS3 priorities of SCR and the needs of the local economy, which is *characterized by minor changes and / or sudden economic reversals that reduce the needs identified at time of creation of the Innovation Strategy of the region*. Even the contrary, the



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trends are towards *more targeted development of innovative capital and infrastructure* to respond to the new time perspectives (2014-2020).

South Central region includes the regions of Pazardzhik, Plovdiv, Smolyan, Haskovo and Kardzhali. The size of the area is 22,365 square kilometers and covers 20.1% of the country.

The region is bordered on the north by the North Central region, east of the southeast region of the south of the state border of Bulgaria with Turkey and Greece to the west by the South West Region.

The territory of the region is passed by Trans-European Corridor № 8 (from the Adriatic to the Black Sea), Trans European Corridor № 9 (from Scandinavia to Greece) and Trans European Corridor № 10 (from Western Europe to the Middle and Far East).

The advantages of the region is expressed in the presence of two state borders, Kapitan Andreevo border checkpoint is one of the busiest in terms of passenger and trade is a passing. Here is the second largest city in Bulgaria - Plovdiv. On the territory of the SCR Plovdiv Airport is located. The airport is specialized in servicing charter tourist flights. It performs functions of an alternate airport at Sofia Airport.



With no less importance are the two free zones - Svilengrad and Plovdiv. the newest Makaza checkpoint, connecting Bulgaria and Greece functions here.



The population of the area is approximately 1.3 million people, or 20.07% of the population. The population density of the area is 65.7 people per km², equal to the national average - 65.6 people per km². The highest population density is in Plovdiv region - 114 people / km², which is far above the national average, while the lower in Smolyan region - 37.7 km². A decrease in the population in all regions is registered - negative natural growth.

The degree of urbanization in the region is lower than the national average.

Urban centers in the region are 54. In the SCR is the second largest city in the country, which is of national and international importance - Plovdiv, with a population of over 368 thousand people. Other regional cities have population of: Haskovo (77 481 people) Pazardzhik (77 050 people), Kardzhali (49 271 people) and Smolyan (30 898 people). Other major cities in the region: Asenovgrad (52 935 people), Dimitrovgrad (40,011 people), Velingrad (24 829 people) and Karlovo (24 347 people).

Coefficient of economic activity of the population of 15 years and older is about 50%. By this indicator SCR is below the national average (51.3%). The highest rate of economic activity is in Smolyan and Pazardzhik regions (with levels above the national average), while the lowest is in the region of Kardzhali.

The unemployment rate is increasing.

The value of gross domestic product (GDP) at current prices for the South Central Region for 2011 amounted to 9067 million lev, and by 2013 was 7 858 million lev, according to preliminary data of the NSI.

GDP per capita, statistical regions	2012.	2013 *
BULGARIA	10 956	11 050



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GDP per capita, statistical regions	2012.	2013 *
Northern and Eastern Bulgaria		
Northwest Region	6 816	7 448
North Central Region	7 548	7 710
Northeast Region	9 077	8 784
Southeast Region	9 140	9 186
Southwest and South Central Bulgaria		
Southwest Region	17 887	17 890
South Central Region	7 761	7 858

Source: NSI * Preliminary data

The region forms 12.0% of GDP of the country. The structure of the gross added value of the region is characterized by a preponderance of the services sector, which forms 52.9% of total value added in the SCR. The industrial sector produces 38% of the regional added value and the contribution of the agriculture and forestry is 9.1%.



The structure of the distribution of foreign direct investment (FDI) in the country, the South Central region has the proportion 9 which is 0% of all FDI to Bulgaria.

An important element of the study is the correlation of the priorities of the Regional Innovation Strategy of the SCR with the results of the NSRF. It should be noted that such a comparison can be surveyed in detail, but the main thing is that the implementation of the priorities of the NSRF can and will be measured at the end of 2015. The interim evaluation of the NSRF indicates progress and positive trends in achieving the targets set, but taking into account that the main part is financed under OP 2007-2013, which real peak of performance started in 2010, the effect of investments in full force to be reported in 2016. The priorities of the Regional Innovation Strategy of the SCR are drawn based on an analysis of the needs of the region and opportunities for developing innovation or at least create prerequisites an innovative approach to local economy.

Monitoring the state and main trends of Bulgarian regions in terms of "smart specialization" shows that:

- Bulgarian regions are characterized by low indicators of development of information society in the EU.
- Recorded are differences between digital accessibility between the regions of level 2, as well as at intra-regional level (regions, municipalities), between densely populated and medium and sparsely populated areas. The basis of this division is the dominant market principle of building digital infrastructure. For this reason, the coverage in rural areas in Bulgaria is significantly lower than in other Member States of the EU and of the Community average.



ACCESS OF HOUSEHOLDS TO INTERNET

	2014	
	%	Брой
Total for the country	56.7	1 480 722
By statistical regions		
Northwest	43.8	108 356
North Central	59.6	299 827
Northeast	52.6	207 911
Southeast	52.7	166 246
Southwest	63.4	505 798
<u>South Central</u>	<u>54.2</u>	<u>192 584</u>

By types of external links ¹



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Narrowband connection	3.3	49 059
Dial-up or ISDN	0.6	8 213
Mobile narrowband connection (WAP, GPRS)	2.9	43 010
Broadband connection	99.7	1 475 801
Fixed broadband connection, incl. wireless (DSL, ADSL, VDSL, LAN cable, optical cable, satellite, public WiFi)	95.3	1 411 174
Mobile broadband connection (through a network of mobile phone, SIM card or USB key, using a mobile phone or smartphone as a modem)	24.8	366 976

Source: NSI

- Bulgaria is lagging behind the EU in terms of the status of broadband infrastructure. In 2011, 40% of households in Bulgaria (50.6% - in cities, 42.5% - in secondary cities and 28.4% - in rural areas) have broadband access in fixed lines to 68% EU average. This is one of the reasons the regions to report low rates in other related indicators such as use of the Internet and ICT - 55% of the country's population has never used the internet (NER), only 5.1 % of the population ordered goods or services over the Internet, and only 24.2% of the population use online administrative services. Some slippage in the average EU levels, though not so pronounced, exists for indicators reflecting the use



of ICT by enterprises.

The fact is that the regions lagging behind in the digital development, lag behind in their socio-economic development. There is a risk Bulgarian regions to remain "detached from information" which can deepen other differences in development.

Identified barriers to overcome in order to achieve higher levels of competitiveness of the regions:

- Underdeveloped digital infrastructure that would support the development of the economy in the majority of regions in the country.
- Need to expand the local e-services and e-communities and e-regions. Need to stimulate the development of ICT with higher added value.
- Need to overcome the so called "digital exclusion" of certain areas in the country, which puts the population in these areas at a disadvantage in terms of training opportunities, access to information and e-services, and business in them in terms of using ICT.
- Educating the population in necessary computer skills to enable them to use the Internet and electronic services and improving the quality of workforce;

In general, given the above trends *the needs in terms of technological development and innovation* at national and regional level are identified:

- Need for *thematic distribution of scientific infrastructure, territorial concentration*, linked to regional / local needs.
- Support for *development of intermediary infrastructure of research and innovation with business*, eg. technoparks, network / business incubators and digital partnerships, formations for transfer of innovation, etc..



- Lack of adequate *support to create high-tech jobs and companies in regions with potential for development of high-tech activities*. It is necessary to create conditions for the development of innovative potential of businesses by expanding access to risk capital, encouraging investment in human resources and aggressive involvement in the transfer of knowledge and technology.
- In a number of region (SCR, SWR, NER, etc.) there are practices and conditions for the establishment of regional innovation clusters. It is necessary *to find the right tools to promote clustering* by increasing the willingness of businesses to participate in clusters and support their creation and management. The same applies to knowledge centers - we need properly tied territorial proposals for establishing centers of knowledge and innovation, research and development around large cities with potential and available facilities, personnel and traditions in this area - Sofia, Plovdiv, Varna, Burgas, Stara Zagora, Rouse and Pleven, profiled in accordance with the characteristics of the region.
- A key problem remains *the lack of adequate tools for pulling or complement private R & D funding through state funds*.
- The main challenge of strengthening the innovation potential and the *restructuring of the regional economy towards sectors which are intensive with knowledge and high technology and high value added sectors* remains the development of human potential, which requires training and incentives for the development of highly qualified human resources in the scientific technical disciplines.
- Access to *ICT and the use of digital technologies* by population and business is an important factor for regional growth, increasing productivity and building a competitive regional economy.



For the purpose of the analysis competitiveness of SMEs is overviewed, taking into account the fact that the SME sector forms 99.8% of the aggregate of non-financial corporations in the country and level 2 regions, which raises the question for an integrated policy to improve their competitiveness, in order to achieve sustainable economic growth, including by effective absorption of EU funds and improving the business climate.

Overall, it can be concluded that the continuing trend of uneven distribution of the SME sector in level 2 regions, and the proportion of entrepreneurs (employers and self-employed persons) of total employment in the region as indicators of the level of entrepreneurship. The lowest levels of entrepreneurship (number of SMEs per 1,000 people) is noted in the Northwest region (32.2), while the highest levels are maintained in the Southwest (62.8) and Northeast region (51.3).

SMEs in the region lag behind in competitiveness compared with large enterprises around twice lower productivity, lower profit margins and low wage. This is a national trend, because Bulgarian SMEs have an average of 5 times lower rate of labor productivity compared to the new member states of the EU and up to 30 times lower than the EU countries. One of the main reasons for the low productivity of the sector is the backwardness of much of the production equipment and assets and ICT applications and the low level of innovation.

Finance for the growth of SMEs are less affordable for SMEs in Bulgaria than in developed countries. Over 86% of SMEs do not have sufficient financial resources to finance the necessary investments.

Although there has been a positive trend of penetration of ICT and IT applications (accounting programs, Internet, office software), SMEs do not normally involve large innovation due to their limited capital and capacity for risk-taking.



Low innovation activity is marked in over 57% of SMEs. The most innovative companies are in manufacturing. Only 10% of SMEs have sufficient funds to finance innovation, however. The most common innovation activity is organizational innovation which is related to changes in business processes to optimize and reduce costs (38%).

The main conclusion of the analysis of the factors for competitiveness and development is that Bulgarian SMEs *are still not competitive enough (especially smaller ones) in terms of access to financing, innovation, intellectual property, internationalization and implementation of best practices*. On the other hand, in recent years there has been a clear trend of strong growth in sectors that depend on innovation. There are sectors of industrial production, which performed well during the crisis and have registered positive growth. These are *mainly high-tech industries such as manufacturing of computer, electronic and optical products, paper, paperboard and articles of paper and paperboard production of motor vehicles, trailers and semi-trailers*. Industries in the service sector, which were not affected by the economic crisis and reported positive growth are *information services (data processing, hosting and related activities; web-portals and other information services); activities in the field of information technology, film production and television, sound recording and music; activities related to tourism; hire activities and supply of labor, administrative office support and other business support activities*. Specific is the situation of border areas, given the fact that the cross-border context gives a different dimension to business development, conditioned by the degree of development and supply of goods and services to SMEs from neighboring-countries (Greece, Turkey, etc.), but to complete extend.

Identified needs of SMEs in the SCR:

- **Improving the access to financial resources** for introducing and using modern ICT in the field of sciences and development and



innovations in SMEs

- **Ensuring access to information and training to SMEs** about contemporary achievements in worldwide practice (applied methods, data, scientific researches, etc.)
- **Need for development of local business and technological environment.** The following groups of factors are identified which depend to low or high extent on local administration and impact on business environment. These are factors such as *tax policy, operation of local administration*, including economic activity, procedures for building permits, corruption, *education and qualification of work force, presence and provision of ICT and e-government*, available producing areas, etc.
- **Need for technological modernization and addressing high energy consumption of SMEs.**
- **Need for support for development of viable SMEs in rural areas**, leading to diversification of economy in those areas aiming to preserving the local population employment.
- **Need for extending export activities and internationalisation** of Bulgarian SMEs. In relation to this the following should be implemented to more extended level: support for inclusion in international clusters and networks for cooperation, development of ICT to support internationalization, support for restructuring SMEs to niches with market potential and high technological sectors.
- **Lack of clear perspective for competitive sectors**, which to be supported in the regions as well as sectors with high added value.
- **Need for support for the establishment of sustainable regional clusters** and cooperation networks.

In order to present an adequate analyses and evaluation of the RIS3 strategy of



South Central Region national innovation policy should be also followed related to innovation system context:

- State of **the economy** – 2014 is the fifth year without sustainable economic growth in Bulgaria, reduced consumption and investments;
- Shortage of qualitative new business projects and financial resource and stable high unemployment;
- Serious internal and external **political instability**, high corruption and regulatory risk which resulted in significant turmoil in the banking system, unsecurity in EU funds and national budget management and raising the public debt without adequate public investment solutions;
- apathy and extremely **low levels of happiness** in society - lack of prospects for realization and seeking opportunities abroad, primitive conditions in the provision of health and education services and a sense of national failure compared to the other EU countries.

In such conditions the dissemination of social innovation and the development of entrepreneurship and innovation culture as the foundation of the innovation potential of corporate and macroeconomic level have become the exception and the result of natural welfare due to the benefits of membership in the EU. *Innovation and research are developing despite, not thanks to targeted policies.* Legislative and strategic framework that determine the development of innovation in the country over the past 10 years can be described as simple.

There is absence of internal driving force of innovation and research policy of the country, and progress is in areas related to external factors country:

- patent law;
- draft documents developed by non-state expert teams, but not enforced (strategies for the development of high technologies and clusters);
- documents generated as project results remained unaccepted as a commitment of state and regional administration (regional innovation



strategies by planning regions);

- documents which development EU required as an obligation for the absorption of European funding by national instruments (OP „Competitiveness” for programming period 2007 - 2013, OP „Innovation and Competitiveness”, „Science and education for smart growth” and Innovation strategy for smart specialization for the programming period 2014 - 2020).

National political will for the development of science, technology and innovation for the past decade limited to three (3) documents: Law for Promotion of Scientific Research (2003), Innovation Strategy (2004) and National Strategy for Development of Research (2011) and at the end of 2014, as consequence of the requirements of the Commission on Strategic Planning Innovation strategy for smart specialization of Bulgaria 2014-2020. So far the implementation of these documents is not supported by clear and sustainable financial and administrative commitment by years of their operation, which put the implementation of their underlying measures and instruments depending on the financial and political situation.

Innovation strategy for smart specialization and both Operational programs: "Innovation and Competitiveness" and "Science and education for smart growth" have the ambitious goal to create an overall adequate working framework for the promotion of research, technological development, innovation and entrepreneurship in the country for 2014 - 2020. The prerequisites for this are promising:

- One finished programming period for Bulgaria as a full member of the EU and the opportunity Bulgarian institutions and government to gain experience and learn for more accessible and more effective absorption of European and national financial resources;
- A common mechanism by the two relevant ministries - the Ministry of



Economy and the Ministry of Education and Science for coordination of priorities and objectives and implementing joint mechanisms for financial support of projects in all stages of the innovation life cycle.

Unlike the development of innovation policy Bulgarian enterprises continue to strengthen their innovation activity. Data from the Innovation Index of Bulgarian Enterprises 2014 show positive development. Innovation Index continues to rise for the last five years (2009-2014), albeit at a much slower pace, mainly due to the increased intensity of innovative enterprises (more and more diverse innovation). Cumulative innovating of enterprises increases. In 2014, 75% of innovative companies performed simultaneously more than one type of innovation, with a share of 62.5% in 2009. *As the most innovative companies* shall be determined those which carried all four types of innovation (product, process, organizational and marketing), and *their number increased from 6.3% in 2009 to 14.7% in 2014*. Dominant type of innovation are product innovations followed by marketing, which indicates broadening and deepening of markets in the country. Bulgarian companies competing on the European and international markets are significantly more innovative than companies that have opted for national or local markets. In 2014 the amount that enterprises state as necessary for the realization of their innovative projects averaged to 4.7 million leva. *The continued progressive development of innovative enterprises in Bulgaria shows how much more could be achieved in this direction, if their efforts are matched by better public support.*

Innovation potential of Bulgarian economy

Progress achieved in the development of the national innovation system in the last decade does not correspond to the existing potential.

However, it may be noted a number of positive changes in 2014:

- Developed are the Innovation strategy for smart specialization and



operational programs „Innovation and Competitiveness” and „Science and education for smart growth” as basic documents that will support R & D and innovation during the current programming period.

- created prerequisites for their consistent implementation;
- Improved are the indicators for the size and structure of R & D funding and the number of people employed in research, although they remain at levels lower than in other countries - EU;
- significant is the contribution to GDP and employment of economic sectors based on intensive use of intellectual property, although a large part of the technological know-how is owned and under controlled use of foreign investors without sufficient connection with the local innovation ecosystem;
- increased are the possibilities to promote entrepreneurship.

Traditionally serious negatives remain and some of them have deteriorating trends: *uncoordinated, unintentional, unsustainable, inefficient use of limited public funding spending on R & D and innovation.*

Best practices in this regard are rather an exception. Insufficient funding in all institutional sectors, especially within higher education. NGO sector is ahead of sector "Higher Education" for the indicator source of funding for R & D. There is a declining technology portfolio by universities. Regional structure in funding and personnel engaged in R & D returns to the state in 2000 after balance trends of recent years. *There are extraordinary concentration of innovation potential in the South West region and neglect of regional innovation systems of other regions.*

The experience of the first programming period the EU has shown that *Bulgaria's membership in the EU itself is unable to substantially change the relative backwardness of the country in terms of innovation.* Quite the contrary, the momentum in neglect of science and innovation and decision-making for their management, have led to continuing absolute and relative backwardness



of the country's indicators for innovation capacity and intensity in implementing new technological knowledge within the EU.

In recent years there is a clear trend in which **globalization** (free movement of capital, goods, people, information, ideas) **is combined with deepening regional specialization** both in terms of technological chains in the manufacture of products and components, so and within the innovation process. Bulgaria as a whole and planning regions at level 2 should develop competencies and business models to support effective and lowest cost implementation of these ideas into mass production. Benefits will be new jobs, higher added value, improved living standards, pull effect on other economic sectors. Especially at the regional level behavior based on contemplation, waiting (for example, to pass the crisis) and passivity should be avoided, which is a sure path to the last places in local and international charts.

The contribution of the pilot RIS initiative of South Central Planning Region to the development of regional innovation in Bulgaria

Within the pilot RIS for the South Central Planning Region in May 2003 the foundation "Applied Research and Communications" jointly with the University of Thessaly, Greece, and the Ministry of Regional Development and Public Works organized a working visit to the region of Thessaly for all governors from 28 regions of Bulgaria to promote RIS initiatives and their contribution to overall economic development of the regions.

In late 2003 the foundation "Applied Research and Communications", together with DG "Enterprises" of the European Commission organized an information day on the competition for the second generation RIS projects in the new Member States and candidate countries. Within the framework of this competition in 2004 Bulgaria performed extremely successful and the five planning regions performed projects for the development of regional innovation



strategies, using the knowledge and experience gained during the implementation of the pilot RIS initiative in South Central region.

Since June 2005 four RIS projects are implemented in Bulgaria:

- RIS for Southwest Planning Region,
- RIS for Northeast Planning Region,
- RIS for the Southeastern Planning Region,
- RIS for North Central Planning Region and
- RIS for the Northwest Planning Region.

RIS projects identify needs and priorities of regional and national level through the implementation of regional innovation audit. It covers research and analysis of the needs of enterprises of new technologies and innovations; supply of new technologies from universities and research institutes; the activities of intermediary organizations and the level of compliance of the services offered and the needs of business as well as cooperation between business, science and intermediary organizations. The problems can not be solved at the regional level, should be referred to the national innovation policy. For this purpose, the RIS projects can provide analysis of the innovation potential of the regional and sectoral level, ie RIS have the potential to be a tool for decentralized implementation of the National Innovation Strategy.



INSTRUMENTS AND FUNDING OPPORTUNITIES FOR IMPLEMENTATION OF INNOVATION POLICY

For innovation policy implementation key is the role of the new Operational programmes - Operational program "Science and education for smart growth" and Operational Programme "Innovation and Competitiveness" (OPIC), which are the most essential tools for its effective implementation. The two national funds have complementary effect - NIF and SRF and European instruments supporting research and innovation - Framework Programmes and other European initiatives.

"Science research" Fund and National Innovation Fund can be regarded as complementary tools of innovation policy in terms of their financial capabilities. They do not have a sustainable budget, respectively unstable and rhythmic financing of the implemented projects with their support. They work on different priorities that are neither relevant to each other, neither fully European. Both funds apply different assessment tool. There is insufficient transparency of the evaluation procedure. There has been no product analysis developed of the financing of these two instruments and their applicability or sustainability. Interestingly, the NIF has not had any independent assessment by foreign evaluators and SRF since 2007 also has not been evaluated (before it is evaluated 2 times). Such an assessment is recommended to ensure the achievement of European standards and transparent rules for their operation. Under the policy of transparency and accountability, which is an integral part of other sectoral policies, such an assessment is absolutely necessary. It will give an independent view not only on appropriateness of money spent, but also on the usefulness of the results and their impact on the development of national innovation system. Along with national instruments in support of innovation a number of European instruments can also be applied - the Framework Programmes of the European Union for Science and Innovation, COSME programme supporting small and medium-sized enterprises, Erasmus + as well



as regional programs to target areas where participants from the country or have access as a non-substantial partner or full rights of participation. With efficient use of all these tools strong added effect and contribution to the successful realization of innovation policy can be created. Except the tools to support successful innovation policy the aspect of the so-called "Cultural capital" should be also taken into account. It does not refer to the ability of a nation to produce innovation but to the extent of its risk tolerance and interpersonal trust in society that affect the attitudes of the innovators in business creation and implementation of new ideas. The risk is inherent in any innovation project and innovators need tolerance to take that risk. This kind of capital is not yet sufficiently developed in the country.

Instruments to conduct European innovation policy

European policy priorities in the field of research and innovation are reflected in financial support programmes and new guidelines for the allocation of financial resources for the programming period 2014 - 2020:

Programme "Horizon 2020" One of the five key objectives of the strategy "Europe 2020" is increasing investment in research and development. Building an economy based on knowledge and innovation across the European Union, while contributing to sustainable development is a top priority for Europe. In support of this strategy and other Union policies the programme "Horizon 2020" (2014-2020) was set up. Its purpose is construction and operation of the European Research Area by promoting all forms of innovation and attract a wider range of talents and ideas. Its operation covers the entire cycle from inception of the idea to marketing the project. One of the main points in the Programme is to encourage new, creative and innovative types of training to expand the boundaries of knowledge. "Horizon 2020" also seeks to enhance the potential of human capital and research infrastructure, support for R & D partnerships with industry and stimulate the creation of innovation clusters.



The program is also aimed at streamlining the rules and procedures, improving and facilitating access to scientific knowledge through various online platforms and training. "Horizon 2020" provides the best European researchers the necessary resources to increase their global competitiveness, as a Europe-wide competitive finance and individual teams. The Programme aims to bring together researchers, educators and innovators by communities for knowledge and innovation to work together on research and development of new technologies. Expansion of international cooperation, increasing the productivity and innovation capacity in Europe will ensure the creation of advanced, sustainable and competitive European economy with leading positions worldwide in high-tech sectors and the ability to develop effective solutions for societal challenges. Increasing strategic investments in research and development will increase the achievements of science base and long-term prosperity and stability of Europe.

Instrument for SMEs: For the first time in the Programme "Horizon 2020" through the Instrument for SMEs is envisaged a special and targeted funding for innovative projects developed by one or more SMEs in the EU. The SME instrument is the European analogue of the Federal program of the US government SBIR (Small Business Innovation Research), which operates in the US from the 80s. A distinctive feature of the Instrument for SMEs are the three phases of implementation of the projects, each of which can be applied consistently.

The financing proposal is in the form of a business plan rather than the "traditional" for "Horizon 2020" detailed project proposal.

Phase 1. Evaluation of the innovation concept and its technical and market feasibility

The following activities are financed: activities for technological and economic feasibility of the concept, risk assessment, market research, intellectual property management, developing an innovation strategy, partner search. The



maximum amount of funding is € 50,000 for the six-month implementation period. Innovative development should be a novelty for the sector and to have a technology readiness level 6 or higher, ie acting prototype, demonstrated pilot system, a commercial design or system ready for large-scale production.

Phase 2. Demonstration activities

Funding is provided for research and development for the creation and improvement of prototypes, pilot lines, miniaturization, testing, design and other activities that lead to industrial readiness for the introduction of innovation in the market. Activities are based on the business plan developed separately or in addition to the project under phase 1. Funding is up to 70% of total costs with a maximum threshold to 2.5 mln. Euros for a period of 12 to 24 months.

Phase 3. Indirect support for the commercialization of innovation by facilitating access to the market, venture capital and other financial instruments

Within Phase 3 direct funding is not being provided. The activities at this stage are related to support for the commercialization of the product/service developed during phase 1 and 2. Businesses successfully completed Phase 1 and 2 receive "EU quality label", which makes them more attractive to foreign investors. Levels of technological readiness constitute a rock under which the maturity of newly technology is measured. There are different typologies of innovation and in the calls for proposals under the programme "Horizon 2020" the following are distinguished:

- Destructive innovation – innovative idea, product or service that creates a new market and a new set of rules, benefits and models "destructive" and / or prevailing over existing markets, eliminating the need for early technologies and connections (examples: telephone, photocopier, e-mail)



- Social Innovation – new or significantly improved product or service with non-commercial use - for example to improve the public service or the satisfaction of social needs
- Open Innovation – the result of collaboration of public, industrial, academic and civil structures for the creation and implementation of structural changes that are beyond the capabilities of each participant. Open innovation is based on the principles of integrated cooperation, the joint creation of shared benefits, the development of innovation ecosystems, the promotion of advanced technologies and the rapid deployment.

Programme for the Competitiveness of Small and Medium Enterprises 2014 - 2020 (COSME)

COSME programme is a new program for the period 2014 - 2020 supporting small- and medium-sized enterprises to improve their competitiveness. Since they are the backbone of the European economy, their development is a top priority for the European Union. COSME programme is improvement of the Entrepreneurship and Innovation Programme (EIP) and actively continued the activities of the Programme for Competitiveness and Innovation (CIP). With its budget of 2.3 billion euros COSME aims to facilitate access to funding and participation in international markets but also to increase competitiveness and improve the conditions for entrepreneurship. One billion euros of the budget will be spent to finance the already established programmes under Innovation Framework Programme such as "Erasmus for young entrepreneurs", for various trainings to enhance skills of entrepreneurs, especially women entrepreneurs and new entrants in the business community, and for helpdesks, programmes to reduce administrative rules and procedures and more. Exchange of experience and good practices is crucial for the development of businesses in the Member States. These practices continue to be the basis of any program development



and research. Various projects, procedures and ideas have inspired many entrepreneurs in developing their business programs and projects. An example of such an exchange of experience, knowledge and know-how is the organization Centre for Industrial Cooperation EU - Japan, funded by COSME. The objective is to increase competitiveness, to expand trade and relations between companies in the European Union and Japan to increase investment, which would lead to new technological breakthroughs. The joint work of the European Union and Japan are implemented through various training courses for management, helpdesk and seminars, business forum, surveys and more.

"EUREKA" Initiative and the Programme "EUROSTARS"

Eureka is an intergovernmental initiative supporting research and development and supporting national policies on innovative strategies to stimulate the European market and to boost the development of European businesses. It is founded in 1985 and since then the European Union is its member. Today more than 40 countries have membership in "Eureka", which together develop technologies crucial to raising productivity and European competitiveness in the global market. The efforts of all governments, companies and institutes are coordinated in order to create the best approaches to innovation. It appears as support to small and medium-sized enterprises and large industries, universities and research institutes. Projects will be financed that are market-oriented and demonstrate innovation policies and the use of new technologies. On June 25, 2010 Bulgaria became a full member of "Eureka" Initiative. The country participates in two projects. The first is EUREKA_{tourism} + (E!t+) for the period 2013-2015, the aim is to develop the tourism sector through the use of innovative technologies and approaches. Bulgaria is one of 10 participating in this initiative. The second project is the E! -8818 "Developing panel and software for new generational sequencing for



diagnosis of hypertrophic cardiomyopathy and was developed jointly with Turkish partner. The "Eureka" Initiative is working with the European Commission to create the "Eurostars" Programme with a budget of € 1.14 billion euros. It is supported by 33 countries - members of Eureka, including Bulgaria. The main priority of Eurostars is the development of small and medium-sized enterprises so that they become competitive and to have easy access to international markets. The programme funds innovative projects and products, which are widely disseminated after the funding.

Programme for European Cooperation in science and technological research (COST)

The Programme COST (European Cooperation in the field of science and technological research) is an intergovernmental structure for cooperation in science and technology. It covers 35 member states and one partner country - Israel. This means that its representative does not have the right to vote in the Committee of Senior Officials unlike representatives of the other 35 countries. Through its main objective to make scientific discoveries, to develop new ideas, concepts and products to a more innovative Europe an international network of highly qualified scientists is being created.

Operation of COST programme is focused on nine key areas:

- Biomedicine and Molecular Biosciences;
- Food and Agriculture;
- Forests, their Products and Services;
- Materials, physics and nanosciences;
- Chemistry and Molecular Sciences and Technologies;
- Earth System Science and environmental management;



- Information and Communication Technologies;
- Transport and urban development;
- People, societies, cultures and health.

The new initiative of COST - Gender, Science, Technology and Environment (genderSTE), aims to cover women scientists and to ensure gender equality in science and technology, which could lead to major scientific breakthroughs and innovative. This is the first targeted network approved by the Committee of Senior Officials, which develop human potential, knowledge and resources in gender equality. The second approved targeted network is Sci-Generation, which aims to develop the potential of young researchers and in this spirit to integrate the next generation because their knowledge and experience are crucial for Europe. Innovative ideas and proposals that are at the heart of economic progress and competitive global market shall be encouraged.. The third approved targeted network is BESTRAC and it aims to create a network of administrative, financial and legal services in universities and research organizations to share knowledge and experience and to promote professional development in the field of scientific and technological innovation. 2014 will be remembered by an agreement between the COST programme and the European Commission for seven years joint work with the programme "Horizon 2020" for great contribution in science, technology and innovation. Using the "Horizon 2020" will enhance international competitiveness in the European Union. The COST Programme will invest 50% of its budget in research activities and researchers in target countries. Since 1999, when Bulgaria becomes part of COST society, the country is an active participant in all key areas and in particular in: Food and Agriculture (FA); People, societies, cultures and health (ISCH); Earth System Science and Environmental Management (ESSEM); Materials, Physics and Nanosciences (MPNS).



Programme "Creative Europe"

"Creative Europe" is a new programme for the period 2014 -2020 supporting culture and creative sectors of countries in order to increase their competitiveness. The main tasks of the program are: supporting the creative sector who are willing to work at international level in Europe and beyond; improving financial policies in these sectors; expanding cooperation between countries to encourage innovation, development and implementation of new business models. For the programming period 2014 - 2020 1.46 billion are foreseen, as this figure is 9% greater than the funding of the previous programmes such as Culture and Media programme. Funding will be provided mainly in the sphere of culture and media.

The work in the field of culture is based on four pillars:

- cooperation projects,
- literary translation,
- European platforms and
- European networks.

They are all aimed at international dissemination of works, increase the mobility of various artists, enhancing the experience, creativity and competence test new business models, expanding cooperation between countries in and outside the European Union for career development, testing innovative approaches to viewing or the public and others. In the field of media actions are aimed at improving collaboration, improve access to markets, financing of individual projects, organizing festivals, build more innovative approaches to audience and others.

LIFE Programme

Protecting and preserving the environment are the main priorities for the



European Union. The use of sustainable resources and efficient technologies is crucial for Europe and therefore in the period 2014 - 2020 one of the main initiatives will be the LIFE programme. Through it the European Union aims to protect the environment, to protect nature and the different animal and plant species to use resources efficiently, reduce carbon dioxide, to take action against climate change and others. LIFE Programme is divided into two subgroups: the environment and the new LIFE Climate Action. The Programme has a budget of 3.46 billion euros, which includes € 864 million for sub Climate Action. The Environment program is aimed at efficient use of natural resources, protection of the environment and natural habitat and restoration of biodiversity. Climate Action Programme is engaged in climate change and adaptation of living organisms to them. What unites both subprograms are training offered to increase awareness and to save and conserve plant and animal species. Climate Action Programme provides support and investment in organizations, enterprises - especially in small and medium-sized, public authorities and individual companies using technologies and equipment that do not pollute the environment, and new ideas, methods, techniques and approaches that would reduce harmful emissions released into the atmosphere. At the beginning of the period 2014 - 2020 focus of the program will be adapting urban areas to rapidly changing climatic conditions. The Programme Climate Action will introduce a new type of projects - Integrated Projects. They will invest in local and regional projects that implement the methods and concepts to cope with changing climatic conditions, as well as strategies for adapting to them.

„Erasmus+” Programme "Erasmus+" Programme is part of the strategy "Europe 2020", which supports the development and efficient use of human and social capital. It aims to increase educational and professional skills of students so that they meet the requirements of growing businesses. For the programming period 2014 - 2020 14.7 billion euros are provided and this figure



is 40% higher than all investments that the European Union has done so far in the field of education and sport. It is estimated that over 4 million people will benefit from this programme to study, train, work or to participate as volunteers in different events. The new Programme "Erasmus+" brings together seven previous programmes - "Lifelong Learning", "Youth in Action", "Erasmus Mundus", "Tempus", "Alpha", "Edulink" and Programme for cooperation with industrialized countries in higher education. In 2014 part of the programme "Erasmus+" becomes "eTwinning", which was previously a part of "Comenius". For the period 2014 - 2020 three main key actions are foreseen: movement with the aim of learning; cooperation between educational institutions, youth organizations, businesses, local and regional authorities and NGOs; support policy reforms in member states and cooperation with countries outside the European Union. In the new programming period the programme will focus on: the mobility of students, teachers and workers in education and training; reform of the overlap between existing structures; greater cooperation in the field of education with countries outside the European Union. Since 2014 the program "Erasmus +" for the first time will provide support for sport and sporting events. Moreover, for the first time in this program students who wish to continue their postgraduate studies abroad will be able to take advantage of student loans at affordable terms.

JEREMIE

The main role that risk instruments under JEREMIE, and appeared initiatives and organizations supporting entrepreneurship has the potential to play a swollen consists in attracting increased public political interest in entrepreneurship and innovation in general.

To achieve a significant economic impact on existing measures, networks and activities coordinated effort is needed in the following areas:



European Territorial Cooperation Programme
Greece-Bulgaria 2007-2013
INVESTING IN OUR FUTURE

- stimulate the interest and support of start-ups outside the ICT sector;
- expand the scope of measures and organizations outside the capital;
- encouraging participation in the entrepreneurial ecosystem of more established companies with expertise and funding;
- attracting more private capital to complement and gradually shift public funds under the JEREMIE;
- Creation of financial instruments upstream to provide funding for any sized mature companies;
- solve the traditional problems of the business environment in the country.



OPPORTUNITIES TO MATERIALIZE FUTURE PROJECTS IN SCR BY SECTORS

ENERGY, ENERGY EFFICIENCY AND ENVIRONMENT

- Construction of renewable energy sources.
- Use of co-generators and heating plants reducer generators in gas distribution stations to produce electricity.
- Use the energy of waste wood, biomass and municipal waste to produce biofuels.
- Use of new lighting sources and systems for street lighting control.
- Formation of clusters.
- Reduction of losses in the supply of drinking water and electricity. Energy efficiency and increase the use of geothermal and water courses.
- Create high-tech laboratories.

INFORMATION AND COMMUNICATION TECHNOLOGIES

- Creating networks of cooperation between companies and research institutes and boost R & D.
- Venture capital financing.
- Introduction of 4G technologies and products.
- Increase the e-commerce market and personal consumption.
- Expanding the market to tourism, public sector and transnational cooperation.
- Support export strategy of the companies providing information on markets and to support participation in fairs abroad.
- Preferential lending and stimulate ICT companies for technological



innovation, reduce regional imbalances and R & D.

- Construction of an aggressive marketing policy.
- Improving staff qualifications and reducing staffing deficit.

MECHANICAL ENGINEERING, ELECTRICAL AND ELECTRONICS INDUSTRIES

- Production of electrical household appliances, vehicles, equipment and spare parts.
- Create a cluster of agricultural machinery.
- Construction of an industrial zone with related chemical and agricultural industries.
- Involvement of business in training engineers.
- Strengthening R & D and directing international projects to solve the problems of innovative firms.
- Formation of expert groups at regional level, conducting study and organizational activities to develop innovative projects.
- Increase the efficiency of companies in the protection of intellectual property.
- Introducing energy saving production.
- Timely certification of companies according to European standards.

PROCESSING INDUSTRY

- Maintain, develop and improve the quality of traditional industries and the introduction of new products.
- Protect the origin of traditional products.
- Purchase of new machinery and technology, and improving staff qualifications.



European Territorial Cooperation Programme
Greece-Bulgaria 2007-2013
INVESTING IN OUR FUTURE

- Creating clusters "Food and Beverages", "Footwear industry." Join processing of fruit and vegetables into clusters.
- Implementing and promoting own brands, especially in the clothing and food industry.
- Cooperation in horizontal level of meat production, milk production and processing and preparation for vertical cooperation based on tourism cluster.
- Support R & D and innovation in the production through the establishment of regional centers for research and innovation.
- Automation of processes and reduce the influence of subjective factor on quality.